

Evaluation of HR 676, “Medicare for All,” against the National Coalition for Health Care’s Specifications and Principles.

Summary:

The “Medicare for All” bill addresses nearly all of the specifications and principles that the NCHC states are necessary to reform our nation’s health care. It does so by creating a single-payer, universal plan in which the federal government is the payer. Moreover, it dismantles much of the present health care system by eliminating all for-profit hospitals and health care providers and limiting the role of private insurance to providing only supplemental coverage.

HR 676 generally meets the NCHC Principles in that it: (1) provides health care coverage for all; (2) addresses cost management, albeit in ways that not all agree would lead to cost savings; (3) provides for improvement of health care quality and safety; (4) provides for equitable financing; and (5) simplifies administration. The one place in which we found a significant departure from NCHC principles is that HR 676 rejects the NCHC directive to “Ensure cost sharing and other tools to control over and under use of care.” The authors of HR 676 call for basic health care to be free of charge to all.

Some would argue that the drastic steps called for by HR 676 are necessary in order to achieve the goals set forth by NCHC (and generally agreed to by the sponsors of HR 676). Others would argue that HR 676 goes much too far and puts too much trust in the government to do it better and cheaper than the free market is doing it now. HR 676 represents the left end of the spectrum of political thought, and therefore, has no chance of being enacted into law in the foreseeable future.

National Retiree Legislative Network Health Care Team

<u>Specifications for Building a better health care system from National Coalition for Health Care (NCHC)</u>	<u>HR 676: Medicare for All. Sponsored by Physicians for a National Health Program (PNHP).</u>
<u>Specifications for Reform:</u>	<u>Specifications for Reform:</u>
1. Health care reform must be a national priority.	Agree
2. Health care reform must be systemic.	Agree
3. Health care reform must be system-wide.	Agree

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<u>Principles</u>	<u>Principles</u>
1. Health coverage for all:	1. Health coverage for all: Universal coverage, governmental single-payer plan.
<ul style="list-style-type: none"> • Basic coverage defined for everyone. 	<ul style="list-style-type: none"> • Agree. HR 676 basic coverage is more comprehensive than NCHC. E.G. includes mental health, vision care, dental care, substance abuse. Private health insurers prohibited from duplicating core coverage.
<ul style="list-style-type: none"> • Optional supplemental coverage. 	<ul style="list-style-type: none"> • Agree. The only role HR 676 allows private insurers.
<ul style="list-style-type: none"> • Include adequate subsidies for those who are less affluent. 	<ul style="list-style-type: none"> • Free to all. Contributions to financing depends on income level.
<ul style="list-style-type: none"> • Assure continuity of coverage for those who move from one form or context of coverage to another 	<ul style="list-style-type: none"> • Portability assured. One plan covers all for basic coverage.
<ul style="list-style-type: none"> • Facilitate enrollment by all those eligible for coverage 	<ul style="list-style-type: none"> • If you present for service, you are covered. Includes National Health Card
<ul style="list-style-type: none"> • Require individuals to establish that they have coverage. 	<ul style="list-style-type: none"> • Not addressed. Assume all are covered.
<ul style="list-style-type: none"> • Group purchasing is recommended 	<ul style="list-style-type: none"> • Negotiated prescription drug prices. Government purchases all privately owned health facilities. Annual or fee-for-service rates set for physicians & healthcare providers. Annual budgets set for hospitals. Capital budgets negotiated separately.
<ul style="list-style-type: none"> • Should be a National strategy, not state level except pending National legislation 	<ul style="list-style-type: none"> • Agree.
2. Cost Management:	2. Cost Management:
<ul style="list-style-type: none"> • Long term goal of increasing the value generated by health care expenditures (health benefits to patient for a given level of overall spending) 	<ul style="list-style-type: none"> • Conversion to Not for Profit. (Note: that doesn't necessarily mean it's any less expensive)
<ul style="list-style-type: none"> • Long term goal of limiting total spending to % of per capita GDP. 	<ul style="list-style-type: none"> • No specific targets set.
<ul style="list-style-type: none"> • Establish rates of reimbursement for providers 	<ul style="list-style-type: none"> • Rates established.

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<ul style="list-style-type: none"> • Limitations on increases in insurance premiums. 	<ul style="list-style-type: none"> • No premiums.
<ul style="list-style-type: none"> • Independent board to establish and administer programs, rates (e.g. capitation) and limitation to keep costs in line with annual targets. 	<ul style="list-style-type: none"> • Salaries, prices established by Government, under Sec. of Health & Human Services. Expands Medicare structure of Regional, State offices to whole program. Advisory Board of Universal Quality and Access appointed by President, with advice and consent of the Congress.
<ul style="list-style-type: none"> • Make health insurance premiums comparable 	<ul style="list-style-type: none"> • No premiums.
<ul style="list-style-type: none"> • Increase effectiveness of capital spending 	<ul style="list-style-type: none"> • HR 676 requires capital spending to be kept separate from operating budget, to be appropriated by Congress, allocated to Regions by Central Allocation board. Unknown how well this would work.
<ul style="list-style-type: none"> • Ensure cost sharing and other tools to control over and under use of care, with subsidies for those who are less affluent 	<ul style="list-style-type: none"> • HR 676 rejects cost sharing, prohibits co pays, co-insurance, premiums paid by individuals.
3. Improvement of Health Care Quality and Safety:	3. Improvement of Health Care Quality and Safety:
<ul style="list-style-type: none"> • A comprehensive, national effort. 	<ul style="list-style-type: none"> • Agree. Must be a publicly funded, system-wide effort.
<ul style="list-style-type: none"> • Independent Board chartered & overseen by Congress. 	<ul style="list-style-type: none"> • HR 676 creates new Advisory Board of Universal Quality and Access appointed by President, with advice and consent of the Congress.
<ul style="list-style-type: none"> • More public funding to improve quality and safety 	<ul style="list-style-type: none"> • Publically funded Office of Quality Control, which conducts annual review of medically necessary services, makes recommendations to Congress, Secretary, program officials.
<ul style="list-style-type: none"> • Develop and publicize quality measures. 	<ul style="list-style-type: none"> • National Board of Universal Quality and Access to establish universal, best quality of standard of care.
<ul style="list-style-type: none"> • Reduce quality variations across regions and providers 	<ul style="list-style-type: none"> • State control/National Director of Quality Control

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<ul style="list-style-type: none"> • Link payment for care to quality of care 	<ul style="list-style-type: none"> • Not considered. Relies on State Boards to monitor performance of providers, as they do today.
<ul style="list-style-type: none"> • Establish National information system; “incentivize“ by supplemental payments, tax policy, establishment of protocols. 	<ul style="list-style-type: none"> • Secretary to establish, including payment system. Creates standardized electronic patient record system to simplify billing, reduce medical errors and bureaucracy. Includes patient option for confidentiality.
4. Equitable Financing:	4. Equitable Financing:
<ul style="list-style-type: none"> • Reduce or eliminate cost-shifting across programs & payers. 	<ul style="list-style-type: none"> • Agree. Moves all coverage under a single government program.
<ul style="list-style-type: none"> • Funding sources: • General revenues • Earmarked taxes • Employer contributions • Individual contributions • Individual obligations based on ability to pay 	<ul style="list-style-type: none"> • Proposed funding is \$1.86 trillion per year: • Agree, paid for by closing corporate tax shelters and repeal of Bush tax cut of 2001. • Tax on stock and bond transfers. • Employer payroll tax of 3.3%, Maintain Medicare tax of 1.45% on <u>employers</u>. • Health income tax on wealthiest 5% of Americans. Maintain Medicare tax of 1.45% on <u>employees</u>. No other individual contributions. • Agree.
5. Simplified Administration	5. Simplified Administration
<ul style="list-style-type: none"> • Reduce complexity, produce streamlined, rationalized health care system. 	<ul style="list-style-type: none"> • Agree.
<ul style="list-style-type: none"> • For basic coverage, consistent set of ground rules and understandings for patients, payers and providers 	<ul style="list-style-type: none"> • Accomplishes this by having the government provide and administer basic coverage for all.
<ul style="list-style-type: none"> • Develop national practice guidelines. 	<ul style="list-style-type: none"> • Agree. Has National Advisory Board do this.