



Health Care for All Colorado (HCAC) – May 18, 2013

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Universal Health Care Financed By a Public Single Payer System.

Key Features of Single-Payer:

- 1) Universal, comprehensive coverage
- 2) No out-of-pocket payments
- 3) A single insurance plan in each region, administered by a public agency
- 4) Global operating budgets for hospitals, nursing homes, allowed groups and staff model HMOs and other providers with separate allocation of capital funds.
- 5) Free choice of Providers
- 6) Public accountability, not corporate dictates
- 7) Ban on investor-owned, for-profit health care Providers.

Definitions:

- 1) Universal Health Care ó Universal coverage of health care means that everyone in the population has access to appropriate promotive, preventive, curative and rehabilitative health care when they need it and at an affordable cost. Universal coverage thus implies *equity of access* and *financial risk protection*.
- 2) Public - Public financing is defined as a health care system that utilizes public entities (government) for collecting premiums and paying providers. There is no private or quasi-private or quasi-public "middle man" either collecting the premiums/taxes or paying the claims to providers. We do not isolate the collection of premiums/taxes as the public portion and privatize the payment of claims or other administration.
- 3) Single Payer - Single payer refers to a type of financing, i.e. a single entity acts as the administrator (payer). When related to an insurance plan, the single payer system refers to a single risk pool. This entity will collect all the fees and pay out all health care costs.

The economic analysis of Health Care in Colorado by Gerald Friedman, PhD, Professor of Economics, Univ. of Massachusetts Amherst, was completed March 2013. This report presents the economic implications through 2024 of three alternative programs for financing and delivering health care in Colorado:

- 1) A system prior to the enactment of the Affordable Care Act (ACA),
- 2) The current system with the Affordable Care
- 3) The adoption under Section 1332 of the Affordable Care Act of the Colorado Health Care Cooperative (CHCC)

The HCAC Single Payer Task Force has evaluated the CHCC (the Cooperative Plan). The plan has been further evaluated by the Physicians for a National Health Plan (PNHP). Further analysis with Gerald Friedman was completed by HCAC and his comments in regard to his analysis are included.

	SINGLE PAYER Colorado Universal Health Plan (CUHP)	COOPERATIVE Colorado Health Care Cooperative (CHCC)
Universal	YES	NO
Single Payer	YES	NO
Administration: Public	YES	NO
Health Care Delivery: Public/Private	YES	YES ó (includes corporate Providers)
Administrative Overhead	5%	15+%
Funding, progressive	YES	NO
Payment – Single Fee Schedule (All Payer system)	YES	NO
Licensed Providers and Choice	YES	NO (choice defined by limited ACO network)
Medical Record Privacy	YES	NO
Displaced Worker Support	YES	NO

Conclusions:

- 1) The Gerald Friedman analysis was done to evaluate three economic scenarios in Colorado as noted above.
- 2) Significant economic impact is noted for the third scenario (The CHCC) with the assumption that the CHCC fulfilled all characteristics for a single payer system.
- 3) The CHCC does not fulfill all of the characteristics for a single payer system.
- 4) Several modifications will allow the CHCC to fulfill the economic predictions. Dr. Friedman is explicit in his analysis of the CHCC proposal that if it was weakened, for example, in any of the following ways, that it would not generate the administrative and other savings he projected;
 - a) If CHCC does not prohibit the sale of duplicate private insurance coverage, or
 - b) If the CHCC does not provide for a comprehensive benefits package, including critical services like rehabilitative services and long term care, thereby eliminating the need for the purchase of supplemental coverage. In ACA terms he assumed the CHCC plan would have at least a 90% actuarial value or "gold" benefits, not skimpy "platinum", "silver" or "bronze" benefits that burden the sick with high out-of-pocket costs, or
 - c) If the CHCC envisions a delivery system of giant ACOs reimbursed on a risk-adjusted basis.