



August 18, 2018

Dear Colleague,

Health finance drives equitable health care. Equitable refers to fairness in both finance and delivery of health care. Fairness in finance of health care means payments toward health care are related to ability to pay. Fairness in delivery of health care means equal access to needed care. The following papers address these issues.

Document #1: *U. S. Healthcare Financing Reform: The Consolidation of the Health Insurance Industry.* Van Der Wege, E. Gottlieb, TB. Private corporate health insurers are highly concentrated, which indicates a low level of competition. The current system of health financing is not based on a competitive model. Therefore, the idea of a public national health insurance (PNHI) is feasible to attain improved quality at a reduced cost. Document #1 provides a proposal for acquiring the private insurance market. The enterprise value of the private health insurance market is calculated at \$714 B. Consolidation of the private health insurance industry into a public national health insurance is feasible.

Document #2: *Public Takings of Private Health Insurance.* Van Der Wege, E. Gottlieb, TB. Why is it necessary to “buy out” the private insurance industry? Some suggest that this buy out is not necessary. This brief makes the case that a health insurance contract is private property and must be purchased if the contract is “taken”. We cite several court cases to demonstrate how the “Takings Clause” of the 5th Amendment of the US Constitution is applied.

Document #3: *Expanding and Improving Medicare.* Van Der Wege, E. Gottlieb, TB. Medicare law and administration are not well understood. Medicare is a social insurance program that provides health insurance coverage. And like private health insurance, premiums are calculated by actuarial methods. The purpose of this paper is to show how Medicare can be expanded and improved without changing its administrative and funding structure. In fact, it would be foolish to destroy the financing structure that is so loved by the people and is proven to be a sustainable model. The savings by eliminating the subsidies for private insurance enterprises to participate amounts to \$794 B.

Go to the HCACF website (www.hcacfoundation.org – PNHI section) for the documents. Further study is needed to describe financing of pharmaceutical products and social services including long-term care.

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