

C-SPAN
400 N. Capitol St. NW #650
Washington, DC 20001

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Leonia, NJ 07605
April 17, 1993
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Gentlemen:

Re: Health Care Reform.

If we are to go thru the pain of a 5-10 year implementation of managed competition that will increase taxes and not produce any near term savings, then why not go all the way toward the best "Single Payer" "Single System" that can be cost justified.

Single Payer is best because it has the lowest administrative cost with a single payer (government) paying all the bills with standard forms to all the providers (doctors, hospitals etc.) with comprehensive coverage including prescriptions, eye, dental and long term care and in a single system that allows the providers to compete and free enterprise is preserved.

A "Single Payer" Single System" (everyone in it) would:

- eliminate subsidies for unpaid care (\$80bil/yr),
- remove the need for Medicare and Medicaid (\$271bil/yr),
- lower administrative costs (\$35bil/yr for excess paper work),
- recover taxes for employee insurance payments (\$60bil/yr),
- cut down fraud (\$80bil/yr),
- reduce malpractice lawsuit defensive medicine (\$36bil/5 yrs),
- eliminate insurance company and HMO overhead (31%) and profit, with the system paid for by the savings and taxes.

When all the savings are totalled up, the cost will be lower than government, employers and patients pay today. Programs for tort reform, fraud reduction, cost containment, and preventive care would reduce the the government cost burden (42% now).

Why did Senator John D. (Jay) Rockefeller IV (WV) say that a "Single Payer" plan would be politically unacceptable? The Washington hidden agenda is "Managed Competition" an expansion of "Managed Care", HMO's, PPO's, HIPC's, which according to Foster Higgins, Princeton benefits consulting firm, has not proved successful in lowering health costs. Their studies showed employee's total benefits costs rose 10.1% - triple the inflation rate to an average of \$3,968 per worker. In New Jersey, HMO costs for employers rose 18.5% outdistancing both the overall rise in employee benefit costs, 11.5%, and the increase in "freedom of choice" plans 12.2%.

HMO doctors are given a financial incentive to provide less care, or rationing which now has been masked by calling it "Managed Competition". They do not offer choice, convenience, quality, or continuity of care. While it is important to stem the escalation of health care costs, it is also important to have a system that will keep our citizens healthy.

May 5, 1993

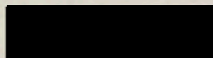
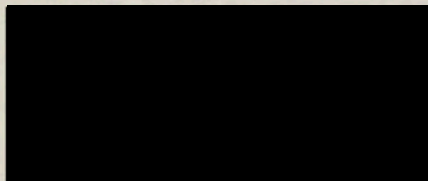
Ira Magaziner, White House senior advisor for policy development who oversees Hillary's health care panel, is a proponent of managed competition, an idea blessed by the Jackson Hole think tank group who are influenced by a founder of the HMO movement, insurance company and HMO special interests. We need to remove the insurance company and HMO middleman overhead and profit if costs are to be cut.

Much has been learned about national health care in other countries where the costs average 8.5% of GNP compared to the US 14% of GNP. The Single payer type of plan is favored by 47% of AARP members and proposed by many including PNHP - Physicians for a National Health Program, Ralph Nader - Public Citizen, and Rep McDermott's American Health Security Act.

While, as your guests have pointed out, health care reform is a complex issue, that does not mean that the average citizen cannot understand it. C-SPAN can help by enabling discussion on all types of plans.

Enclosed for your consideration is my proposal outline for "Single Payer" "Single System" health care reform. Please encourage debate on all the problems and issues.

Sincerely,



March 21, 1993

NATIONAL SINGLE PAYER HEALTH CARE REFORM PROPOSAL

BACKGROUND

- . Health Care Costs (\$900 bil) escalating and out of control.
- . Government Paying 42% of US health care cost.
- . 37 million Uninsured Citizens - all other industrial nations except S. Africa provide national coverage.
- . Insurance Administration costly, inefficient and fraud high.
- . Quality Health Care Limited for many.
- . Managed Care (HMO's, PPO's) has not been effective in controlling costs or fraud and is not convenient.
- . Malpractice Lawsuits forcing doctors to practice defensive medicine by ordering more tests and services than necessary.
- . Rising Physician Fees generating incomes that exceed those of all professionals.
- . Retirement Health Benefits being cut by companies.

PREMISE

The US, the richest nation in the world, can afford to guarantee health care for all US citizens by legislating health care and tax reform to allocate medical resources more effectively and without sacrificing quality and convenience.

Americans want choice, comprehensive care, and are willing to pay more for it.

PROPOSAL FEATURES

- . All Citizens are included in the system.
- . Single Payer - government pays for all necessary health care.
- . Choice of provider - patient chooses hospital or doctor.
- . Comprehensive Coverage - hospital, doctor, prescriptions, eye care, dental care, home care, long term health care.
- . Cost Containment - Tax Incentives to business for programs to promote wellness, provide services for preventing disease, and support for medical research. Programs to address smoking, drug and alcohol abuse, diet, safety, life style, monitor cholesterol, weight, blood pressure, fitness, immunization and stress management.
- . Limits on malpractice lawsuits. Tort Reform.
- . Optional Services - hospital private room, cosmetic or elective surgery, etc. on a fee for service basis.

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PROPOSAL PLAN

- . **Federal Role** - Sponsorship, administration and single payer. Programs for cost containment, fraud reduction, tort reform, quality assurance, and disease prevention.
- . Build on **Social Security System** for administration.
- . **Eliminate Medicare and Medicaid** - no longer needed.
- . Participating providers agree to **Fee Limits** based on services, experience, and cost of living index.
- . **Paid for by Taxes** - Payroll Health Care Tax, Gross Profits Tax, and Income Tax Reform as needed to reduce Gov't burden.

PROPOSAL COST JUSTIFICATION (see cost analysis on Page 3)

- . **Efficient Administration** with single payer versus many, standard forms and processing simplification without insurance company or middleman overhead and profit.
- . **Eliminate Costs** for Medicare, Medicaid, and government subsidies for insurance and uncompensated health care.
- . **New Payroll Tax** for national health care.
- . **Gross Profits Tax** on business and self employed.
- . **Tax Reform** with **Progressive Tax Rate** increases on personal income over \$100,000 per year to provide additional funds as needed. Example: 36% over \$100,000, 38% over \$200,000, 40% over \$400,000, 42% over \$800,000 etc. to 50% maximum.
- . **Fraud Reduction** program supported by IRS and FBI resources.
- . **Taxes Recovered** for employer health insurance payments.

DISCUSSION TOPICS

- . **Importance** of health care - productivity, longevity, mind.
- . Avoiding absenteeism, charity care, bad debts, epidemics etc.
- . **Ceiling or Budget** on health spending? Absurd idea?
- . **Rationing** - only certain procedures and facilities based on cost or life saving potential? Managed care?
- . **Voluntary Health Insurance** practicable? - many would not or could not afford to subscribe thus becoming public charges in medical emergencies that other citizens would have to pay for (Example: NJ surtax last year).
- . Transfer of company **Retirement Health Insurance Funds** to the single payer and resolution of any differences in plans.
- . **State Role** - all states participate in a "Single Plan".

March 21, 1993

Single Payer Health Care Cost Analysis Estimate

US Cost of Health Care:	\$ 900 bil
US Gov't Cost:	-378 bil (42%)

Employer & Patient Cost:	\$ 522 bil (\$2,088/person/yr)
US Cost of Health Care:	\$ 900 bil
National Plan Saving: *	-354 bil (5.5% of GNP)
US Gov't Cost:	-378 bil

Funding Required:	\$ 168 bil (\$672/person/yr)

This amount of funding required is \$1,416/person/yr less than employer and patient cost today and therefore cost effective.

The cost reduction includes savings for taxes recovered for employee health insurance payments (\$60bil/yr), subsidies (\$80bil/yr), and insurance company overhead (30%) and profit.

Additional justification comes from cost containment, a reduction in the \$80bil of fraud, and medical malpractice lawsuit reform (estimated \$36bil/5yrs). Even with enhancements to a Canadian type plan, the cost would still be lower than the total spent in the US today.

The proposed health care payroll tax, gross profits tax on business or the self employed, and income tax reform would be ways to fund the start-up cost and reduce the government burden for health care.

Escalating health care costs are contained with everyone in this "Single Payer" "Single System" that keeps our citizens healthy and preserves provider competition and free enterprise.

* Based on a reduction in US health care cost from 14% to 8.5% of GNP. In Canada, France and West Germany cost is 8-9.5% of GNP and in Britain, Japan and Australia at 6-7% of GNP.

Submitted by [REDACTED] Leonia, NJ 07605.