

**Tabular Summary of
An Approach to Universal National Health Care
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General Approach	<ul style="list-style-type: none"> o A new, universal, federally supplemented, strongly market-based system. *
Elements of General Approach	<ul style="list-style-type: none"> o Federal supplement of individual HSAs from birth to age 21 at \$2000/year. o Mandatory 5% wage contribution to HSA while HSA under cap of \$125,000. o Strongly regulated market for lifetime catastrophic insurance. o HSAs may be used for a very broad range of procedures and for insurance premiums. o Federally funded disaster, non-automotive accident, and assault catastrophic health insurance. (DAACI) for all. o Yearly use-or-lose federal health care voucher of \$200. o Consensus Minimum Policy (CMP) safety net replaces Medicaid; pays at 10th percentile and is needed by very few because of Federal supplements above.
Eligibility	<ul style="list-style-type: none"> o All US permanent residents. o Others pay out-of-pocket or use use safety net if in poverty.
Government Supplements	<ul style="list-style-type: none"> o HSA supplements, disaster, accident and assault insurance, use-or-lose voucher, safety net
Individual Payroll Taxes	<ul style="list-style-type: none"> o Collected from wage-earners as are Medicare taxes, replace Medicare taxes.
Role of Employer	<ul style="list-style-type: none"> o May pay 5% wage contribution, subsidize insurance policy as desired, recommend and assist with providers. May contribute to dependent's HSAs.
Government Taxes	<ul style="list-style-type: none"> o Payroll taxes for HSAs go directly to individual's HSA. o General taxes fund HSA supplements, DAACI, use-or-lose voucher, safety net. o HSA is taxed as regular income when spent. *
Procedure Payments	<ul style="list-style-type: none"> o HSA pays only to 50th percentile in neighborhood of provider.* Excess over 50% is paid OOP.
Insurance Premiums	<ul style="list-style-type: none"> o HSA may be used to pay premiums for lifetime catastrophic policy which pays at 50th percentile.* Additional premiums for benefits at >50th percentile are paid OOP.
Cost-Control Strategies	<ul style="list-style-type: none"> o HSAs pay for procedures and insurance premiums only at the 50th percentile. o Congress may control yearly HSA supplement value, use-or-lose value, comprehensiveness of safety net, and size of the payroll deduction.
Financing/Cost	<ul style="list-style-type: none"> o Little more is covered than is currently covered; hence total cost should equal current cost, reduced by market efficiency. o From general revenue, steady-state costs: HSA vouchers ~\$170b/year for 85 million individuals 21 years old and under; ~\$60b/year for use-or-lose voucher for 300 million. Substantial transition costs. o DAACI and safety net costs not estimated but believed to be relatively much less. o Most financing comes from 5% payroll tax * directed to individuals' HSAs, replacing Medicare payroll tax.

Catastrophic Insurance	o	Federal/State Governments strongly regulates market for lifetime from birth catastrophic private insurance * which pays at the 50th percentile in the neighborhood* of the provider. The premiums may be paid from individuals' HSAs.
Federal Disaster, Accident, and Assault Catastrophic Insurance	o	Being covered by Federal catastrophic insurance, disasters (e.g. hurricanes), non-automotive accidents and assaults need not be covered by private catastrophic health insurance.
	o	A principal purpose of this insurance (DAACI) is to minimize the number of individuals who may have to resort to the safety net. This reduces the political motivation to improve the benefits of the safety net.
Yearly Use or Lose Voucher	o	The universal \$200/year use or lose voucher will encourage preventive care. This is to include dental care and eye exams which are of particular importance for children.
Safety Net for the Very Few Who Require It	o	Vouchers and payroll taxes for HSAs, plus DAACI should ensure that very few individuals require the safety net at any time in their complete life. Nonetheless, the Consensus Minimum Policy safety net comprises only those procedures covered by 95% of all private policies and pays only at the 10th percentile in order to ensure that the vouchers are not spent recklessly.
Long Term Care	o	The lifetime catastrophic policy should be designed to cover long-term-care. With payments from birth, a reasonable private policy should be affordable with the designed HSA. This is critical in order to phase out Medicare. CMP safety net will pay for LTC at the 10th percentile.
	o	HSA goes to estate at death.
Procedure Cost Information	o	To determine the 50th and 10th percentiles the Federal government will distribute a questionnaire once per year to all providers requesting the median charge for each procedure delivered. And/or providers will be required to post prices.*
	o	The relevant neighborhood, state, and national cost percentile values will be sent to each patient who pays from their HSA for a procedure.
Procedure Indications Information	o	Each patient who pays for a procedure from their HSA will receive a document outlining the indications for that procedure.
Changes to Medicare	o	Existing and imminent Medicare recipients may remain in Medicare.
	o	Others will be financially assisted in rapid transition to new program.
Changes to Medicaid	o	Medicaid will be rapidly replaced by a CMP safety net needed by a very much smaller number of individuals.
Plan for Phasing in (Transition)	o	Develop guidelines for lifetime catastrophic insurance market.
	o	Develop procedure cost percentiles and indications data.
	o	Make HSAs mandatory for wage-earning employees.
	o	Implement universal Federal disaster, non-automotive accident, and assault catastrophic insurance. (DAACI)
	o	Begin to phase in Federal HSA vouchers. Phase out Medicare and Medicaid.
	o	Grant use-or-lose vouchers.
	o	Phase out tax deductibility of HSA contributions and other health expenses.
	o	*

* For further details see www.his.com/robertb/hlthplan.htm