

Key Concepts for Building an Ethical Healthcare Plan

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We have two major questions to ask ourselves: Should every citizen be covered with high quality healthcare from birth to end-of-life and should our plan be not-for-profit.

1. **Universal care:** Every citizen should be covered with high quality healthcare from birth to the end of life with an option to buy up to a silver, gold, and platinum plan. (No wait times.)
2. **Single-payer:** One entity is responsible for Plan design, paying the bills, administration and governance instead of 400+ private insurance companies.
3. **"Not for profit" vs. "for profit":** "Not-for-profit" means that income over expenses is returned to the Plan and that the mission is high quality healthcare provided at the lowest practical price "For profit" means that income over expenses is returned to stockholders as a return on investment (ROI). That costs the plan about 15% of benefits which we wouldn't have in a not-for-profit single-payer plan. "For profit" also translates to denied claims and emphasizes costs instead of quality of healthcare.
4. **Ownership:** The Plan is owned by members of the plan - every citizen of voting age - "stakeholders", not stockholders. The plan is incorporated as a mutual insurance company with a board of directors from the Plan itself, private businesses, the medical community, academia, the government and other sectors with a CEO, COO, CFO, CIO and other officers in operational control.
5. **The Plan is funded by premiums,** not by taxes.
6. **Premiums, deductibles, and co-pays are based on** age, income, and number of dependants (but not pre-existing conditions).
7. **Compensation practices:** Based on private-sector practices.

How do Jewish ethics and values impact this discussion? Israel has a universal, single-payer, Plan. We also have incorporated Hadassah Hospital's mission statement which provides care for all.

Notes:

A. Thirty-five major developed countries throughout Europe, Israel and Asia have universal single payer not-for-profit plans. These "Key Concepts" come from these benchmarks. The US is the exception except for Medicare.

B. Our healthcare Plan costs twice as much as all of the benchmarks for the same quality of delivered healthcare. Our cost is 20% of GDP. The 35 benchmarks average 10% of GDP.

C. We already have a single payer (semi)universal Plan - we call it Medicare.

D. These "Key Concepts" are based on the best practices of corporate America and academia.

What's the typical primary criteria for evaluating a healthcare plan?

1. Quality of delivered healthcare;
2. Quality of customer (patient) service, including wait times;
3. The depth and breadth of services including national competency centers of excellence;
4. Centers of science and innovation;
5. Performance-based compensation plans typical of the private sector.

The mission statement from a liberal perspective is to provide quality healthcare at the lowest reasonable price.

We have a healthcare plan that costs 20% of GDP. The next 35 industrialized countries pay half of that amount for equivalent levels of healthcare and coverage. That's dumb. It's also in the service of pharmaceutical firms, medical device manufacturers, hospitals and the medical community ... but not so much "we the people."

The for-profit mission statement is Return on Investment to owners (stockholders). This generally translates to many private-sector "for profit" insurance companies - about 400 throughout the US, with 20 or so in the top tier. By its nature, healthcare is a highly regulated industry a good thing - and not very competitive. Many insurance companies are guaranteed a profit of 15% by the government to serve states that cannot otherwise support an insurance industry.

The most efficient system in the US is major corporate sponsored healthcare. Major corporations have the clout to design, negotiate and implement their own health care plans with the help of third-party administrators (TPA's). Major corporations pay about 3% of benefits- small businesses pay about 15%. Some do a good job of it but of course, half are below average. The biggest problem is the healthcare plan anchors people to that company and often limits upward mobility.

Conservatives believe that healthcare is an individual responsibility, not a societal one. Liberals believe that core healthcare is a government responsibility. (That doesn't mean the government owns and manages the healthcare system, but that the government sponsors the creation of the nation's health care system and ensures universal high-quality healthcare.)

As an individual responsibility, it simply will not work. Young healthy people would opt out. Even people with pre-existing conditions would opt out. Why wouldn't they? They always have access to the emergency room and one way or the other their coverage is going to be shifted to the rest of us. This is also the same analogy as car insurance. People shouldn't have an option to opt out since by doing so they are shifting the risk to the rest of us. Some uninsured motorists are doing that now!

Another way to look at it is it healthcare is not a consumer product but rather a necessity that serves the best interest of the country and everybody in it. Having said that, we need to make consumers out of people in the healthcare plan. We can do that through premiums, deductibles and co-pays.

If left on their own, young healthy people would opt out therefore shifting their coverage from themselves to the rest of us. In addition even young healthy people get sick or involved in accidents . Who is meant to pay for that?

And then there is the children. Who worries about their health care? And then there is a nation as a whole.

The concept of universal healthcare from birth to death assumes 100% participation of every American citizen. There's a legitimate argument that the premiums should be reduced for younger healthy people (and older poor people), but not eliminated. Everyone has a stake in the healthcare of the country as well as themselves.

And for the record, the whole concept of insurance is that people that don't need it pay for people who do need it. As a broad generalization, that means young healthy people pay for old folks like us (for me anyway). But their turn will come! My favorite example car insurance. People don't use it - people who are not involved in an accident pay for people that do use it. They are paying for the insurance - the promise of reimbursement in the event of an accident but no one wants to actually use it. That is no one wants to be in an accident, or have a car stolen or whatever.

But the more compelling argument is whether every country should have a universal healthcare plan. As it turns out virtually all progressive countries have such a plan ... except us. Virtually all other countries have universal coverage and also have single-payer plans. And although the financial aspect is important, so is the moral and ethical obligation to guarantee quality healthcare to citizens. This plan, by the way, also has a gold, platinum, and silver conscientious level that can be purchased beyond the silver plan at a participants choice.

By the way, healthy citizens are more productive, coincidently happier, and lower the cost of health care. What that means to us right now is that we pay twice as much as all other progressive countries.

Young who are likely lower than average wage earners will pay discounted premiums.

From a financial perspective, really doesn't matter whether the premiums are paid through taxes or directly through premiums. At this point, I favor premiums so that we all have skin in the game - we all become consumers from the day we are born until the day we die. There is no option to opt out.

I favor premiums paid on the basis of age and income, but not taxes and not pre-existing conditions. That's the Canadian healthcare system. Both ends of the spectrum - young healthy people, and old sick poor people pay less. I also favor premiums over taxes so the two are not confused. The process is easy in a single-payer plan which finance and administration is one entity separate and distinct from the IRS and separate from the government. (It's managed in the private sector.)

Finally, premiums, co-pays, and deductibles are part of the message ... we all own the plan (not "stockholders" but "stakeholders") and as stakeholders and consumers, we all have incentive to spend scarce resources carefully.

One other point for the moment: the mission statement for stockholder owned, for-profit insurance companies is ROI. That happens to conflict directly with the mission statement of a stakeholder (participant) owned, for-profit insurance entity. That mission statement is to provide universal high

quality healthcare at the lowest practical cost. Both are managed as capitalistic, for-profit entities. Both are competitive, market driven, consumer-based entities.

Now I understand that by removing for-profit insurance companies, and their associated inefficiencies and paperwork, there are extra dollars available for true health care. But, the question I have is about the profit factor for hospitals, doctors and etc. Are their prices controlled? And if their income is heavily regulated and controlled, the motivation to provide health care will evaporate. Shortages can occur, causing prices to go up and then further price controls. It's the fly in your ointment.

Drs. and hospitals would be paid on the basis of private-sector practices. That is, they would be paid on the basis of size, geographic location by ZIP Code size, number of beds, number of docs, quality of delivered services, customer services, safety and other criteria. Docs would be paid on their performance and hospitals and other healthcare providers would be paid on their performance.

Doctors and hospitals would to compete for "customers" aka patients just as they do now but even more so. The hospitals the and docs that would win are those that have the best healthcare, and customer service records, and are the most cost-effective.

I'm suggesting a for-profit healthcare system owned by participants - people in the plan - not remote stockholders. I'm also suggesting a mission statement that includes high quality universal healthcare, instead of ROI as the primary performance objectives. That is it healthcare providers including hospitals, doctors and others are paid on the basis of achieving performance objectives - high quality care at the lowest possible cost, not ROI. It's that the owners are the participants in the plan not stockholders. As a matter fact I have another piece on the critical importance of adding capitalism and in particular consumerism and competition to the plan by ensuring that patients and healthcare providers have a vested interest in the mission statement - cost and quality care. And I mean that for participants in the plan as well as healthcare providers. This isn't a nonprofit enterprise - it's a for-profit enterprise, but the profit goes to plan participants not stockholders. (That's the basis for a mutual insurance company). Capitalism works!

I also think that healthcare providers - doctors, nurses, technicians and others - are paid on the basis of supply and demand and credentials in the same way that other people in the private sector are paid. Credentials by the way include education and training, experience, the nature of the work to be done including problem-solving, accountability for meeting performance objectives and impact on the end result another criteria.

By not having price controls. Prices would stabilize because participants have a stake in the cost of healthcare and healthcare providers a stake in getting paid. Capitalism works.

For the record I believe that it is inevitable that the US has a universal, single-payer plan based on the model of Canada, the UK, Israel, Sweden and other northern European countries, Japan and Australia and many others. They all have healthcare systems arrival our own ... at half the cost (literally half the cost).

My thought is this: healthcare really isn't a traditional market commodity in the sense that iPhones or cars or massage services are it doesn't correspond to supply and demand in the same way This is corroborated by the fact that although Private Healthcare advocates always tell us competition will lower prices and improve quality, private healthcare costs have only risen in the last decades. not only this but people having healthcare is of such national importance that treating it as another marketable good seems like an inadequate and frankly wrong.