

United States National Healthcare Reform
Healthcare Plan A

INTRODUCTION:

We stand at a turning point in the delivery of healthcare in this country. Most ongoing Healthcare Reform discussions are preoccupied with funding and regulation. But legislation, regulation and rationing of healthcare funds cannot possibly produce the quality of healthcare we need, because they fail to repair the basic structural flaw in the insurance-centered system.

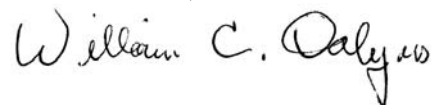
To improve the quality of our healthcare and our health outcomes, we need something more fundamental -- radical change in doctors' behavior, especially concerning our Primary Care Physicians (PCPs). Doctors who LISTEN to each patient's concerns can usually diagnose problems quickly and accurately, without unnecessary testing and specialist referrals. In my 29 years as a PCP, I've learned this leads to quicker recovery, happier patients, and very enjoyable professional relationships. Studies have shown that PCPs who listen can provide much better care, at far less cost.

Healthcare Reform can only succeed by motivating doctors to listen to their patients, and by allowing that face-to-face time. Healthcare Plan A fundamentally restructures the economics of healthcare, and finally pays for astute diagnosticians to give patients the time and attention they need. This produces more effective and efficient medical care by addressing each problem at first presentation. Patient satisfaction improves tremendously. And since this approach obviates unnecessary tests and specialist referrals, expenses shrink and solutions are prompt.

We need many more Primary Care Physicians, but doctors have been abandoning this field en masse. Healthcare Plan A solves this crisis by restoring Primary Care as a desirable profession and by bolstering training programs. Implementation will take several years, as this runs in tandem (and in competition) with the insurance-centered system.

Now is the time for "We the People," the citizen consumers of healthcare, to stand and declare that we need our physicians to be responsive to us, and we will likewise be responsible to them in a direct Patient-Centered relationship.

To Our Health,



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OVERVIEW:

The key to reforming healthcare is to radically alter physician behavior, by structuring a system in which the doctor works for the patient, rather than a third-party. Any true reform can NOT protect the interests of third-party payors or others who profit from the dysfunctional insurance-centered system. Specific details below are suggestions, and can be altered by the legislature to best serve patients' needs -- that's what this reform is all about.

This is the only model which will restore Primary Care as a desirable profession and restore the ranks of the PCPs, which is crucial to any healthcare reform!

Healthcare Plan A is a voluntary and comprehensive healthcare system that improves the quality of healthcare by restoring a direct patient-doctor relationship, and decreases the cost of healthcare by returning financial responsibility to the patient and doctor, i.e., the people receiving and delivering healthcare. It restructures the economics of healthcare to the same business model of all other sectors of the economy -- the provider works directly for the consumer, so must satisfy the needs of that consumer or the consumer goes elsewhere. It can cover every American citizen. It is completely separate from the failed third-party healthcare system, and does not involve any insurance companies.

THE PROBLEM:

There is voluminous documentation that our "traditional healthcare system" is providing healthcare of inferior quality, is failing to meet the needs of the healthcare consumer, is ignoring millions of uninsured Americans, and is frustrating many physicians so that they have already left or are leaving primary care -- all while healthcare expenditures continue to spiral far out of control to unacceptable and unsustainable levels.

Doctors are abandoning primary care because their jobs have become frustratingly impossible. Doctors intend to take care of their patients, but payment is controlled by third parties (insurance companies and government) rather than by the patient. Those payments for primary care office visits are so low that they only cover a few minutes of office overhead. Physicians are forced to rush, or to use ancillary personnel rather than doctors. The insurance company writes the check, so in reality the doctor works for the insurance company and not the patient! And the insurance company imposes mandates on the physician which produce a huge burden of time, attention and resources, which detracts from attention to the patient's needs. Most primary care physicians are very frustrated that they cannot do their jobs properly: The current system prevents them from

providing the quality of care that they would want for themselves, if they were the patient.

THE FOUNDATION OF HEALTHCARE PLAN A -- EFFECTIVE PRIMARY CARE:

The hinge pin of Healthcare Plan A is high-quality primary care. Every patient who wants to join Healthcare Plan MUST join and maintain membership in a Primary Care Physician's panel of patients, which becomes their Patient-Centered Medical Home. The Primary Care Physician (PCP) is the patient's first contact for all medical concerns, and coordinates all medical care. The PCP reimbursement structure is uniquely different than specialists, hospitals and all other healthcare providers and suppliers, because the success of this system depends upon excellent primary care.

For primary care to be effective the doctor must be available, and the patient and doctor must spend adequate time face-to-face to discuss the patient's symptoms or concerns. To be available and spend that time, each PCP must limit the number of patients on his/her panel. This means that the capacity of the program will be limited in the beginning, but expand as more PCPs become available. It will take a number of years to train or retrain more PCPs to function on the level described below, so this program will probably take 5-10 years to be phased in.

Standards of Service for Primary Care Physicians: Panel size is limited as above, to ensure physician availability. The patient will be seen the same day for emergencies, and by the next day for urgent problems, with routine appointments available within one week. All initial visits are one hour or longer, and all subsequent visits are 30 minutes or longer. These time allotments are the minimum needed for the intricate diagnostic processes described below. Appointments are unrushed and relaxed. The physician or covering physician is available to each patient 24 hours a day, 7 days per week. Office visits are available on evenings and weekends upon reasonable request. Appointments are scheduled so the patient will have no waiting time, except in case of medical emergency.

In Healthcare Plan A, the PCP does NOT work for a third-party whose interests may conflict with the patient's interests. Rather, the PCP works directly for the patient, to ensure motivation to be available and to satisfy patient needs. So the PCP is paid directly by the patient, usually with that patient's Healthcare Account (which was funded with pretax dollars). Just as in other sectors of the economy, if the customer is not satisfied, he/she switches to a "better" provider to obtain the desired quality of services at a reasonable cost. This direct relationship is more important in medicine than many other industries (such as the grocery or clothing industries), because the outcome of medical services depends upon trust and respect between the patient and the provider. The absence of that trust, respect, or reasonable availability is reason to terminate the relationship and transfer to another provider.

The patient pays two separate fees to the PCP, usually with the Health Account debit card. The tax-deductible annual Panel Membership Fee guarantees that the

physician is available to the patient whenever needed, and provides the time, attention and respect that the patient needs. Then there is a smaller Service Fee each time the patient is treated, proportional to the complexity of that visit or treatment. The procedure codes and definitions will be different from those in the traditional third-party system, but consistent within Healthcare Plan A to enable patients to compare PCPs. A third and relatively small source of income is incentive bonus payments from the Healthcare Accounting Agency (HAA) for attaining good patient outcomes and meeting goals of preventative care and patient lifestyle modification.

Primary Care Physicians will benefit from Healthcare Plan A. They will be rewarded for spending time with patients, properly addressing all of the needs or symptoms presented, and determining a thoughtful diagnosis and treatment plan. In this system they will also receive appropriate compensation for discussing and arranging preventative care and wellness programs. And most importantly, they will finally be able to provide the service and quality of medical care that they would want for themselves, and enjoy a respectful professional relationship with their patients. Primary care medicine will again become an attractive profession, so insightful and intelligent men and women can respond to their medical calling with confidence.

MEDICAL EDUCATION

We clearly need a tremendous number of primary care doctors, who are highly skilled in the art of interviewing and examining patients, and trained to be insightful diagnosticians. Our medical education system will need to be adjusted in several ways. Medical students choosing to specialize in primary care medicine -- internal medicine, family practice, and pediatrics -- should pay significantly reduced tuition and other expenses for their medical education.

Medical school curricula for primary care medical students needs concentration on thoughtful questioning to thoroughly delineate the particulars of each symptom, with focused listening and attention to nonverbal cues. Insightful diagnostics then requires development of a complex differential diagnosis, which allows a selection of appropriately target testing and intervention.

Postgraduate Medical Education: Physicians who have been practicing in the insurance-based system have probably learned "bad habits", particularly those accustomed to very short patient visits. And any physician accustomed to practicing as a subspecialist or who was primarily procedure-based will want and need retraining to function effectively as a PCP in this new health plan. A curriculum similar to that described above may be appropriate.

FUNDING FOR HEALTHCARE PLAN A:

Healthcare Plan A is completely outside of the traditional third-party system, and the two are mutually exclusive. The funds that were previously paying health insurance premiums will instead go into that patient's Healthcare Account and a Healthcare Reserve Pool. The two systems can coexist and compete with each other, but any urgent or emergency medical care must be obtained through and paid for by the system in which the patient is actively contracted.

Each patient in Healthcare Plan A has his/her own unique Healthcare Account (HA). This plan does NOT receive any funds from the existing health insurance industry, Medicare or Medicaid. Rather when a patient joins Healthcare Plan A, the monies that would have funded the old programs are deposited into 2 separate funds: A percentage into the Healthcare Account of that citizen, and the remainder into the Healthcare Reserve Pool (HRP). Funds may come from employer tax-deductible contributions (in lieu of insurance premiums), from the patient's own tax-deductible wage withholdings or tax-deductible cash contributions, or government contributions for individuals who are unemployed or disabled (those previously on Medicare or Medicaid). All funds are managed by a centralized federal Healthcare Accounting Agency (HAA). This Healthcare Accounting Agency processes payments for the healthcare expenses of all citizens enrolled in Healthcare Plan A, while the healthcare consumer and physician make all purchasing choices in a free market. It does not pay for any services in the old third-party system, because the entrenched incentive structure of that old system is fundamentally and fatally flawed.

Every citizen enrolled in this plan has a Healthcare Account, with a Healthcare Account Debit Card to access the funds available to them. Funds in this account may be used for all legitimate healthcare expenses, including face-to-face time with the physician, and Complementary and Alternative Therapies (which were not covered by traditional insurance). Payment for all medical goods and services are made by the patient, either as a debit card payment from that individual's Healthcare Account, or "Out-Of-Pocket" (OOP) cash or credit card payment from their personal funds, toward their annual income-related Out-Of-Pocket Maximum (OOPM).

Extraordinary Out-Of-Pocket healthcare expenses that exceed appropriate income-related annual Maximum during any calendar year would be paid out of the Healthcare Reserve Pool (HRP). This will protect enrollees against high healthcare expenses, and minimize risk of bankruptcy due to medical expenses. That HRP is funded by a certain percentage contributions to each Healthcare Account, and possibly a portion of the residual in Healthcare Accounts of patients who have died (such details to be worked out).

In the case of ongoing extraordinary expenses over the course of years, expenses in excess of a specified limit would have to come from the patient and liquidation of their assets, similar to asset limitations in the Medicaid program. Again the HRP should provide reasonable protection against bankruptcy or loss of a modest home due to

medical expenses. But society cannot afford to protect against loss of excessive homes, large financial portfolios, and other assets. Legislators will need to address coverage for catastrophic or chronic illness, and insert measures to impose personal financial responsibility for unhealthy lifestyle choices or fiscal irresponsibility. As in some other countries, expenses subsequent to the liquidation of a patient's assets would be paid by the government, but only with the clear understanding that the services and goods to be delivered are determined by policies of that paying governmental agency, and not by a patient who has no financial responsibility for those services and goods. Note that in the United States traditional healthcare system, the millions of people who are uninsured or whose insurance is terminated have NO source of healthcare funding once they have exhausted their assets.

PAYMENT FOR SERVICES AND GOODS:

This is an open market system. Each provider, including hospitals, doctors, physician extenders, and practitioners of complementary and alternative therapies must publish a list of prices and services they supply in Healthcare Plan A. The quality of those services must also be subject to analysis, and that quality data also be public record. They are clearly in competition with other local providers, and the healthcare consumer must have access to this information to make informed choices. Similarly pharmacies, drug manufacturers, durable good suppliers, testing facilities, and all other providers of healthcare services or supplies will have to compete transparently in an open market.

While the Healthcare Account Agency is involved in delivering payment, healthcare decisions will not be influenced by the Agency sending the payment. All treatment choices and purchasing decisions are determined by the patient/patient's family with their doctor, and with any necessary assistance from the Patient Advocate. Doctors do need to order medications, tests, procedures, specialist referrals and hospitalizations, but now cost is part of that discussion, and the patient can make a choice based on cost, quality and availability. Doctors, nurses, and other physician extenders are in a position to help people understand the costs versus the benefits of their healthcare decisions, and should provide educational materials detailing the costs, risks and benefits of common tests and treatments. Patient Advocates will be available to provide additional information and help patients and families consider their options.

Reimbursement for Primary Care Physicians is unique in this system, as specified above. To ensure proper patient access, PCPs in Healthcare Plan A may not participate in the old insurance-centered system.

Specialist physicians, hospitals, pharmacies, testing facilities and other healthcare providers will enjoy dealing directly with the healthcare consumer in an open competitive market, immediate payment for services, and freedom from the regulatory shackles of the insurance-centered system. They may participate in both this new system and also the old third-party system, but must approach business in Healthcare Plan A with a different mindset. Since the old and new systems do not overlap, providers participating in both

will be treating two different populations of patients. Each service provided will have two different procedure codes, and correspondingly two separate fee schedules. The business model and incentive structure of Plan A is completely different from the dysfunctional third-party system. Federal legislation will be necessary to protect healthcare providers who are participating in both systems, to ensure that traditional healthcare insurance companies do not penalize providers who participate in Healthcare Plan A, and do not decrease reimbursements to those providers for services within the traditional healthcare system because those providers supply different services or charge different rates in Healthcare Plan A.

COST SAVINGS:

There are tremendous cost savings in Healthcare Plan A. These cost savings are derived from more efficient and effective care, a resulting reduction in lost productivity, a tremendous reduction in unnecessary testing and treatment, a very large decrease in administrative overhead, cost reduction because of competition between providers, and an anticipated reduction in malpractice losses, malpractice insurance expenses and associated legal expenses. Chronic diseases such as heart disease, diabetes, stroke, cancer and obesity produce staggering healthcare expenses and disability. Robust prevention and wellness programs offer the potential to improve quality of life and tremendously decrease illness-related expense.

1. More Effective and Efficient Care:

Healthcare starts with the meeting of patient and doctor. A careful history taken with appropriate time and attention by an experienced physician leads to an accurate diagnosis at least 80% of the time, before any examination or testing. This involves your physician sitting down and talking with you, and asking you lots of questions to more clearly define your symptoms. That discussion is a far more effective way to arrive at most diagnoses than blood tests and x-rays. This simple but crucial step is frequently overlooked in the third-party system, because time and attention are not "covered services". Instead, the third-party incentive structure produces very brief office visits, followed by lots of tests, procedures and specialist consultations, which frequently fail to produce a diagnosis or a cure. In Healthcare Plan A the physician is rewarded for being available to you and giving you the time and energy for that crucial history, and is relieved of the huge burden of time, attention and resources to satisfy mandates of third-party payors. In other words, the provider can finally focus on the needs of the patient, rather than the needs of the third-party payor. Your diagnosis and treatment are usually right the first time, leading to a quicker recovery, and minimizing the need for repeat visits for the same illness.

2. Reduction in Lost Productivity:

Early intervention usually produces better outcomes and more timely return to work and other responsibilities. The physician's responsibility in Healthcare Plan A is to be reasonably available when healthcare is needed, and to give the careful attention to determine an accurate diagnosis and treatment plan during the first visit, most of the time.

3. Reduction in Unnecessary Testing and Treatment:

A thorough and thoughtful evaluation by your physician usually produces an accurate diagnosis and treatment plan. Of course, some tests and procedures are necessary, but they can be chosen more wisely if your physician has a fairly good idea of what's wrong. In the current third-party system the history is frequently taken by a non-physician, and the patient quickly sent off for numerous tests and specialist consultations -- many of which turn out to be nonproductive. So the simple and common-sense step of talking with a primary care physician leads to fewer tests and procedures, reducing high-tech expenses, and preventing costly injuries sometimes caused by unnecessary procedures. And the medically-necessary tests, procedures, specialist consultations and hospitalizations ordered by the PCP will be more beneficial or productive.

4. Administrative Overhead Reduction:

Healthcare Plan A provides transparency by requiring that providers publish their services and charges, and cooperate with customer satisfaction surveys and other measures of quality. There is no need for the massively wasteful bureaucratic structure of the old third-party insurance system, which hinders rather than promotes effective healthcare.

5. Competition and Transparency between Providers:

Prices are driven down by reintroducing the law of supply and demand into the healthcare field. Each provider, institution or supplier publicly publishes the services they offer in Healthcare Plan A, and the price of those services. The quality of their services or products must also be subject to analysis, and that quality data available to the public. The consumer maintains free choice of providers. Similarly pharmacies, drug manufacturers, durable good suppliers, testing facilities, and all other providers of healthcare services or supplies will have to compete transparently in an open market. This competition will encourage price control, and also reward quality.

6. Reduction in Malpractice Costs:

Improved physician availability, careful attention to early diagnosis and treatment, in addition to prompt follow-up, will certainly lead to better outcomes, and therefore fewer malpractice claims. In addition, many studies have demonstrated that a good relationship between patient and physician results in a significant decrease in malpractice claims, even when a bad outcome does occur.

7. Pharmaceuticals and Therapeutics Savings:

Pharmaceutical manufacturers are powerful corporations that have commanded massive profits and imposed unbearable expense on the healthcare system. In Healthcare Plan A, the Healthcare Accounting Agency will be better able to negotiate with these corporations on a national level, and if necessary purchase medications internationally, to prevent ongoing excessive expense.

8. Prevention and Wellness Programs:

Heart disease, diabetes, stroke, cancer and obesity impair the quality of life for many of our citizens, and frequently are preventable. The Baucus Plan includes insightful discussion of the benefits to be gained by influencing the lifestyle choices of susceptible people, and the tremendous cost savings that may be attained. As recommended by Sen. Baucus, provision of a set of proven preventative services such as a health risk assessment, physical exam, immunizations, and age and gender appropriate cancer screenings recommended by the US Preventive Services Task Force, followed by related interventions, needs to be provided as part of a national plan, not only to cut costs but also to improve the quality of life for millions of Americans.

Note that some insurance-centered proposals for healthcare reform recommend lifestyle-related adjustments to insurance premiums; overweight smokers would pay higher premiums. In Healthcare Plan A we could use "a carrot and a stick". Healthy lifestyle choices would produce a higher annual amount deposited in an individual's Healthcare Account; if that "healthy" person later developed a serious illness, it would likely not be related to poor lifestyle choices, and that individual would have a much larger sum gathering interest in their Healthcare Account to pay subsequent medical care expenses. At the other end of the spectrum, noncompliant overweight smokers (or similar population) might receive annual advisories that their coverage under the Healthcare Reserve Pool might be progressively more limited, and they might be more subject to loss of their assets including their home if they were to incur excessive medical expenses. These are important societal considerations to be taken up by the legislature.

SUMMARY:

To date most of the discussion about Healthcare Reform has concentrated on funding, and none of the other proposed plans will produce the one thing we need most. To improve the quality of our healthcare, we need radical change in physician behavior. Healthcare Plan A fundamentally restructures the economics of healthcare, and finally pays for astute diagnosticians to give patients the time and attention that they need. This will produce much better medical care, at far less cost. And it will solve the crisis in primary care medicine by making it a desirable profession and bolstering the training programs, so we develop the primary care doctors we so desperately need. Any plan that does not solve the crisis in primary care is doomed to failure. Healthcare Plan A will take time to fully implement, but it gets us where we need to go.

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