

A Multi-Payer Universal Coverage Plan

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Objectives

- Universal coverage
 - Nobody ever without coverage
 - All providers get paid for all necessary care
- Retain most elements of present private system
 - Employer-based coverage
 - Private health plans
- Improve horizontal and vertical equity

To make coverage affordable

- Tax credits for everyone based on income
 - Below poverty: buys Medicaid equivalent
 - Above median: equal to average current tax exclusion (about \$700)
 - Between: graduated
- Refundable and advanceable
- Tax employer-paid premiums as income
- Medicaid and S-CHIP no longer necessary

To ensure insurance availability

- Employers must offer (not pay for) coverage
- States establish insurance exchanges
 - Smallest firms (under 10 employees) must participate
 - Individuals may participate
 - Large employers may participate

To ensure insurance availability (cont.)

- Insurers must
 - offer Medicaid- and Medicare- equivalent coverage
 - participate in exchange
- Community rating
 - individual market
 - small-group market (under 100 employees)
- Risk adjustment
- Centralized electronic administration
 - *eligibility determination*
 - *coordination of benefits, etc.*

To ensure universality

- Households must buy coverage
 - *Equivalent to Medicare augmented*
- Medicare (with altered benefits) as temporary fall back
 - Automatically pays for services used by anyone without other coverage
 - If no private coverage, pay premium plus penalty, regardless of use, at tax time.

Financing

- Savings from eliminating Medicaid and S-CHIP
- Employer-paid coverage is taxable
- General revenues