American College of Surgeons

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Proposal for Enhancing Health Care Coverage in the United States

Developed by the College's Health Policy Steering Committee, this proposal seeks to establish a standard of care for all individuals living in the United States.

It is based on the principle that all patients should have access to the standard set of benefits for their entire lives and not run the risk of losing health insurance because of age, chronic illness, or loss of employment and builds on the present pluralistic system.

The proposal recognizes the following:

- Many patients are satisfied with the current Medicare program, especially since a prescription drug benefit has been added.
- Most private health insurance is employment-based. Approximately two-thirds of the U.S. non-elderly population in 2001 was insured through employment-based coverage, either as a subscriber or as a dependent.
- The Medicaid program already exists to provide coverage for individuals and families with low incomes and few resources.
- A major problem remains the uninsured, of which there are at least two and perhaps as many as five categories–including 16-22 million working people–who are medically indigent. Others, perhaps as many as 10 million people, are voluntarily uninsured, and some of them probably could afford insurance but choose not to purchase it.

These groups of "medically indigent" uninsured are:

- The temporarily unemployed (some are covered by COBRA for a finite period of time).
- Patients employed in the "secondary labor market," moving in and out of temporary jobs with no health insurance offered.
- Those regularly employed in jobs that offer no health insurance.
- Patients in small groups and individual markets, where adverse selection is an issue and results in high premiums.

This proposal rests on the assumption that there is enough money in the system to care for everyone, if it is used efficiently. The system proposed would meet patients' *needs.* However, additional services may be *desired.* There is a consumer choice provision by which such desires could be met by purchasing coverage that exceeds the standard level of care.

Physicians must be intimately involved in determining levels of care, quality of the evidence, efficacy of new and theoretically innovative pharmaceuticals and unproven technology, as well as other aspects of the plan.

The Plan

The plan defines a standard level of care for all Americans–access is universal. Elderly and disabled patients who are insured by Medicare would continue to be covered by that program. The majority of Americans who have employment-based health care coverage–with either defined benefits or defined contributions–should participate in those plans. Longitudinal data should be collected on quality and outcomes to make certain that patients with defined contribution plans make intelligent choices.

Standards and Level of Care

The standard level of care should be evidence-based, data driven where possible, and have substantial physician input. There should be a strong emphasis on longitudinal quality outcomes. New pharmaceuticals and technology must be evaluated not only for safety, but also for significant improvements in efficacy. Additional services may be desired by patients and would be voluntary and require additional payment. Programs that have proven to be efficacious in reducing risk and changing lifestyle would be available. Data must be available to consumers in a way that is easily understandable.

Implementing the Plan

A high level position should be appointed for health care coverage in the United States. It may be an existing position. In addition, a National Commission should be appointed consisting of multiple stakeholders. Modeling the system is essential to ascertain its effects and assess any component that is not producing the intended results.

Paying for the Plan

If one assumes that the truly medically indigent comprise 23 million U.S. inhabitants, and one assumes $7,000 in annual health care costs per individual, the total cost of the plan should be approximately $115 billion to $165 billion.

Possible sources of funds could include:

- Excessive administrative costs. A good place to start, for example, would be a universal health insurance claim form.
- Tort reform. Defensive medicine: In 2002, the Congressional Budget Office (CBO) confirmed medical liability reform legislation introduced in the House (HR 5) would result in a savings of at least $60 billion and perhaps as much as $120 billion annually. In addition, the cost of trying cases has been estimated at as much as $9 billion. Non-economic damages, which are reaching crisis proportions, should be capped at $250,000. It is estimated that at least $20 billion is currently awarded annually as excess non-economic damages.

All seem to agree that there is enough money in the system to pay for the uninsured. The problem will be retaining money in the system if and when employer costs are decreased.

The American College of Surgeons is a scientific and educational organization of surgeons that was founded in 1913 to raise the standards of surgical practice and to improve the care of surgical patients. With more than 65,000 members, it is the largest organization of surgeons in the world.

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