

CodeBlueNow! Models for Reform

THE HEALTHCARE SOLUTION

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EXECUTIVE SUMMARY

The solution for many of America's healthcare challenges is the formation of community or state healthcare cooperatives. In a cooperative an entire community or state pools its healthcare dollars into a healthcare trust fund. Trustees of the fund contract with local and regional providers directly or through insurance carriers to provide services for all of their members and dependents at reasonable rates. Patients choose which providers and services they want, and the plan or its designated administrator promptly pays providers. /ix

A community or state healthcare cooperative would give everyone, including those who are self-employed in the same geographical area, access to affordable, quality healthcare. /145

Healthcare cooperative is this proposal's preferred type of defined contribution healthcare plan. Money that is not used can rollover to future years. /111

Healthcare cooperative build on legally allowed features of Voluntary Employee Beneficiary Associations (VEBAs). Congress originally intended VEBAs for small professional groups of 10 or more employers in the same line of business. "Same line of business" means employers who compete against one another. These employers have been reluctant to meet out of fear of being accused of price fixing or collusion. To permit healthcare cooperatives Congress must remove this limitation. /147

DELIVERY SYSTEM

Permissible benefits in a healthcare cooperative may include: life and disability insurance as well as wellness, medical, dental and illness benefits. /146 Since a VEBA safeguards or improves the health of its members and their dependents, it can cover a range of wellness benefits. Wellness benefits can include check-ups, prevention programs, wellness education and fitness programs, health promotion activities and training and childcare. /158 In essence, healthcare-related expenses can be paid from the plan income-tax free. /146

Nearly everyone benefits from healthcare cooperatives. For example:

Providers benefit from a simple plan design, patient choice of providers and quick or instant reimbursement.

Purchasers benefit because plan participants get involved in design, cost, quality, use and outcomes of the cooperative.

Participants make better use of healthcare services and exercise more control over their healthcare decisions. They also see reasonable costs for belonging to the cooperative and get rewarded for healthy choices.

Politicians benefit because participants and providers have more control over costs and thus less liability. This reduces the need for governmental controls and legal remedies.

Insurers benefit because they spend less time micromanaging patient care a more time processing claims and reimbursing providers.

Regulators benefit because the cooperatives system saves money usually spent on administration. Money can then be devoted to research, review, outcomes and best practice studies. /149-150

Community health centers will be located throughout the country. They can be free-standing or part of existing faith-based or community organizations. These centers will provide a place for people to have affordable health care. Providers will be reimbursed at 100 percent of the usual and customary charges. Providers could also offer services on a pro bono (no charge) basis. Participants would be expected to pay directly. Subsidized participants would pay from 1 to 25% of usual and customary charges based on their resources. Participants with very limited income might exchange community service time to the center for their care. The remainder of the costs would be from government and philanthropic sources. /161-164

Convenient HELP workshops at workplaces and “faith places” would offer people short health and life skills workshops. HELP stands for **H**Health assessment, health **E**ducation, **L**ife management training, and legal and financial **P**lanning. /167