HEALTH CARE REFORM WOULD PRODUCE HUGE SAVINGS; ACHIEVE UNIVERSAL COVERAGE AND MAJOR SYSTEM IMPROVEMENTS

According to projections by the National Coalition on Health Care, an immediate investment for achieving universal health insurance would be more than offset by savings. In each of four scenarios analyzed, the cost of a reformed system would be much less than the cost of continuing with the current system.

XYZ is a member of the Coalition which is the nation’s largest non-partisan alliance of more than 90 major organizations, composed of businesses, pension funds, unions, health care provider groups, religious organizations, and consumer groups.

Last year, the Coalition issued a detailed “specifications” report for system-wide health care reform. The key elements of the specifications were the attainment of universal coverage, better cost management, and major steps to improve the quality of care.

The four options embodied in the Coalition’s report, Building a Better Health Care System: Specifications for Reform are:

- An employer mandate, with an individual mandate as necessary;
- Expansion of existing public programs such as SCHIP;
- Creation of new targeted public programs, e.g., modeled on the Federal Employee Health Benefits Program; or
- Creation of a universal publicly financed program.

Kenneth Thorpe of Emory University, using conservative assumptions and Congressional Budget Office (CBO) methodology, estimated that the nation would save substantial funds if any of the reforms were implemented. Moreover, he found that employers who provide health insurance now – and employees who receive it – would save massive amounts of money in a reformed health care system.

According to the projections, system-wide savings would start soon after any of the reforms were phased in and by the 10th year of implementation, would exceed $125 billion annually. Employers would save at least $195 billion per year by year 10, and employees collectively would save at least $40 billion that year.

The Coalition’s projections also show that annual savings – system-wide and for the employer-employee components – would grow significantly each year after year 10.
The projections show that the achievement of universal coverage would require an upfront investment of about $75 billion per year under the first three scenarios. But that investment, would be more than offset by the Coalition’s cost and quality management measures.

Additional information about the Coalition and a copy of the report, Building a Better Health Care System: Specifications for Reform and Dr. Thorpe’s analysis, can be obtained by visiting the Coalition’s website (www.nchc.org) or by calling 202-638-7151.