

We Should Use Medicare Advantage for All and Medicaid to Cover Everyone and We Should Do it Now

A growing number of people want to set aside all of our current health care financing approaches as a country and set up Medicare For All as a Canadian-like single-payer system to cover every American and pay for our care.

When we spend \$3 trillion a year on health care and still have 30 million people without insurance, the possibility of covering everyone using the most direct and simple approach has some obvious appeal.

That Medicare for All approach would be funded with a half-dozen taxes that would include making both income tax more progressive and inheritance tax significantly higher.

If we have enough political momentum to actually replace everything in our health coverage world with a national Medicare for All system that is financed by those new taxes, then we should seriously consider going even further and spending the same amount, buying better coverage and better care for everyone by setting up a Medicare Advantage program for everyone.

Medicare Advantage for All.

Medicare Advantage has better benefits, better care coordination, better quality reporting, and a higher level of focus on better care outcomes than standard Medicare.

Standard Medicare still buys care almost entirely by the piece. Buying care entirely by the piece actually rewards bad care, bad care outcomes, bad health, and inefficient and extremely inadequate care connectivity.

Buying care by the piece keeps caregivers from building the tool kits necessary to create team care and care information connectivity processes and infrastructure.

Medicare Advantage buys care by the package instead of by the piece because Medicare Advantage pays monthly for each patient rather than paying separately for each incident and each piece of care.

Medicare Advantage plans have strong incentives to reduce medical complications and improve both care quality and patient health, because they don't profit from bad outcomes and expensive care.

It might be very difficult to persuade the Congress to pass the half-dozen taxes proposed to fund Medicare For All. Passing those taxes will clearly not happen in this session of Congress and it is hard to imagine those taxes passing from any Congress in the immediate future.

That does not mean we need to give up on universal coverage. If we decide to use Medicare Advantage rather than Medicare, and if we continue to use Medicaid as the approach for our lowest-income Americans, we could give coverage to everyone in America, and we could fund it with one basic and simple additional payroll tax that is roughly the same percentage most businesses already pay for employee health care.

We now spend \$1.1 trillion on insured care in America for commercial insurance, outside of Medicare and Medicaid, which is where most people get their coverage.

Instead of using that \$1.1 trillion to buy care badly and ineffectively by the piece, we would collect that money, and put it into a single-buyer payment fund for health care, and we could use it to buy Medicare Advantage coverage for everyone.

We now pay for Social Security with a payroll tax — and we pay for health care in most companies with a payroll deduction process that involves taking money from each paycheck from both the employer and employee.

If we used that same Social Security payroll tax process — and if we capped the taxable income for each person at the same \$136,000 per year that we use now, it would take 15 percent payroll tax to generate that same \$1.1 trillion we spend now on insured care.

We could pay that same total amount out to health plans on a monthly basis for each person.

There are huge opportunities to make care more efficient, more effective, and less expensive that we could take advantage of if the health plans were paid a monthly lump sum for each patient and required to use that money to improve both health and care.

We could cut chronic disease by a third or more in a relatively short time if we focused on making that reduction happen. Two-thirds of health care costs today are from our chronic diseases — and fee for service Medicare does almost nothing to prevent those diseases from happening. We could cut the number of people with each chronic condition significantly if we have care plans and support tools for each person and each disease.

That work is not happening for most patients today — and people know with a high degree of clarity what might be done if we make achieving those results the goal of the way we buy care.

We could also have fewer asthma attacks, fewer congestive heart failure crises, and fewer strokes if health plans were paid to reduce those care delivery expenses and given the financial cash flow to make those quality-based cost reductions.

Care sites now profit significantly from each asthma attack — and there are millions of those attacks.

About half of those attacks can be prevented if that is part of the expectations, specifications, and financial reality for each plan.

We could also cut administrative costs in many provider sites by a third or more if the Medicare Advantage plans were required by their contracts to make those costs go down.

We could give everyone who is not on Medicaid or on Medicare Advantage for Seniors a one thousand dollar deductible plan, and we would improve benefits for most insured Americans as part of that universal coverage package.

We can also make the deductibles much more effective as a purchasing tool.

We should require each of the Medicare Advantage plans to give all patients easy-to-use information about the price for each piece of care that can be used by each patient before the deductibles are met — to introduce market forces and informed decisions.

That tax and coverage approach could cover everyone. Companies meeting those benefit standards could be allowed to remain self-insured, and everyone else would be enrolled in a plan paid for by the 15 percent tax.

That entire strategy could be relatively easy.

All the pieces needed to make that transition are in place today. We have the ability to deduct payroll taxes now, and we use them with every paycheck.

We now have the ability to pay the plans monthly based on age and sex. We use that tool for Medicare Advantage for our Medicare program.

Medicaid programs are in place in every state.

If we decide we want to cover everyone, and do it both quickly and well, we just need the government to improve the way it buys care, and we need to move away from a care infrastructure that pays for all care by the piece.

Instead of being a single payer, the government would be a single-buyer.

That single-buyer approach is what most European countries do now to create universal coverage. Switzerland, Germany, and The Netherlands use payroll taxes to create a single-buyer fund, and then use it in each country to buy care from health plans.

Bismarck invented that single-buyer model over 130 years ago. More than 100 of the plans he created still exist, and Germans still select their own plan from those competing plans.

Canada is a single-payer. All of those other countries function as single-buyers.

We could do the same thing here if we create that care purchasing fund, and use it to buy care from Medicare Advantage plans with very clear specifications about exactly what we are buying at several levels, and then pay the Medicare Advantage Plans monthly for each person.

We should be on the cusp of a golden age for health care delivery. We should have connected care, team care, and continuously improving care supported by the best technology and the most current science as our reality today.

That golden age for care delivery will not happen unless we pay for it and make it a requirement for the way we buy care.

So instead of Medicare for All, we should insist on Medicare Advantage for all.

We could do it faster and cheaper, and in a way that channels market forces and the best science into reality, simply from just one tax — right at the level most organizations already pay for that care.

When we get really sick and tired of being sick and badly cared for by a splintered and uncoordinated care delivery non-system where costs continue to increase at a painful and inexorable rate, we should revisit this idea and improve care delivery by buying well for the first time as a nation.

Single-payer or Single-buyer

We can cover everyone in the country with either approach — but we will get better care and better care outcomes as a buyer rather than a payer.

We are on the cusp of another crisis in care. Care costs are increasing with the risk of exploding.

Health care businesses that sell pieces of care, pharmaceuticals, and medical equipment are all raising prices every day, because they are worried about the future of care purchasing, and because no one can stop them. Nothing currently can keep those prices from going up.

Insurance premium is always the average cost of care. Whenever care costs go up, premium follows in perfect alignment because every dollar increase in care is echoed with dollars in premium increases.

What does that tell us as a country?

We are on the cusp of an explosion in premiums that will cause us to use the only economic tool we now have to bring premiums down — higher deductibles.

Higher deductibles make people mad.

People in this country are going to be increasingly angry with their deductibles.

They will feel very cheated.

When deductibles are more than two thousand dollars, then more than 90 percent of the people already paying over a thousand dollars a month in premiums will never receive a dime in payment from their insurance company, because 90 percent of the insured will not get to that deductible level.

That is a perfect storm for many Americans to be very angry. Premiums will be going up, and benefit levels will be getting worse.

More people will be uninsured and even more will feel criminally under-insured.

Care will not get better in spite of the potential new technology because none of the providers will be paid for better care, and our care infrastructure will be making trillions of dollars on bad care outcomes and worsening health for our population.

That is exactly why we should give serious thought to Medicare Advantage for All.

You don't need to be a rocket scientist to see that using things we already have in place to provide better treatments and far better connected care for less, with much better benefits, might be an alternative worth considering as a nation.

Medicare Advantage for All.

Consider the alternative.

This country is going to have a lot of very cranky people who would be much happier if we just became a competent purchaser of care.

Keep in mind — all the pieces needed to buy care in a competent way are in place now. They are not going away.

Put that idea on your back burner. We now have a safety net for this horror show that is about to begin. Don't screw it up, because when we finally realize how screwed up things are, we are going to want to do something to flip it over and make it all better.