

IT TAKES VISION

## Key Questions to Consider for Evaluating Proposals on Single Payer

Assembly Select Committee on Health Delivery Systems and Universal Coverage February 5, 2018

Susan Philip, MPP Senior Healthcare Management Consultant





Funded by the California Health Care Foundation
Authors: Susan Philip and Marian Mulkey

Available at:

http://www.chcf.org/publications/2017/11/key-questionsstatebased-singlepayer

Caveats and Disclosures: The materials in this document and presentation represent the opinion of the authors and are not representative of the views of Milliman Inc. These slides are for discussion purposes only. They should not be relied upon without benefit of the discussion that accompanied them. Reliance has been placed upon various data sources. Milliman does not certify the information, nor does it guarantee the accuracy and completeness of such information. This document identifies the questions and issues that need to be addressed to bring into better focus what a single-payer system would mean for California. It is for educational purposes and may not be appropriate, and should not be used, for other purposes. Use of such information is voluntary, and it should not be relied upon unless an independent review of its accuracy and completeness has been performed. Materials may not be reproduced without the express written consent of Milliman. Milliman, Mulkey Consulting, and the California Health Care Foundation are entities independent of each other.



## **Terminology**

"Fundamentally, 'single payer' refers to a **single**, centralized, publicly organized means to collect, pool, and distributed money to pay for the delivery of consistent health care services for all members of a community."

"The concept of single payer is sometimes conflated with universal coverage, but the ideas are distinct. Universality can be achieved through a variety of policy options that range from extending current coverage programs and rules, to establishing a single-payer system."



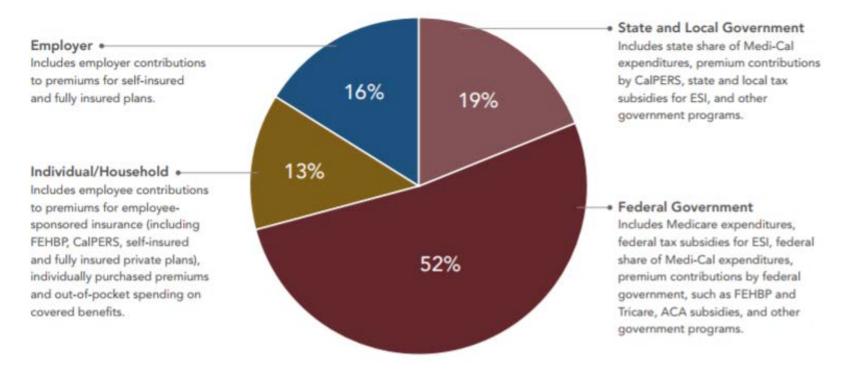
### First order questions

Who is in?

What benefits will be covered

• How will it be paid for?

#### Main Healthcare Funding Sources, California, 2016



Notes: Categories do not include other sources of funding for health care such as philanthropy, investments, or individual/household spending for non-covered health care services. Payroll taxes are not explicitly categorized by this chart.

Source: Adapted from Public Funds Accounts for Over 70 Percent of Health Care Spending in California, August 2016, UCLA Center for Health Policy Research.



### **Second Order Design Questions**

- Purchasing arrangements: use of intermediaries (such as health plans) versus direct purchase of health care
- Payment adequacy and methodology
- Provider participation
- Consumer participation: eligibility and enrollment
- Covered benefits and services
- Governance and administration



# **Evaluation Framework: Assess Policy Options Against the Status Quo and Against Each Other**

Criteria	Description	Findings
Coverage	How many individuals would gain access to health insurance?	No Change
		Increase
		Decrease
Disruption Index	How many individuals would lose current coverage or have to change their current plans?	Some
		None
		Many
Systemwide Costs	What is the projected impacts on total health care expenditures including administrative costs?	No Change
		Decreases
		Increases
Payments for Health Care services	What is the projected changes for services, drugs, and supplies compared to status quo?	No Change
		Decreases X%
		Increases Y%
Availability of Services / Access	What is the projected impact on access to care and availability of providers?	No Change
		Improves
		Worsens

Criteria	Description	Findings Stroot
Quality	What is the projected impact on safety and quality of care? Is primary care encouraged?	No Change
		Improves
		Worsens
Financial Barriers / Affordability	What are the financial barriers for accessing care, especially for low-income Californians?	No Change
		Improves
		Worsens
Workforce	What are the potential downstream effects on the health care workforce?	No Change
		Improves
		Worsens
Investments in	Does the proposal encourage focus on social determinants of health?	No Change
Social Determinants		Improves
		Worsens
Feasibility	What is the implementation feasibility from a federal perspective and from a state perspective?	Some Barriers
		Feasible
		Many Barriers

# **Evaluation Framework: Assess Policy Options Against the Status Quo and Against Each Other**

Criteria	Option #1	Option #2 Small Increase
Coverage	Large Increase	Small Increase
Disruption Index	Many Face Disruption	Few Face Disruption
Systemwide Costs	Slight Increase	Slight Decrease
Payments for Health Care Services	Decrease by 10%	Decrease by 3%
Availability of Services / Access	Worsens	No Measureable Change
Quality	Potential Improvements	No Relevant Provisions
Financial Barriers / Affordability	Improves	Slightly Improves
Workforce	Slight Decrease	No Change
Investments in Social Determinants	Improves	No Relevant Provisions
Feasibility	Many Barriers to Feasibility	Feasible

For an example, see "Oregon's Options to Overhaul Health Care Financing Research Brief" which summarizes "A Comprehensive Assessment of Four Options for Financing Health Care Delivery in Oregon," by Chapin White, Christine Eibner, Jodi L. Liu, Carter C. Price, Nora Leibowitz, Gretchen Morley, Jeanene Smith, Tina Edlund, and Jack Meyer, RR-1662-OHA, 2017.

