



**WildBlue**  
HEALTH SOLUTIONS

# **U.S. HEALTH CARE FINANCING**

Concepts for an Informed  
Health Care Conversation

[Wildbluehealthsolutions.com](http://Wildbluehealthsolutions.com)

Ken Janda - January, 2020

# US Spends More than Other Countries

## ....but Gets Less

### Health Care Resources

Lowest

Highest

Health Spending

\$1,138

OECD (\$3,994)

United States  
(\$10,586)

Health Spending Share

4.2

OECD (8.8 Per 1000)

United States (16.9 Per 1000)

### Access to care

Bottom Performer

Top Performer

Population Coverage

89

United States (91%)

OECD (98%)

100

Financial Protection

30.5

United States (50.2%)

OECD (71.2%)

85.5

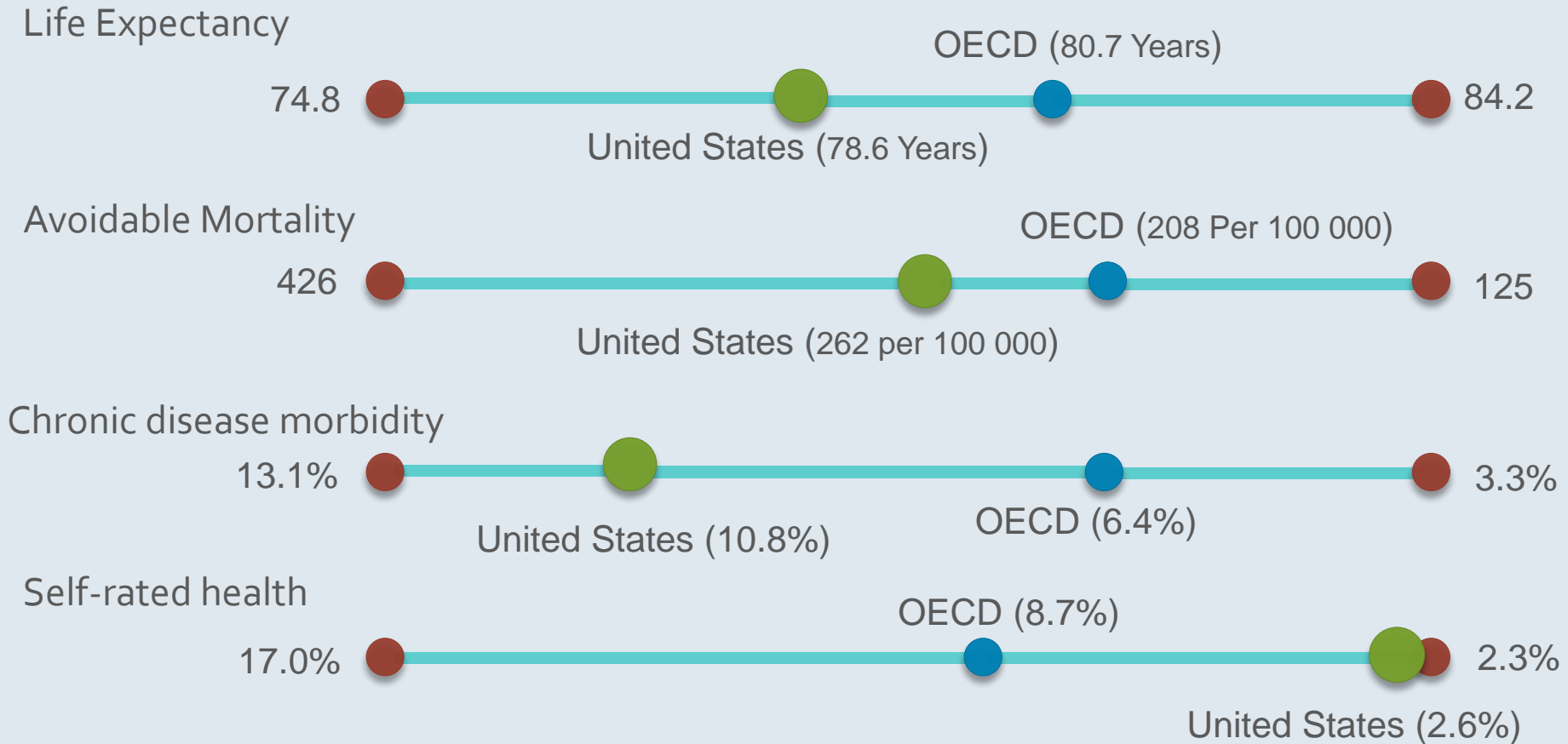
# US Spends More than Other Countries

## ....but Gets Less

### Health Status

Bottom Performer

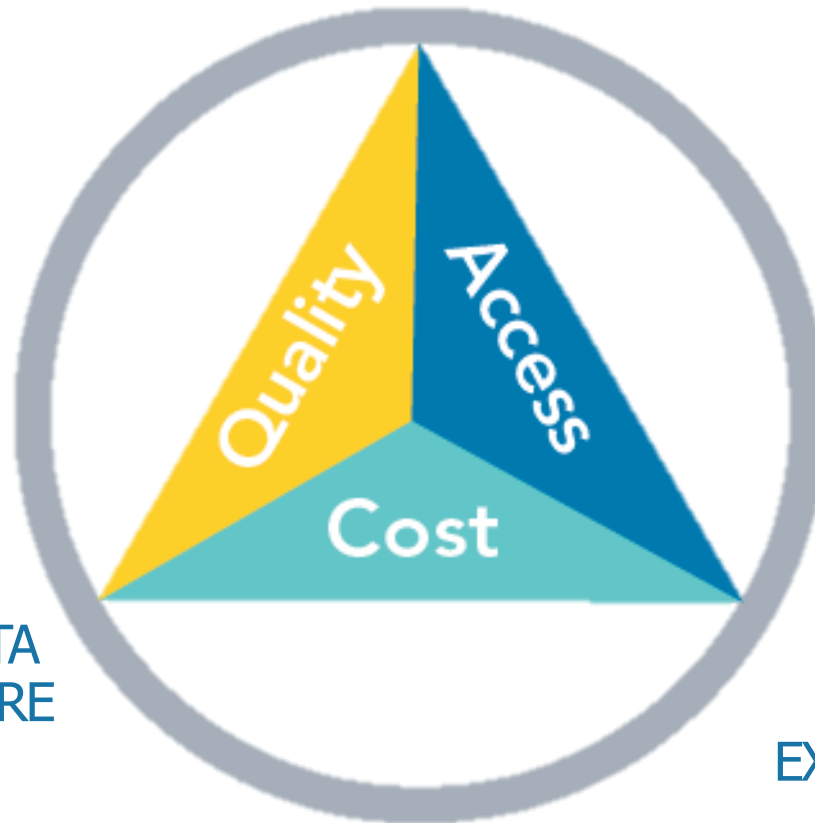
Top Performer



# The Health Care Triple Aim:

Simultaneous improvements

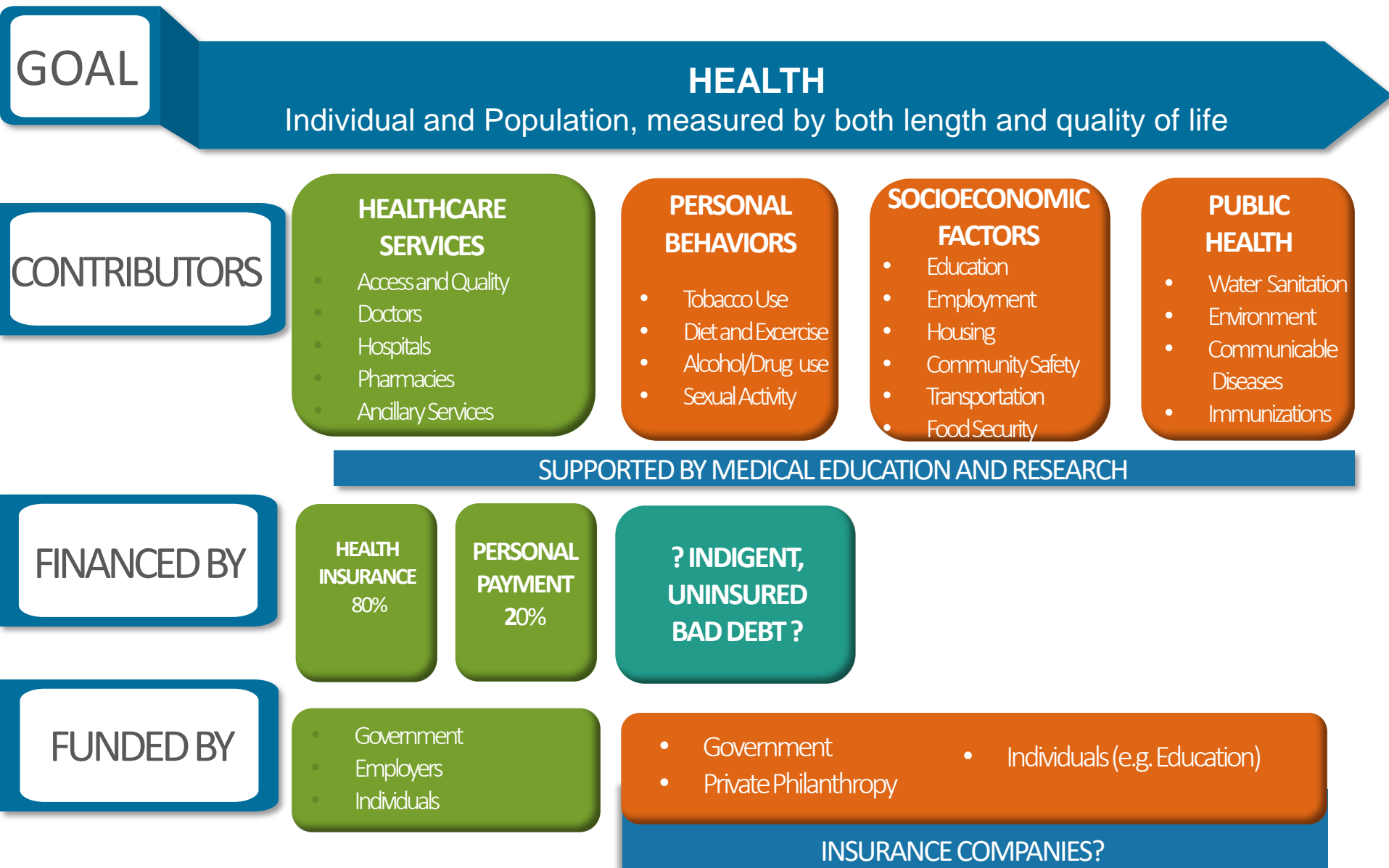
IMPROVING THE HEALTH  
OF POPULATIONS



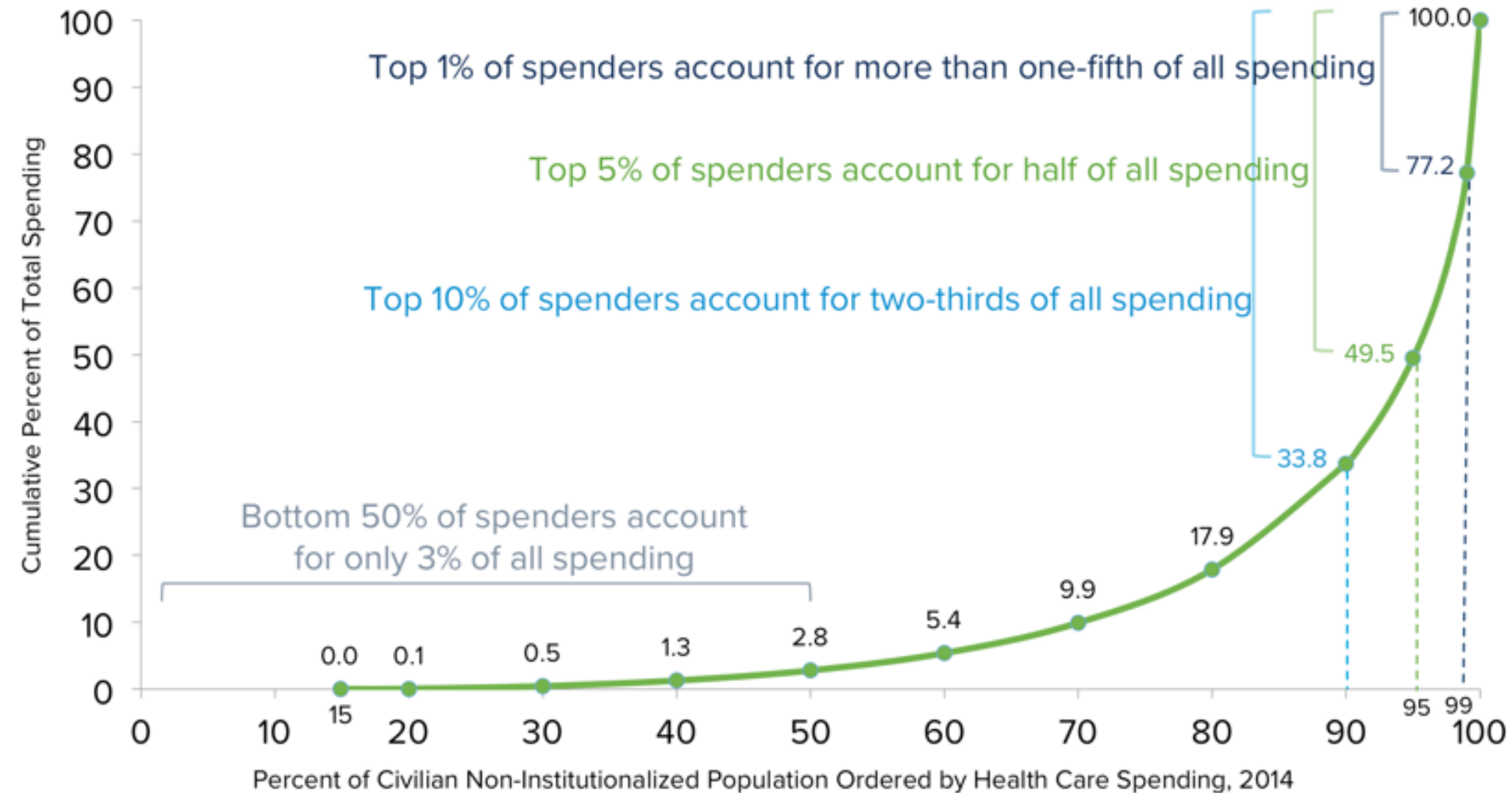
REDUCING PER CAPITA  
COSTS OF HEALTH CARE  
FOR POPULATIONS

IMPROVING THE  
INDIVIDUAL  
EXPERIENCE OF CARE

# Health ≠ Health Care ≠ Health Insurance



# Health Care Spending is Highly Concentrated



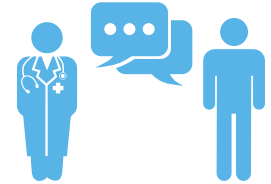
# Health Insurance is Critical



**Expensive** and you never know when you'll need high-cost care



**Protect assets**  
(if you are lucky enough to have assets to protect)



Insurance is **access** to health care providers



Insurance facilitates **care coordination**

## Everyone needs coverage!

Health insurance is important tool, but not the goal...

## HEALTH

# Who Pays for Our Health Care?

\$3.6 trillion annually under current law

## Medicare Federal Government

\$1.28 trillion

## Households

\$931 billion

## Medicaid/CHIP

## Employers

\$955 billion

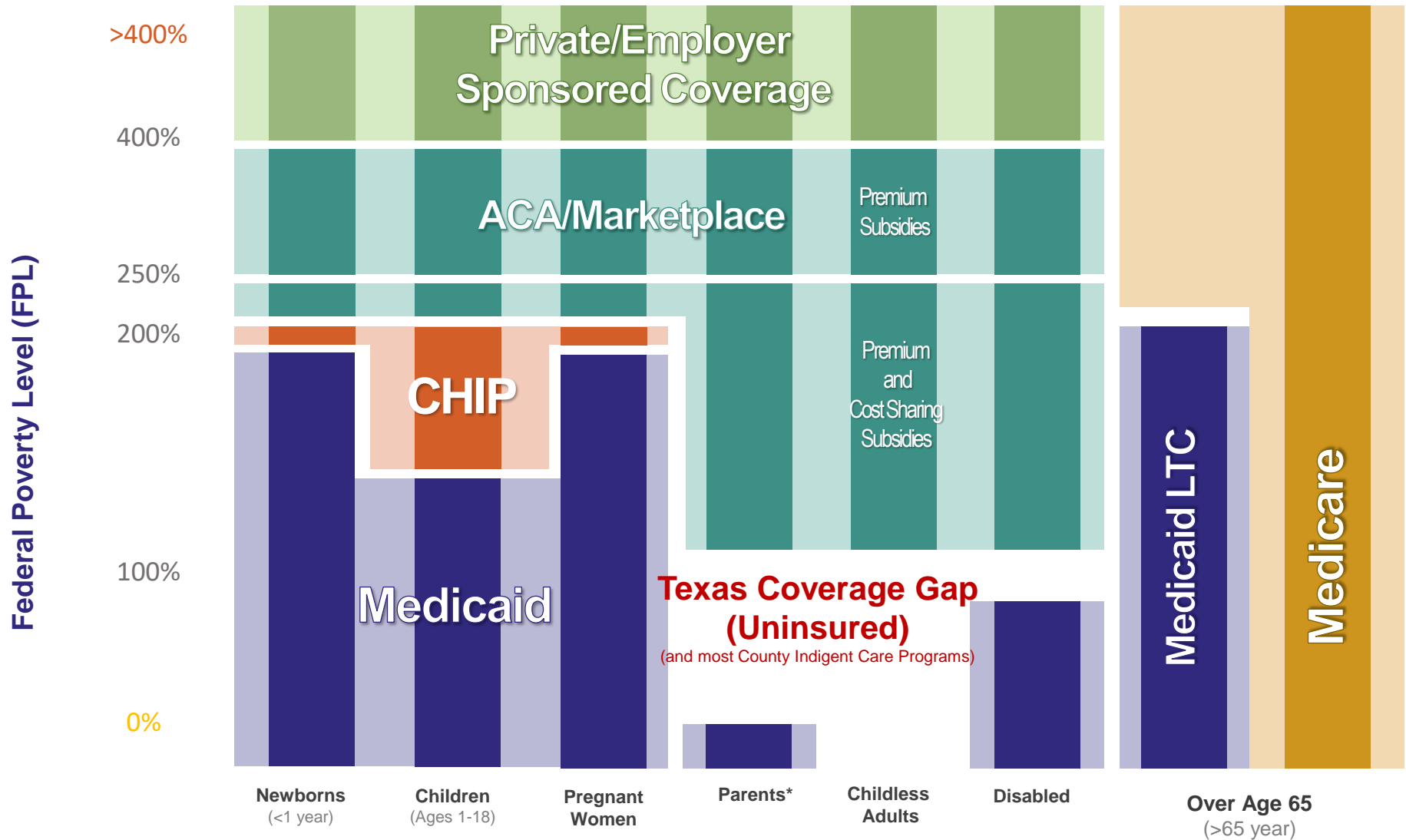
## State Governments

\$931 billion



# Health Insurance is Complicated

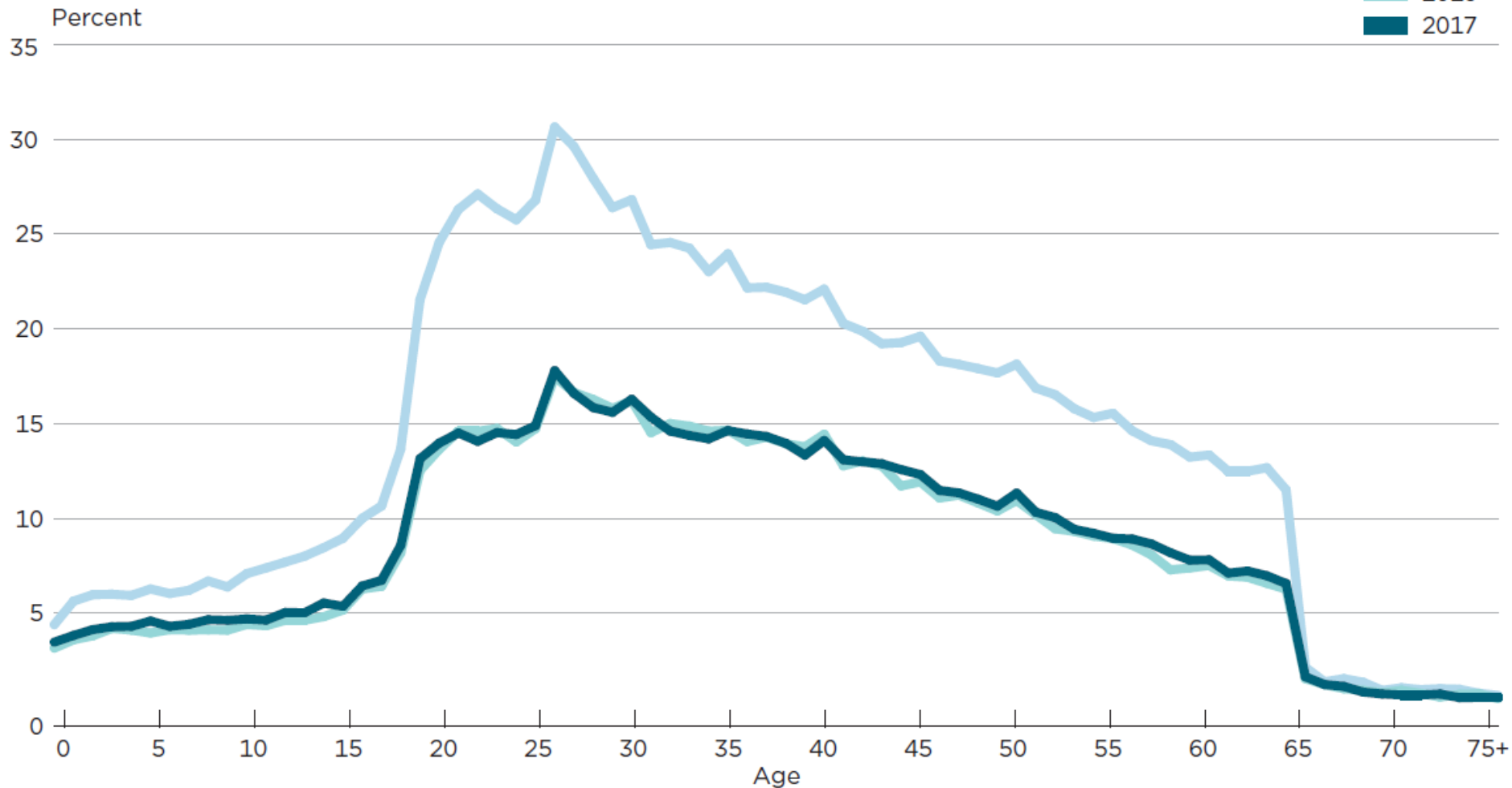
## Predominant Coverage by Age and Income



# Uninsured Rates Vary by Age

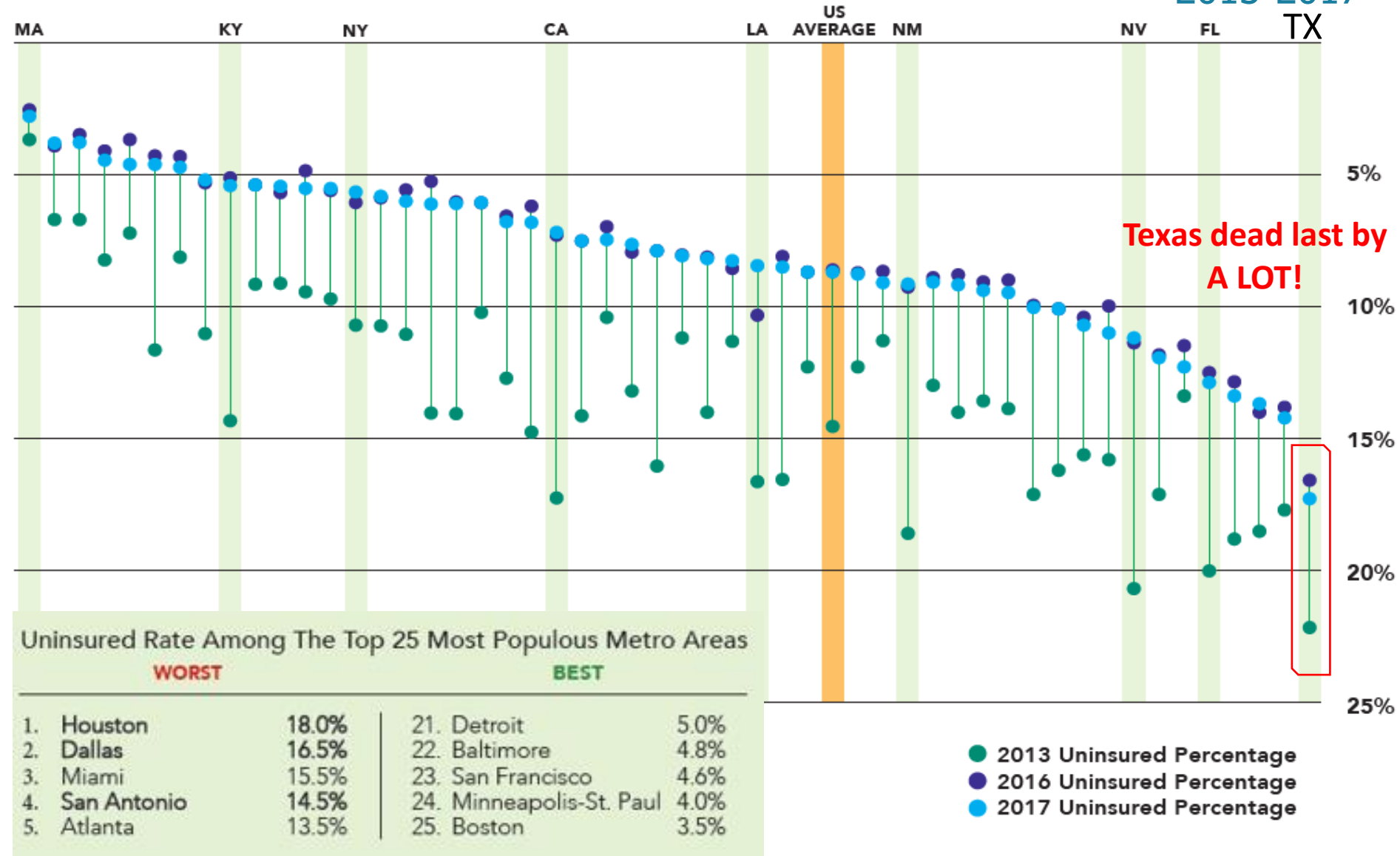
## ACA drove big decrease, 2013-2017

**Uninsured Rate by Single Year of Age: 2013, 2016, and 2017**  
(Civilian noninstitutionalized population)



# Uninsured Rates Vary by State

2013-2017



# 5 Million Uninsured Texans



1.3 Million Adults  
could be covered  
under a Medicaid  
expansion

300K are Currently Eligible  
NOT enrolled in Medicaid

700K undocumented  
working immigrants

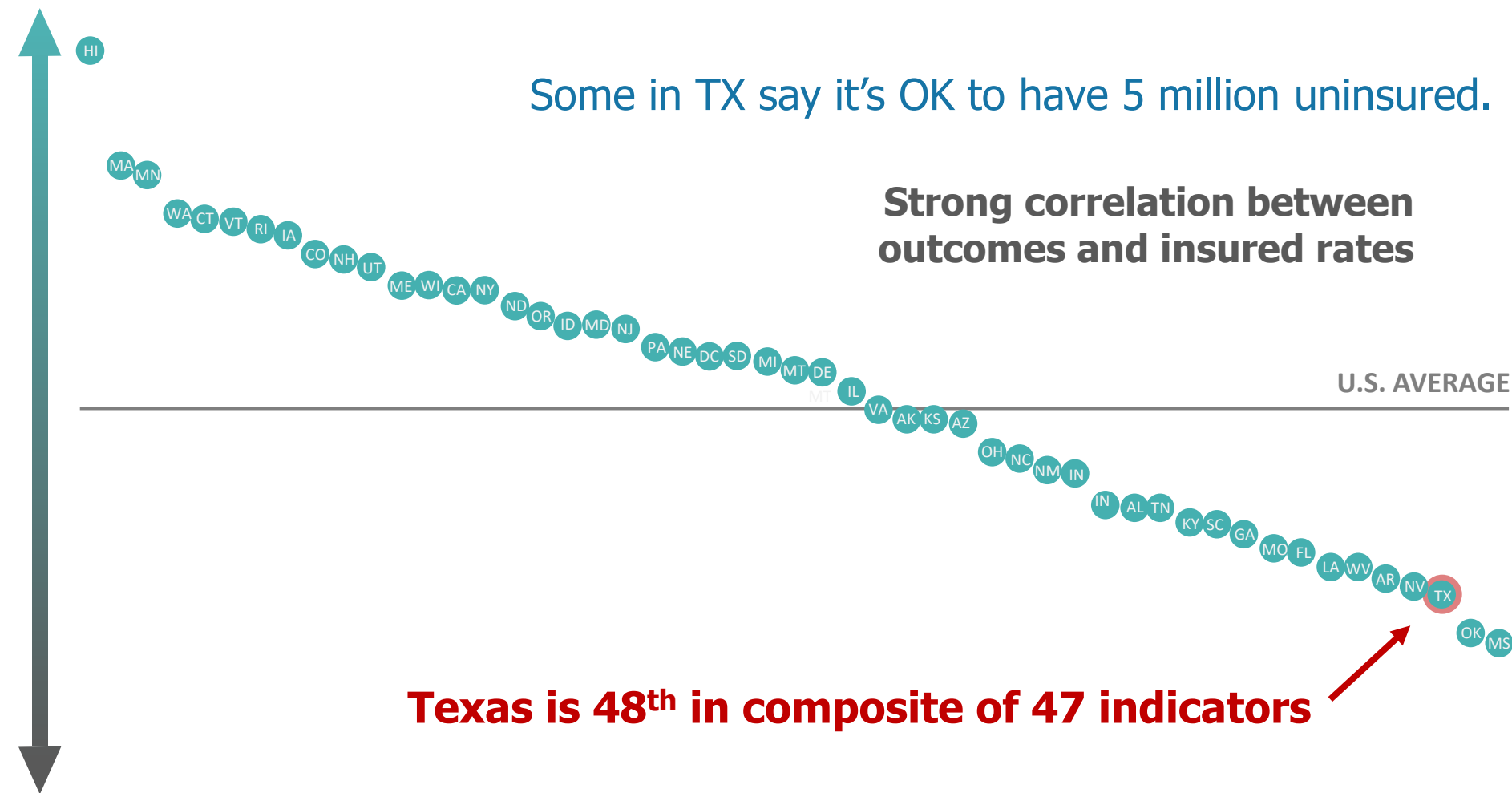
2.7 Million  
low-wage  
Texans and  
their families

NOT offered  
or NOT  
eligible for  
employer  
insurance

# Insurance Matters

## Health Outcomes by State

Better  
performance



Worse  
performance

States are arranged in rank order from left (best) to right (worst), based on their overall 2019 State Scorecard rank.

Source: Commonwealth Fund 2019 State Rankings on Health System Performance

# We Pay for the Uninsured: It's a Mess (Coverage is Better)

## CURRENT FRAGMENTED SAFETY NET "SYSTEM"

### LOW INCOME/ UNINSURED PATIENTS

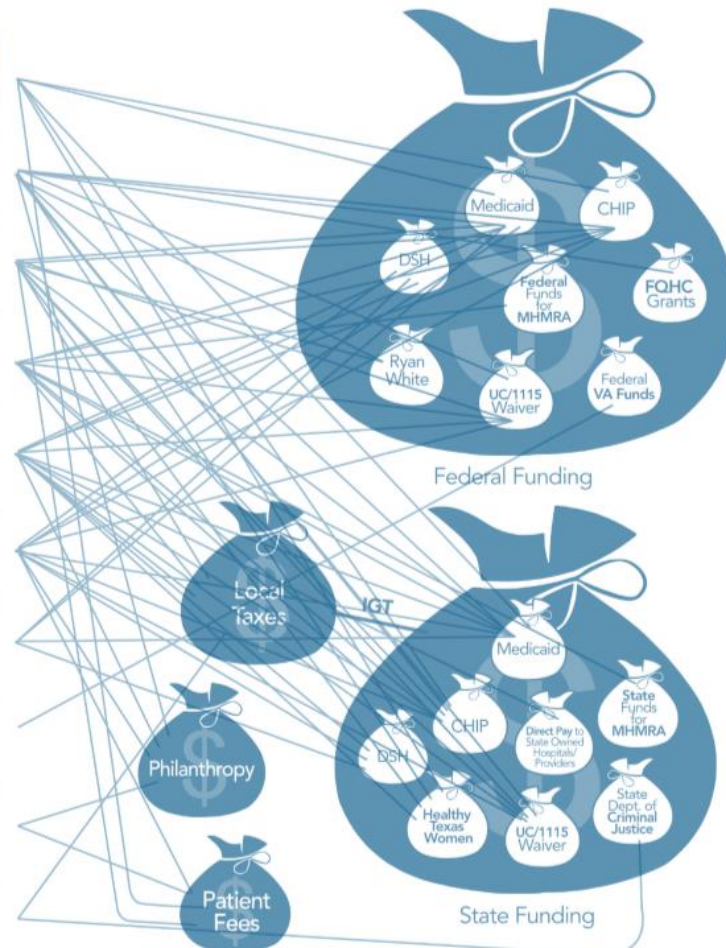


### PROVIDERS

(Determine eligibility)

Private Physicians  
FQHCs  
City / County Clinics  
Local Mental Health Authority  
Urban County Public Hospitals  
Private Hospitals  
State Hospitals  
Veteran Affairs  
Charity Clinics  
Jail

### FUNDING SOURCES\*



- For 1.3 million eligible for Medicaid expansion, coverage would:
- draw down more federal dollars
  - save the state money (90/10 match)
  - reduce administrative burden
  - produce better outcomes

\* Not exhaustive, other state funding sources currently exist for safety net care

# What Are Our Goals?

## A Health Policy Home Run

### Simplify Funding and Administration of Programs

- Reduce administrative burden through consistent program administration across Medicare, Medicaid, and private plans
- Reduce complex supplemental provider funding in government programs
- Integration/interoperability of systems

### Slow Cost Increases through Provider Payment Reform

- Encourage coordinated, less fragmented care (medical homes, ACOs, etc.)
- Restructure provider payments to reward efficiency and quality (value-based payments)
- Assure fair payment rates across programs and providers, incl Rx

**3B**

**2B**

### Coverage for Everyone

- A basic benefit plan for all based on age, income, disability
- Choices and ability to “buy up” for additional services
- Everyone in the pool
- Subsidies based on age and income

**1B**

### Personal & Community Accountability for Health

- Healthy behaviors
- Choices, transparency and consumerism
- Everyone pays something: based on income
- Community/social influences

**HP**

