

NEWLY REVISED PROPOSAL FOR HEALTH CARE REFORM

BY JOHN A. SMALDONE

EXECUTIVE SUMMARY

This proposal is intended to address various areas of change and reform to our overall health care system in this great nation! I realize we are at a temporary standstill but we all need to be positive, stay on course, repeal and replace!!!

As all of us know, we need a simple solution to this major problem, some of the areas this proposal will be addressing are, insurance reform, national risk pools, national provider networks along with the opening the flood gates for major competition between insurance carriers!

This proposal will also show how it will benefit employers, employees, individuals and their families and especially all those in need, the disabled and our senior citizen population that live below poverty levels.

In addition, the proposal will address areas such as mal practice suits, generic prescriptions, FDA oversight and more! The details are on the following pages.

THE ACTUAL PROPOSAL

1. **Remove** the restriction on **State Line Controls**, allow the regional group plans that this proposal entails (**To be explained further**) to be able to compete throughout the country to get insurance coverage. This will open up the flood gates and make health insurance competitive in their rates and overall coverage once again!

2. **Remove** health insurance out of the Federal Governments **administrative** control and have it entirely revert back to **each region, which will be explained further!** In order to for this to be effective, **the Federal Government would have to mandate it for each region, which will be explained further!** This may require a **constitution amendment**, which could be the most difficult task of all!

However, **each of the regions (Will be explained further)** would be **required** and **mandated** by the **Federal Government** to establish **three (3) state group plans**. Each group would be **required to have the same coverage, consisting of**, basic health coverage, comprehensive major medical, dental, vision and prescription coverage. The group plans will have a deductible of **\$1,000.00** per individual, with an aggregate deductible for a family of **\$3,000.00**. Coverage would be paid at **90%** of the charges, up to a total out of pocket cost of **\$10,000**, then all expenses would be paid at **100%** thereafter!

This would be required to be part of the **group insurance package** for each **regional** group plan (**Regions will be explained further**). The details of **each** group plan are as follows:

Group (A). Would be established, strictly for **small businesses** with **100** employees or less. The employer would be **required** to pay **50%** of the **employee's premium** (Not the family). **Businesses** with **101** employees or more could still join the group but would be required to pay **100%** of the **employees premium** (Not the family). This would give small companies the ability to offer their employees **great** coverage at lower rates because they would now be part of a large state wide group plan with competitive powers to cross state lines to negotiate the best coverage and premiums made up of many small companies and their employees.

Group (B). Would be established strictly for **individuals, individuals with families and single parents** to be able to join. The group plan would be for individuals who may be a self-employed consultants or a husband and wife team.

Group **(B)** is also for individuals who work for companies that chose not to join the small business group plan because of these companies **not** willing to pay the **50% or 100%** participation amount required of the employee's insurance premium.

This, like the small bossiness group plan, would allow individuals to be part of a large regional group plan with competitive powers to cross state lines to negotiate the best coverage and premiums possible.

Group (C). Would replace Obamacare verbiage for those who are truly in **need** and those seniors on Medicare that meet the criteria's spelled out in paragraphs to follow:

1. Those who are truly in need, deserve to remain on a program that will give them coverage, for themselves and their families. **Obamacare** as it was implemented was a failure from the day it started. We need a program that will serve its true purpose, one that is **NOT** controlled by the federal Government but one that is controlled by the regions, made up of states, outlined in this proposal. I will attempt to lay out a program that I feel will meet the requirements, mandates and guidelines to help those truly in need and at the same time, meet constitutional guidelines!

Today's work force represent approximately **154 Million individuals**. I used the assumption for this proposal that approximately **21 Million** people **will be** in need of health care assistance **or** that are disabled. Please remember, under this **proposal**, it is assumed that **Obamacare is repealed!**

The people referred to on this proposal must be cared for, at least those that are **truly in need of help**. I have used assumptions mentioned above that **21 Million** are those individuals or families that are truly in need and will require, either health care, at **no cost** or a **subsidy** of some kind. I have also used the assumption **that none of these individuals** are on **Medicare**.

2. Another assumption I have taken into consideration is that a portion of our senior citizen population who are on **Medicare** fall into certain criteria's that will be spelled out further into this proposal. The amount of seniors used in the assumption are **4.5 Million people**. These seniors will be supplied with **Gap Insurance**, the portion **Medicare** will not pay.

Therefore, I am proposing that **all the regions in this proposal assess** each individual left in the work force, a certain **"Charitable Contribution" amount per year, completely tax deductible!** The formula below will show those left in the work force that will be assessed this gift tax.

The **"Charitable Contribution"** assessment will only go toward those seniors in need of Gap Insurance. Those **in need** are bound by criteria's spelled out in the following pages!

The following proposal will take care of and cover **only** those legalized American citizens in need of a **100% or partial subsidy**.

By eliminating the **21 Million people** that we are covering under this new proposed health care plan, leaves a total left in the work force of **133 Million** eligible workers to pay for those seniors in need of Gap Insurance and those that will be cared for under the new proposed plan, which will in effect, replace **Obamacare!**

3. I am using the assumption that insurance costs will **average** for the **21 Million people** mentioned above, an amount of **\$16,500.00 per year, per individual**. This annual insurance cost, takes into consideration those that will receive **100% and partial subsidies!**

I am also using the assumption that the average cost for **Gap Insurance** for the **4.5 Million seniors** will work out to be **\$2,600.00 per year**. This also takes into consideration those that will receive **100% and partial subsidies!**

The total cost to care for those covered under this proposed health care plan, which replaces **Obamacare** and for those seniors on Medicare that will need **Gap Insurance**, will come to an amount rounded up to, **\$359 Billion per year**. This will mean that the remaining work force of **133 million people** in our country would be assessed by the five (5) regions, the **"Charitable Contribution"**. Those making **between \$60,501 and \$160,000** would contribute **\$648.00** per year, which would be **\$162.00** per quarter.

Those individuals making **above \$160,001 per year, would contribute, \$2,052.00** per year, which would be, **\$513.00 per quarter.**

There would be **ten (10) regions created**, five (5) states per region. Each region would be responsible to administer and collect the **“Charitable Contribution” (CC)** assessment from each individual working in these regions. This is based on the amounts stated **above** and on a **quarterly basis**. These funds would be geared to pay for those on the **CC** and geared **only** for those qualifying under the **CC!** This proposal requires an administrative committee to be established for each region. The committee will be responsible to administer the program and handle the collection of the **“Charitable Contributions” for their region!**

Who would qualify for **CC** would depend on the **total annual** gross income coming in for an individual and an individual with a family. The formula being proposed is as follows:

A. Individuals with gross incomes of less than **\$24,500** annually would receive the insurance package **at no cost.**

Families with two members making less than a gross income **\$34,500** annually would receive the insurance package **at no cost.**

Families with three or more members in the family making less than **\$40,500** annually would receive the insurance package **at no cost.**

B. Individuals with incomes of between **\$24,501 and \$34,499** annually would receive a subsidy from the fund of **40%** toward the cost of the insurance package.

Families of two with total incomes between **\$34,501 and \$40,500** annually would receive a subsidy from the fund of **40%** toward the cost of the insurance package

Families with three or more members in the family making total incomes between **\$40,501 and \$46,500** annually would receive a subsidy from the fund of **40%** toward the cost of insurance package.

C. Individuals with incomes of between **\$34,501 and \$40,500** annually would receive a subsidy from the fund of **25%** toward the cost of the insurance package.

Families of two with total incomes between **\$40,501 and \$46,500** annually would receive a subsidy from the fund of **25%** toward the cost of the insurance package

Families with three or more members in the family making total incomes between **\$46,501 and \$60,500** annually would receive a subsidy from the fund of **25%** toward the insurance package.

ALL THOSE THAT ARE RECEIVING NO COST OR SUBSIDISED HEALTH CARE ARE EXEMPT FROM HAVING TO PAY THE **CC ASSESSEMENT**

As stated in the beginning of this this proposal, this proposal is **NOT** calling for **Federal Government controlled group plans**, on the contrary!

Because of the amount of regions we will have in our country, this will open up the gates for a tremendous amount of competition. Each region will have **three (3)** separate group plans, each region being able to shop individually or team up with other regions! The competition will be tremendous and the reduction in the cost of health care will be **beyond anyone's imagination!!**

ADDITIONAL ITEMS TO THE PROPOSAL

- 1. Retain the existing condition coverage clause** to remain in policies when individuals change companies, which simply states that all **pre-existing** conditions shall be covered!
- 2. Remove** all the federal regulations, piles of paper work that have been piled on **doctors, hospitals and the entire medical industry** all over the country. **Revert** back to the regulatory controls that were in place, **PRIOR** to the implementation of **Obamacare!**
- 3. Allow** individuals that are continuing their **education** and are either living at home, dorms or apartments away from their parents' home to remain on their parent's insurance plan until the age of **26**.
- 4. Allow** any **premiums** paid by **individuals** or those **employers** that are participating in the **CC** group plan to be **completely tax deductible**.
- 5. Allow individuals** to establish and maintain **Health Savings Accounts (HAS)** up to a maximum maintained amount of **\$10,000**. All amounts contributed by individuals in the HAS's, would be **allowed to take a tax deduction** for the amount contributed in the tax year the contributions are made. These funds should help pay for deductibles and co-pays when they occur.
- 5. Medicaid** would still come into play for each region. **Only** if a shortage in the **CC** fund would occur. Then and **only** then would **Medicaid** act as a **subsidy** entity!
- 6. Single parents** with two or more children of school age would be given health care at the **40%** subsidy table. However, the income brackets would be based on the **25%** matrix table. If the parent's total gross income exceeds those tables, no subsidy would be given.

7. **All workers** in the United States **must be legal residents** or those that are on temporary work permits!

8. **Any of the groups** and their members would be covered anywhere in the continental USA!

9. **Allow regions to join other regions** to enhance their membership size base. Groups in each region can also join together to create a more competitive environment. In short, under this proposal there will be **30** total group plans being able to compete and have no restrictions imposed upon them as to how they can compete!

10. **Calculation tables** used by insurance companies to calculate premiums will be based on “**National**” statistics, **NOT** by individual state statistics, a person’s age, pre-existing conditions or any other **discriminatory factors**. This proposal is **intending to create a unilateral, uniformed statistical guide line Matrix for premium cost controls!**

11. **This proposal is calling for the elimination of the use of the name “Obamacare” and call it for what it really is “The Patient Protection and Affordable Care Act”! This proposal is **NOT** calling for the **replacement** of what **was** known as “Obamacare” but instead, keep the “The Patient Protection and Affordable Care Act” and improve on it and **replace it with what is in this proposal!****

12. **In no way does** this proposal **call for, mandate or require any** individual or business to **join** any of the groups. In addition, **NO penalties** will be imposed on any individuals or businesses that do **NOT** join any of the groups. **However**, if any individual does **NOT** have health care, even though it is being **offered to them under the most favorable conditions**, when they are in need of health care, they are on their own and **completely and financially** responsible for **all** and any costs related to an illness, accident, death **ETC.!** This does not mean that they will **NOT** be treated necessarily but definitely financially responsible!

FEDERAL GOVERNMENT CONTROLS AND RESPONSABILITIES

1. **Every pharmaceutical company** based out of the USA, **MUST** have a **generic** (Affordable) for every **brand** name manufactured after a five **(5)** year introduction period to the market place. This is one rare area in this proposal that the **Federal Government** would have to take control of and be the negotiating power!

2. **FDA approval** of all drugs manufactured or used in the US **Will be required!**

3. **Caps** on all **mal practice suits** along with strict guidelines established for filing law suits against any members of the medical profession and medical facilities. The caps and guidelines would be established later!

4. As originally stated in the beginning of this proposal, the Federal Government would have to mandate that each region take on this responsibility. By doing so, congress most likely would have to amend the constitution.

Chances may be slim that congress would take this action to implement a **common-sense** health care reform proposal such as this but one never knows, especially in these changing times and new founded pressures on congress to actually get something achieved and passed?

ADDITIONAL SUGGESTIONS AND COMMENTS ARE WELCOMED. ANY SUGESTIONS THAT ARE OF VALUE AND THAT ARE MADE WITH COMMON SENSE BEHIND THEM, WILL BE USED.

THIS PROPOSAL IS MEANT TO BE AN OVERVIEW ONLY, MUCH MORE DETAIL WOULD HAVE TO BE INSERTED IN ORDER FOR THE PROPOSAL TO BE COMPLETE AND IN A FORMAT ACCEPTABLE FOR SUBMISSION

Prepared by:

John A. Smaldone

Member of the Blount County

Republican Executive Committee

1135 Summerfield Drive

865-983-5688: Home

865-980-3583: Office

865-982-5180: Fax

E-mail-home: johnsmaldone@gmail.com

E-mail-Office: john@hanover-financial.co

Website: www.hanover-financial.com

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Revised proposal as of, October 05, 2017