

Universal Health Care Financing Models

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Agenda

- Four Health Care & Financing Models
- Defining Single-Payer
- SB 1089
- Single-Payer Models
- Multi-Payer Models
- Unified Financing
- Resources
- Questions
- Motion

Four Health Care & Financing Models

The Beveridge Model (National Health Service)

- Universal coverage with government as single-payer.
- Taxes are collected by the government to support the system.
- Most providers work for the government.
- UK, Spain, New Zealand, Cuba

The National Health Insurance Model

- Universal coverage with government as single-payer
- Funded through government taxation or mandatory contribution.
- Government regulates costs and services
- Providers are private.
- Canada, South Korea, Taiwan

Four Health Care and Financing Models

The Bismarck Model (Social Insurance)

- Universal coverage, multi-payer system
- Funds paid into by employer and employee contributions based on ability to pay. Specific to occupational or social groups.
- Funds “sickness funds”) are administered by non-profits or private groups not permitted to collect a profit.
- Funds and fees schedules are regulated by the government.
- Providers are private.
- Germany, France, Japan

The Fee-for-Service Model

- No universal care system
- Funds are not collected and pooled
- Providers are private

Defining Single-Payer

Origination

- Coined in the 1990's to describe Canada's system of health care
- Used to avoid the term "socialized medicine"

Current Use is Broad

- Does not implicitly mean government as the payer
- Does not denote universal care
- Does not mandate a specific delivery system

Single-Payer defined by SB 1089

SECTION 2. (1) As used in this section, “single payer health care financing system” means a universal system used by the state to pay the cost of health care services and goods in which:

- (a) Institutional providers are paid directly for health care services or goods by the state or paid by an administrator that does not bear risk in contracting with the state;
- (b) Institutional providers are paid with global budgets that separate capital budgets, established through regional planning, and operational budgets;
- (c) Group practices are paid directly for health care services or goods by the state, by an administrator that does not bear risk in contracting with the state, by the employer of the group practice or by an institutional provider; and
- (d) Individual health care providers are paid directly for health care services or goods by the state, by their employers, by an administrator that does not bear risk in contracting with the state, by an institutional provider or by a group practice.

Single-Payer Models

Canada

- National Health Insurance Model
- Funded by general tax revenue
- Administered by Canadian provinces and territories
- Private providers

UK

- National Health Service (Beveridge Model)
- Funded by general tax revenue
- Administered by the government
- Providers employed by the government

Taiwan

- National Health Insurance Model
- Funded by payroll-based premiums with government subsidies
- Administered by the government
- Private providers with some public hospitals

Multi-Payer Models

Germany

- Bismarck Model
- Funded primarily by employer and employee contributions
- Mandatory enrollment in statutory health insurance (SHI) or a private plan
- Federal government has regulatory power but is not directly involved in delivery.
- The Federal Association of Sickness Funds, the Federal Association of SHI Physicians and the German Hospital Federation develops fee schedules for sickness funds and the diagnosis-related group (DRG) catalog, which are then adopted by bilateral joint committees.

Japan

- Bismarck Model
- Funded by employer and employee taxes and individual contributions
- Mandatory enrollment in an employer-based or residence-based insurance plan with coinsurance and some co-pays
- National government sets fee schedules. Regionally developed delivery systems.
- Providers are mostly private.

Unified Financing

California and Washington legislation require a universal health care system with Unified Financing.

- Unified financing is not clearly defined
- Anticipates a system with Medicaid waiver; possibly Medicare waiver
- Taxes – general and payroll considered
- Could be single-payer or multi-payer

Resources

- <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6775897/pdf/AJPH.2019.305295.pdf>
- <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6775939/pdf/AJPH.2019.305312.pdf>
- [Reducing administrative costs in US health care: Assessing single payer and its alternatives \(nih.gov\)](#)
- <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5481251/>
- <https://www.weforum.org/agenda/2020/10/covid-19-healthcare-health-service-vaccine-health-insurance-pandemic/>
- <https://www.mdclarity.com/glossary/social-insurance-bismarck-model#:~:text=In%20the%20Bismarck%20model%2C%20healthcare,contributions%20from%20employers%20and%20employees>
- <https://www.commonwealthfund.org/international-health-policy-center/countries/japan>

Resources Continued

- <https://www.commonwealthfund.org/international-health-policy-center/countries/germany>
- <https://www.sciencedirect.com/science/article/pii/S0014292124000849>
- <https://www.canada.ca/en/health-canada/services/canada-health-care-system.html#a2>
- <https://www.commonwealthfund.org/international-health-policy-center/countries/taiwan>
- <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3596027/>
- <https://www.hca.wa.gov/about-hca/who-we-are/universal-health-care/universal-health-care-commission#reports>
- https://www.chhs.ca.gov/wp-content/uploads/2022/04/Key-Design-Considerations_April-2022_Final-Report-for-Distribution.pdf
- <https://lawfilesexternal.wa.gov/biennium/2021-22/Pdf/Bills/Session%20Laws/Senate/5399-S2.SL.pdf?q=20210610134716>



Universal Health Plan
Governance Board

QUESTIONS?

PROPOSED MOTION

Appoint the following [members] to a Financial Models Workgroup to make recommendations to the board on the type of financing structure to adopt, and how to invest savings created by the Universal Health Plan.