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FOR IMMEDIATE RELEASE

A New **TANC** Position Paper/Research: “**Rx for U.S. Healthcare Reform**”

**A PROVEN, READY-MADE MODEL FOR NON-PROFIT “UNIVERSAL HEALTHCARE” PROVIDES A SOLUTION FOR WIDESPREAD ENACTMENT**

***A Little-Known, 25-Year-Old Federally-Created “Medicare Advantage” Program to Create & Foster Non-Profit “Social Managed Care Plans” for Senior Citizens Could Serve as a Model/Blueprint for a new “Universal/Public-Option” Healthcare system in America***

**LOS ANGELES, CA** (October 2009) — ***Trans-American Alliance for a National Consensus (TANC)***, a citizens’ advocacy and Direct Democracy movement, has released a new position paper/research study, “***Rx for U.S. Healthcare Reform***,” making the case that ***NON-PROFIT*** health insurance organizations should control and proliferate any “*Insurance Exchange*” system that Congress is considering enacting as a central component of Universal Healthcare/Public-Option reform legislation.

The 23-page position paper, authored by **TANC’s** co-founder and executive director, Michael A. Freeman, also offers a set of recommendations proposing how the federal government should *model* any proposed “Insurance Exchange” built around the *success* of a little-known 25-year-old *Medicare Advantage Prescription Program (MA-PD)* program that has fostered the creation of a handful of *zero-to low-cost NON-PROFIT “Social Managed Care Plans”* (only available to Senior Citizens currently) — NOT the proposals for a government-supported “FOR-PROFIT/PRIVATE SECTOR-based” Insurance Exchange to be controlled by “Big Health Insurance” companies offered up by Senate Finance Committee Chairman Sen. Max Baucus (D-MT), which has also been verbally-endorsed by President Obama.

“Taking into account how ‘Big Health Insurance’ is widely considered one of the most unregulated and out-of-control industry sectors of healthcare, abusing the privilege of its federal *antitrust exemption*, there is no way ‘FOR-PROFIT’ carriers should be allowed to be the centerpieces of a national ‘Insurance Exchange’ system that would supposedly offer ‘*lower-cost*’ premiums to the public,” Mr. Freeman said of the more recent Baucus-led Senate bill proposal process.

“**TANC’s** position paper points to extensive research on how FOR-PROFIT/PRIVATE-SECTOR health insurance carriers have used their *monopoly powers* in markets across the United States to set artificially inflated pricing, offer less coverage areas and shift more and more out-of-pocket costs [in higher deductibles and co-pay burdens] onto consumers — not to mention the coercion and threats of millions of claims denials with patients dying or suffering growing terminal illnesses and policy cancellations for policyholders found to suffer from ‘*preexisting conditions*,’” Mr. Freeman added. “Given how ‘Big Insurance’ has freely abused and perverted its *antitrust exemption*, allowing them to set the terms and call the shots on supposed ‘*Healthcare Reform*’ is like ‘letting the wolves protect the henhouse.’ It’s time that our ‘elected’ Congressional representatives start upholding Constitutional Law



## ***“Rx for U.S. Healthcare Reform” Position Paper***

and look to instead foster the growth of *law-abiding* NON-PROFIT organizational models that have provided more equitable, humane forms of healthcare in this country for some time now.”

On that front, members of Congress and the White House currently debating *healthcare reform* appear to have entirely overlooked or forgotten the fact that the federal government, under the *Deficit Reduction of 1984*, planted the seeds for Medicare to create a “demonstration program” for a handful of NON-PROFIT “Social Managed Care Plan” organizations. These advanced healthcare/insurance organizations — otherwise known as “Social HMOs” — are offered to Senior Citizens (as a replacement to “standard” Medicare premiums) at little to no extra cost of what is already deducted from seniors’ “Medicare-minimum” base rates (\$96 per month in 2009).

A quarter-century later, these four “Social HMOs” — ***SCAN Health Plan*** of the Southern California region, ***Elderplan*** of the five boroughs of New York City, ***Kaiser Family Health Foundation of the Northwest*** (serving Oregon and regions of Washington State) and ***Health Plan of Nevada*** (based out of Las Vegas) — have been exemplary NON-PROFIT role models in offering greatly expanded coverage menus of inpatient, outpatient and at-home care services and premiums at mere fractions of what FOR-PROFIT carriers try to sell at higher-cost but with lower-grade coverage areas and higher out-of-pocket deductible and co-pay costs.

“These ‘Social HMOs’ provide wonderful blueprints/templates for how a nonprofit-based ‘Insurance Exchange Pool’ [as opposed to a for-profit insurance exchange] could have broad applications towards federal enactment of a ‘*Universal Healthcare/Public-Option*’ system currently being considered for the general under-65 population in the United States,” Mr. Freeman stated. “The advantage of these non-profit ‘Social HMOs’ is that they offer an independently-operated, non-government invasive, low-cost solutions to a much-feared ‘government-run, socialized national healthcare system’ raised as concerns from differing sides of the political aisle. More than anything, though, ‘Social HMOs’ prove they are viable *cost-lowering alternatives* to the for-profit health insurance conglomerates currently artificially manipulating and fixing pricing with monopolistic and coercive marketplace powers in this long-standing, ‘denials-based’ health insurance system in this country.”

The fact is that “Big Health Insurance” carriers have already violated the “Public Trust” with a long-standing pattern of CRIMINAL business practices, playing leading roles in the deaths of an estimated 45,000 Americans annually due to what a new Harvard Medical study cites as “inadequate” or “NO” insurance coverage, also stemming from DENIALS and REVOCATIONS of policies. SmartMoney.com also recently reported that there are typically 75 million claims DENIED and returned from PRIVATE/FOR-PROFIT health insurance carriers out of the roughly 1 billion claims filed annually.

For those reasons, **TANC** has put forth a set of legislative *Healthcare Reform* bill recommendations, including 1) offering FOR-PROFIT/PRIVATE health insurers an opportunity to accept government assistance to “de-list” as publicly-traded corporations and file “Non-Profit Articles of Incorporation” to join the ranks of the newly-coined non-profit Health Insurance Organizations (also to be known as “HIOs”) in the general insurance marketplace; or 2) face the prospect of broadened U.S. Justice Department and Congressional investigations looking into violations of their “antitrust exemption” status (as proposed by Sen. Patrick Leahy in a pair of Senate and House bills) through monopolistic business practices and coercive/threatening business tactics employed with the DENIALS and REVOCATIONS of premiums on a massive, “bloc” basis with individual and group (employer-based) policyholders across the country.

Additionally, **TANC** is proposing enactment of new federal regulatory oversight powers in the areas of placing pay limits (other known as “caps”) on executive compensation and the adoption of a “*Uniform Health Insurance Industry Standards*” on a national “claims processing system” to standardize and streamline the billings and reconciliation of payments for medical procedures and hospital stays and so on.



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In order to mount a program to offer an opportunity to help FOR-PROFIT insurance carriers to un-tether from outside investor pressures in stock markets, **TANC** is proposing the *temporary* formation of the “*Federal Non-Profit Health Insurance Conversion Corporation*” to implement public bond issues in order to raise enough funds to help “private-sector” insurance corporations in the buyback of outstanding publicly-traded shares currently held by major institutional and individual shareholders.

The bond fund, as it reaches maturity within a 10-year span, would be paid back by a trust set up as more American consumers opt-in to pay for NON-PROFIT insurance coverage and a set percentage of funds is set aside to eventually close-down the “*Federal Non-Profit Health Insurance Conversion Corporation*.” If large for-profit carriers agree to a “non-profit conversion,” it would also mean that their existing customers would be able to keep their “preferred” insurance plan options in place with that carrier, but they would also benefit from greatly reduced pricing on their premiums because of this new HIO program.

Should large FOR-PROFIT health insurance carriers conceivably choose to reject the “non-profit conversion plan” as proposed by **TANC**, the federal government could use the same bond-issuing strategy to entirely focus on raising funding for the formation of other NON-PROFIT “Health Insurance Organizations” (HIOs) as a way to offer broadened-out “Universal Healthcare/Public-Option” coverage to all Americans including subsidized coverage for low-income Americans who can’t afford to obtain private health insurance coverage. By fostering the creation of NON-PROFIT Health Insurance Organizations and proposing the expansion of existing “Social HMOs,” like **SCAN**, into servicing the general under-65 population, this will create “downward pricing” forces on the health insurance market as a matter of truly reflecting a correction on the artificially high pricing that comes from the FOR-PROFIT/PRIVATE-SECTOR health insurance carriers.

**TANC** is also proposing either a 5- to 10-percent corporate tax on the producers of “unhealthy/addictive consumable products,” such as the manufacturers and distributors of tobacco products, alcoholic beverages, fast food chains, sweetened beverages, candy/confectionary products, and packaged snack foods, which are all the biggest health burdens on the healthcare system. Additionally, **TANC** is proposing a general a 1% to 2% special corporate tax levy on all other American corporations to help fund the conversion/formation of non-profit HIOs and “Public Option” aspects of the program.

These two corporate tax levies, estimates **TANC**, could raise up to \$200 billion annually to help cover the initial startup and ongoing operational costs of “Universal/Public-Option Healthcare,” but would incrementally decrease federal expenditures due to more of the NON-PROFIT “Health Insurance Organizations” eventually becoming self-financing/self-sustaining, independent institutions through their monthly/yearly subscriptions charges to consumers and group employer plans. Corporations would see there additional tax burdens almost immediately offset by obtaining much greater “group” employee plan savings with premiums that be obtained through these non-profit HIOs.

“This a time when the federal government, in the aftermath of nearly \$1 trillion in bailouts handed out to America’s corporate banking, finance, insurance and auto manufacturing industries, needs to finally prove it will legislate a ‘non-profit conversion’ of healthcare in serving in the ‘Public Interest’ — not just in ‘Corporate Interests,’” Mr. Freeman concluded. “Our country can no longer tolerate the ‘criminalization of healthcare,’ where the lives and well-being of Americans are outweighed by the ‘maximization of profits and minimizing of risks’ in placing lives in the balance. With our ‘For-Profit’ healthcare system ranking as the most expensive system in the world, the continually escalating costs of corporate-based health insurance will eventually implode from the weight of its excesses and the ongoing growth of uninsured Americans [currently estimated at 47 million people] being unable to afford or obtain private insurance coverage. It is a ‘middleman,’ predatory system that is riddled with a self-fulfilling prophecy of greed and capriciousness directed at American consumers.”



### **“Rx for U.S. Healthcare Reform” Position Paper**

To explore in detail **TANC’s** proposals in **“Rx for U.S. Healthcare Reform,”** you are invited to view and download the position paper at <http://www.transamericanalliance.org> and on SlideShare.net at <http://slidesha.re/klh3N>.

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#### **About TANC:**

**Trans-American Alliance for a National Consensus (TANC)** is a California-based nonprofit 501[c][3] public advocacy organization dedicated to establishing a national *“Electorate Legislative Consortium”* as part of a nonpartisan, citizen-based assembly bringing together all key segments of society to author and enact “consensus” federal legislation. The primary mission of **TANC** is to act as a complementary but binding “fourth branch” arbiter between the established Legislative, Executive and Judicial branches of the U.S. government.

To convene on a local, regional and national basis through a representational number of universities and colleges in the United States, **TANC** is empowered to bring badly-needed consistency, accountability and transparency to policy- and law-making from the federal government. Also referred to as **The Alliance**, the overriding goal is to establish **TANC** as a nonpartisan “ethical conscience of democracy,” effectively seeking to contradict or mitigate the influence some well-funded lobbyists, special interest groups and political action committees hold on politicians throughout the corridors of power in Washington, D.C.

For more information and how you can participate to make “Citizens’ Oversight” a potential fixture of future federal governance, please visit us at [www.transamericanalliance.org](http://www.transamericanalliance.org).

You can also make a huge difference by mailing or emailing this position paper, **Rx for U.S. Healthcare Reform**, to your elected congressional Senate and House representatives by searching for their email addresses at <http://www.congress.org/congressorg/directory/congdir.tt>. Emails, with the PDF version of the position paper attached, can be forwarded to the President ([president@whitehouse.gov](mailto:president@whitehouse.gov)), Vice President ([vicepresident@whitehouse.gov](mailto:vicepresident@whitehouse.gov)) and other members of executive branch-level cabinet departments can be sent to [comments@whitehouse.gov](mailto:comments@whitehouse.gov); and snail mail to The White House, 1600 Pennsylvania Avenue NW, Washington, DC 20500. If you have any inquiries, suggestions or thoughts, please share them with us at [ThinkTANC@transamericanalliance.org](mailto:ThinkTANC@transamericanalliance.org).

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