

COMPREHENSIVE HEALTH INSURANCE PROGRAM

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First, it offers every American an opportunity to obtain balanced, comprehensive of health insurance benefits;

Second, it will cost no American more than he can afford to pay;

Third, it builds on the strength and diversity of our existing public and private systems of health financing and harmonizes them into an overall system;

Fourth, it uses public funds only where needed;

Fifth, it would maintain freedom of choice by patients and ensure that doctors work for their patient, not for the Federal Government.

Sixth, it encourages more effective use of our health care resources;

Seventh, it is organized so that all parties would have a direct stake in making the system work--consumer, provider, insurer, State governments and the Federal Government.

THREE PLANS TO OFFER BROAD AND BALANCED PROTECTION FOR ALL AMERICANS

ONE, Employee Health Insurance, covering most Americans and offered at their place of employment

TWO, improved **Medicare** Plan, covering those 65 and over and offered through a Medicare system that is modified to include additional, needed benefits.

THREE, Assisted Health Insurance, covering low-income persons, and persons who would be ineligible for the other two programs, with Federal and State government paying those costs beyond the means of the individual who is insured

- **One of these three plans would be available to every American**, but for everyone, participation in the program would be voluntary.
- **The benefits offered by the three plans would be identical for all Americans, regardless of age or income. Benefits would be provided for:**
 - hospital care
 - physicians' care in and out of the hospital
 - prescription and life-saving drugs
 - laboratory tests and X-rays
 - medical devices

- ambulance services
- **There would be no exclusions of coverage based on the nature of the illness.**
- In addition, it would cover treatment for mental illness, alcoholism and drug addiction
- Certain nursing home services and other convalescent services would also be covered.
- home health services would be covered
- The health needs of children would come in for special attention,
 - preventive care up to age six
 - eye examinations
 - hearing examinations
 - regular dental care up to age 13.
- **A doctor's decisions could be based on the health needs of his patients, not on insurance coverage.**
- **Every American participating in the program would be insured for catastrophic illnesses**
- No family would have annual out-of-pocket costs for covered health services in excess of a cap
- **low-income families would face substantially smaller expenses.**
- A Health-card, similar to a credit card, would be honored by hospitals, nursing homes, emergency rooms, doctors, and clinics across the country.
- This card could also be used to identify information on blood type and .sensitivity to particular drugs-info which might be important in an emergency.
- Bills for the services paid for with the Health-card would be sent to the insurance carrier who would reimburse the provider of the care for covered services, then bill the patient for his share, if any.

HOW EMPLOYEE HEALTH INSURANCE WOULD WORK

- **Every employer would be required to offer all full-time employees the Comprehensive Health Insurance Plan.**
- **Added benefits may be included by mutual agreement.**
- The insurance plan would be jointly financed, with employers paying 65 %of the premium for the first three years of the plan, and 75 %thereafter.
- Employees would pay the balance of the premiums.
- Temporary Federal subsidies would be used to ease the initial burden on employers who face significant cost increases.
- Individuals covered by the plan would pay a deductible. A separate deductible provision would apply for out-patient drugs. There would be a maximum of three medical deductibles per family.

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- After satisfying the deductible limit, an enrollee would then pay for **25 percent** of additional bills
- There would be an annual max out of pocket cost on family's medical expenses for covered services.
- **As an interim measure, the Medicaid program would be continued to meet certain needs, primarily long-term institutional care.**

IMPROVING MEDICARE

- Medicare's benefits would be improved so that Medicare would provide the same benefits offered to other Americans under Employee Health Insurance and Assisted Health Insurance.
- Persons 65 or over, eligible to receive Medicare payments, would pay a lower deductible and a lower separate deductible for out-patient drugs.
- He or she would also pay **20 percent** of any bills above the deductible limit.
- There would be an annual max out of pocket cost any Medicare beneficiary have to pay
- The premiums and cost sharing for those with low incomes would be reduced, with public funds making up the difference.
- Those now in the Medicare for the disabled plan would be eligible for Assisted Health Insurance, which would provide better coverage for those with high medical costs and low incomes.

HOW ASSISTED HEALTH INSURANCE WOULD WORK

- Assisted Health Insurance is designed to cover everyone not offered coverage under Employee Health Insurance or Medicare, including
 - the unemployed,
 - the disabled,
 - the self-employed,
 - those with low incomes
 - persons with higher incomes if they cannot get coverage at reasonable rates including persons whose health status or type of work puts them in high-risk insurance categories.
- **A principal feature of Assisted Health Insurance is that it relates premiums and out-of-pocket expenses to the income of the person or family enrolled**
- Working families with very low incomes, would pay no premiums at all
- **Deductibles, co-insurance, and maximum liability would all be pegged to income levels.**
- **Assisted Health Insurance would replace State-run Medicaid for most services.**

- Preempt State mandates, this plan would establish uniform benefit and eligibility standards for all low-income persons.
- It would also eliminate artificial barriers to enrollment or access to health care.

MAKING THE HEALTH CARE SYSTEM WORK BETTER

To contain medical costs effectively over the long-haul, however, basic reforms in the financing and delivery of care are also needed.

PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS (PSRO's) would

- place health services under the review of Professional Standards Review Organizations.
- These PSRO's would be charged with maintaining high standards of care and reducing needless hospitalization.
- Operated 'by groups of private physicians, professional review organizations can do much to ensure quality care while helping to bring about significant savings in health costs.

STATES would

- approve specific plans,
- oversee rates,
- ensure adequate disclosure,
- require an annual
- assure fair reimbursement for physician services, drugs and institutional services, including a prospective reimbursement system for hospitals.
- Only with effective cost control measures can States ensure that the citizens receive the increased health care they need and at rates they can afford.
- **Failure on the part of States to enact the necessary authorities would prevent them from receiving any Federal support of their State-administered health assistance plan.**

Republican President RICHARD NIXON

The White House, February 6, 1974.

Source: Complete speech

<http://www.kaiserhealthnews.org/Stories/2009/September/03/nixon-proposal.aspx>