

**A Comprehensive Cure:  
Universal Health Care  
Vouchers (UHV)**

Ezekiel J. Emanuel, M.D., Ph.D.

Victor R. Fuchs, Ph.D.

# Goals of Reform

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- Cover all Americans.
- Reduce administrative costs in financing of health care.
- Provide physicians with information, infrastructure, and incentives needed to deliver cost-effective care.

# Goals of Reform

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- Improve patient safety and quality of health care.
- Provide incentives to re-direct the development and diffusion of new medical technologies toward cost-effective interventions.

# Key Features of Voucher Proposal

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1. Every American receives a voucher good for enrollment in a qualified health plan of his or her choice.
2. The voucher covers a standard benefit package comparable to the Federal Employee Health Benefit Plan.
3. Freedom to purchase additional services with after-tax dollars.

# Key Features of Voucher Proposal

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4. Voucher is funded by a dedicated VAT. Rate is set by Congress to cover full cost of voucher program.
5. End the tax exemption for employment-based health insurance.
6. Phase out Medicaid, SCHIP, and Medicare over time.

# Key Features of Voucher Proposal

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7. Administration and accountability assigned to National Board and 12 Regional Boards modeled on the Federal Reserve System.
8. Establish an independent Institute for Technology and Outcomes Assessment funded by a dedicated portion of the VAT revenue.

# Key Features of Voucher Proposal

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9. Establish regional Centers for Patient Safety and Dispute Resolution to implement interventions and compensate for malpractice. Centers funded by a dedicated portion of the VAT.

# Costs of Voucher System

<b>Group</b>	<b>Number</b>	<b>Annual Premium</b> (2005)	<b>Total Cost</b>	<b>Current System</b> (2005)
<b>Indiv.</b>	15.2 mill.	\$4,728	\$72 bill.	
<b>Families</b>	65.2 mill.	\$10,824	\$706 bill.	
<b>Total</b> (non Medicare)	258 mill.		\$778 bill.	
<b>Total</b> (adjusted)	258 mill.		\$828 bill.	\$954 bill.



# Evaluation of the Voucher Proposal

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- Policy
- Politics

# Advantages of Voucher Proposal

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- The Voucher Proposal will cost **less** than the U.S. is currently spending on health care.
- The Voucher Proposal provides for significant progress toward **all** the goals of reform:
  - Universal coverage
  - Cost control
  - Improved quality of care.

# Advantages of Voucher Proposal

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Other advantages:

- Good for labor markets and economy.
- Good for continuity of coverage and care.
- Sustainable over the long term.
- Fair because financial burden of the tax is distributed by ability to pay.

# Advantages of Voucher Proposal

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- Compared with other health care reform proposals, the Voucher Proposal is relatively simple.
- The Voucher Proposal is congruent with basic American values:
  - equality of opportunity
  - great individual freedom

# Politics

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“We often think of public policy as changing slowly or incrementally, but policy agendas often change dramatically. Issues “hit” suddenly...Neither scholars nor politicians, even with the best knowledge and best theory, can predict with great certainty what will happen and often find themselves surprised.”

John Kingdon