



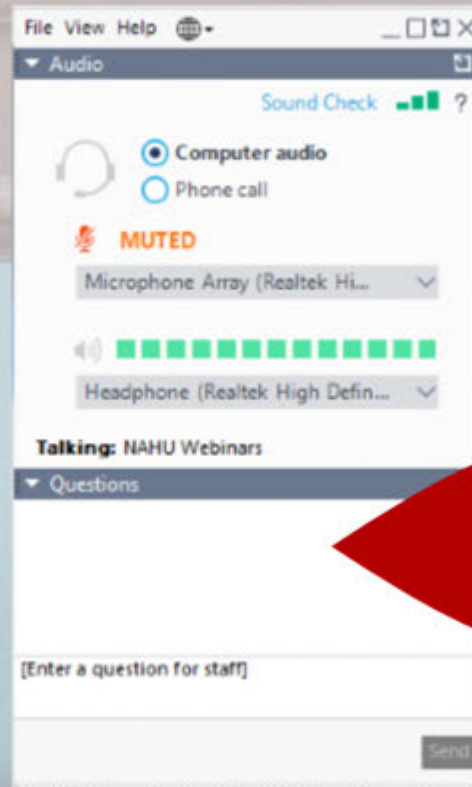
Welcome!

**RECORDING
IN PROGRESS**

The slides are available
for download in the
handouts section



Have a question for Janet?



Ask it in the questions box at any time during the webinar.

We will address as many of these as possible at the end of the session.



Please note:

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Janet Trautwein

NAHU Chief Executive Officer



Janet Trautwein is the executive vice president and chief executive officer of the National Association of Health Underwriters (NAHU) in Washington, D.C. Her responsibilities include oversight of all NAHU activities and primary representation of the association to the media, government agencies and elected officials at all levels.

Prior to becoming the EVP & CEO of NAHU in 2005, Janet served for many years as the head of NAHU's government affairs department, directing the government and political affairs of the organization.

A frequent speaker on health policy issues, Janet is considered an expert in health insurance markets and health plans of all sizes and frequently testifies before Congress on these issues. Her expertise in issues related to the uninsured, health insurance pools, risk and reinsurance pooling, health-related tax issues, and both national and global health reform has been recognized throughout the industry. In 2004, Janet received the Harold R. Gordon Memorial Award, which honors the "Health Insurance Person of the Year" and is considered to be the most prestigious award in the health insurance industry. Every year since 2006, Janet has been named one of the 100 most powerful people in the insurance industry. She has been published in major newspapers, including *The Wall Street Journal*, *New York Times* and *Los Angeles Times* and she has appeared on hundreds of radio and television programs around the world.



Comparative Healthcare Systems

Overview

Compare/
Contrast

What is Single Payer?

- In a single payer system, the government is responsible for plan operations including determination of **who and what is covered, and taxes or other means to cover costs**.
- The public contributes to the cost - usually in the form of taxes but it may also be through premiums or cost-sharing.
- In a single payer system, the receipts and expenditures for the plan are a part of the government's budget.
 - This may be payments to health plans in a system that uses competing insurers to deliver services.

Single Payer is *Not* All the Same

- Some systems are government run and care is paid for/provided by government.
- Some are through insurance type arrangements.
- Others use types of funds based on population or employment demographics.
- Others use some combination of mechanisms with some services orchestrated locally or regionally.

Types of Systems

Plans managed with Insurance Products

- Sometimes referred to as a "multi-payer system."
- Insurance programs are often funded by payroll deductions from both employees and matched funding by employers.
- Everyone must be covered in these models and the insurers are often but not always non-profit.
- Most doctors are private but regulation is tight and the government is usually involved in rate negotiations.

Ex: Germany, France, Belgium, the Netherlands, Japan, Switzerland.



Plans managed by governments

- Considered more of a "pure" single payer system.
- Some doctors work for the government and some are private who are paid by the government.
- The Government sets the costs for medical services in this system.

Ex: England, Spain, Cuba, Canada.



Comparison of Systems | Benefits & Coverage



- Most services are covered but elective procedures may have a waiting period.
- Prescription drugs require a small copayment (~\$12 USD) and some patients are exempt from any copayment at all.



- Federally mandated services are covered with no copayment.
- Provinces determine specific benefit package as well as funding for other services not covered at the national level (prescription drugs, rehabilitative care and long-term care)



- Coverage is mandatory and is provided through 118 competing nonprofit nongovernmental health insurance funds and also through 48 private insurance companies.
- Free choice of physicians and hospitals but a referral is required for hospital care.



- Health insurance is mandatory and obtained through private regional insurance exchanges.
- Core benefit package includes deductibles and coinsurance. Maternity care, preventive care, and hospital inpatient care for children do not have any cost-sharing.

Comparison of Systems | Funding & Costs



- Costs are constrained through use of a **global budget**.
- All prices are set or negotiated by government.



- Hospitals operate under annual **global budgets**. Provincial governments and/or Regional Health Authorities negotiate with and pay medical providers.
- 67% of the population buys voluntary coverage for services like outpatient drugs, often obtained through employers.



- Statutory Health Insurance contribution is 14.6% of wages, shared by employer and employee.
- Cost-sharing is capped at 2% of income for adults, and children under age 18 are exempt.
- Governments own about half of the hospitals, non-profits own about 40%.



- Cost is paid through community rated insurance premiums supplemented by tax revenue.
- Premiums are subsidized for low-income individuals (~25% of population receives a subsidy).
- Insurance companies negotiate payment rates with providers, with some regional government provider negotiations (particularly hospitals).



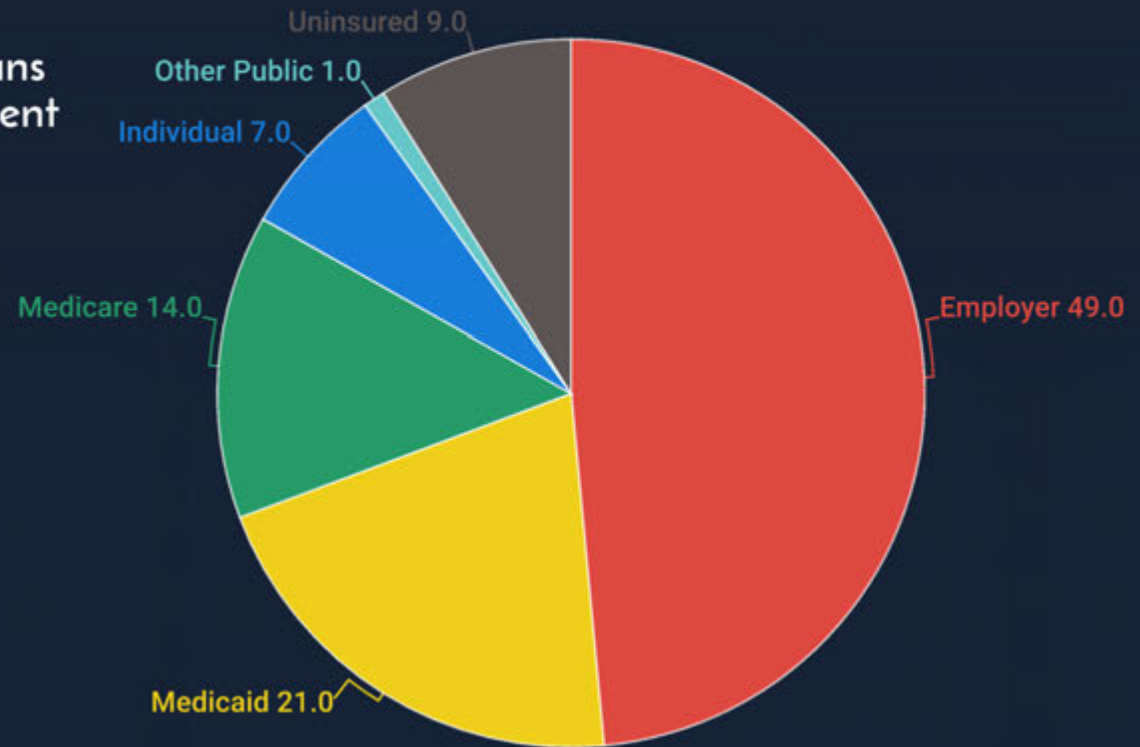
Current U.S. Healthcare System

Existing
Government-
Run Programs

Why the U.S.
is Different

Current Coverage Distribution

- More than a third of all Americans are already enrolled in government sponsored insurance coverage.
- The private-market is heavily regulated by states and the federal government.



The United States already has some government run programs:

- People age 65 and older receive coverage under Medicare.
- About 69 million people have either Medicaid or the Children's Health Insurance Program.
- Prices for medical services are either set or reimbursement limits are set by government
 - Medicare - federal (includes Medicare Advantage)
 - Medicaid - federal/state (includes Medicaid plans through insurers)
 - Children's Health Insurance Program - federal/state (includes plans through insurers)
 - VA - federal
 - Tri-care - federal

The U.S. is Different from other Countries

- Ideas that may work in Europe may not work well in the United States.
- History of **no government involvement in provider pricing for private plans.**
- Culture of employer-provided health plans.
- **Size and population demographics** - we are a heterogeneous population and much larger than any single country in Europe.

Why Things Cost More

- Adjusting for the nature of our population, the United States **does not use more health care than other countries.**
- The unit cost of care is the difference, particularly for providers and pharmaceuticals.

Single Payer Proposals

NAHU is fully opposed to any form of single-payer, be it through incremental approaches such as a public option or Medicare or Medicaid buy-in, or a more sweeping federal takeover of the entire healthcare system to implement a single standardized government-run plan.

NAHU and the **Partnership for America's Health Care Future** are actively working to oppose single-payer, promote employer-sponsored health coverage and preserve Medicare, Medicaid, and other existing health programs.



PARTNERSHIP FOR AMERICA'S
HEALTH CARE FUTURE

Congressional
Proposals

Presidential
Proposals

Pending Proposals in Congress

Medicare
For All

Medicare
Buy-In

Medicare For All

NAHU strongly opposes all single-payer health insurance proposals, to include Medicare for All, Medicare buy-in, Medicaid buy-in, or a public option.

S. 1129 | Sen. Bernie Sanders (I-VT) + 14 original co-sponsors

H.R. 1384 | Rep. Pramila Jayapal (D-WA) + 106 original co-sponsors

- Implements a single-payer system to include health, dental, vision, prescription drug, and long-term care coverage.
- Existing individual and employer-based coverage would be replaced by the plan, and it would be illegal for any private insurance to compete with the government run plan, although limited private coverage would be available for any services not covered by the plan.
- Transition period: Coverage would be available at the end of the first transition year for current Medicare enrollees, people over age 55 and those under 19. Individuals could buy into coverage through the ACA marketplaces and employers would be able to purchase the public plan for their workers. All Americans would be automatically enrolled by the end of the second year (fourth year for Senate version).

Consequences of Medicare For All

- Everyone currently insured under employer sponsored coverage or other private coverage would lose their coverage.
- Everyone currently on Medicare would lose that coverage - *Medicare for All is not today's Medicare.*
- There would be an increased demand for services, greatly increasing pressure on the supply system (healthcare providers).
- Under our current system commercial insurers' provider payment rates can be about 80-90% higher than Medicare rates. A reduction in provider payments could lead to increased waiting times for services, and in some cases, closure of facilities that are unable to meet the demand at the new prices.

Medicare/Medicaid Buy-In

NAHU strongly opposes all single-payer health insurance proposals, to include Medicare for All, Medicare buy-in, Medicaid buy-in, or a public option.

"Medicare for More" (allows those aged 50-64 to buy into current Medicare coverage)

S. 470 | Sen. Debbie Stabenow (D-MI) +20 co-sponsors

H.R. 1346 | Rep. Brian Higgins (D-NY) +45 co-sponsors

Medicare "X" Buy-In (public option plan parallel to Medicare coverage)

S. 981 | Sen. Michael Bennet (D-CO) + 11 co-sponsors

H.R. 2000 | Rep. Antonio Delgado (D-NY) +18 co-sponsors

Medicare "E" Buy-In (allows everyone, including with private/employer plans, to buy Medicare)

S. 1261 | Sen. Jeff Merkley (D-OR) +14 co-sponsors

H.R. 2463 | Rep. Cedric Richmond (D-LA) +5 co-sponsors

Medicaid Buy-In (allows states to create a Medicaid buy-in program for all residents)

S. 489 | Sen. Brian Schatz (D-HI) +22 co-sponsors

H.R. 1277 | Rep. Ben Ray Lujan (D-NM) +50 co-sponsors

Medicare for America

NAHU strongly opposes all single-payer health insurance proposals, to include Medicare for All, Medicare buy-in, Medicaid buy-in, or a public option.

"Medicare for America" (creates public option but allows existing large employer plans to compete)

H.R. 2452 | Rep. Rosa DeLauro (D-CT) +24 co-sponsors

- Like Medicare for All, but theoretically allows large employers to continue to provide coverage, if it is gold-level coverage.
- Employees also have the option to choose Medicare for American instead of employer coverage
- Studies show that by 2023 one in four workers previously offered employer coverage would lose that coverage.

Consequences of Buy-In Programs

- These programs would create an un-level playing field by paying providers rates that commercial carriers are unable to pay.
- This could cause some providers to shut their doors, particularly in rural areas.
- The destabilization of the overall market would move the U.S. more quickly towards a Single Payer program.



Proposals by Democratic Presidential Candidates



Medicare
For All



Medicare
For More



Sen. Booker



Sen. Sanders

Medicare For All

Private Insurance:

Eliminated under most proposals; Harris plan allows for MA plans to compete

Employer Coverage:

Fully eliminated under most proposals; replaced by MA under Harris

Existing Medicare:

Benefits are enhanced and co-pays are reduced or eliminated

Medicaid Coverage:

Retained for long-term care or nursing home coverage



Former Sec. Castro



Sen. Warren



Rep. Gabbard



Ms. Williamson



Sen. Harris



Mr. Yang



Sen. Bennet



Former VP Biden

Medicare For More

Private Insurance:

Private insurers would compete with government-run plan for those eligible

Employer Coverage:

No change, but employees could choose competing public plan

Existing Medicare:

Copays would be reduced/eliminated and new out-of-pocket limits for A,B,D

Medicaid Coverage:

Automatically enroll low-income adults with expanded eligibility



Gov. Bullock



Former Rep. Delaney



Mayor Buttigieg



Sen. Klobuchar

NAHUU

Join Us!

Get Certified!

NAHU members are encouraged to become certified through our exclusive Single-Payer Healthcare Certification.

This in-depth course was specifically developed to help agents and brokers be able to explain the consequences of adopting single-payer and how it could affect all Americans, regardless of where they currently get their health coverage.

The three-hour certification course has been filed for continuing education credits in all states. Students enrolled prior to January 1, 2020, can take advantage of the opening course enrollment price of **\$165 for NAHU members** and \$215 for non-members. After January 1, 2020, the cost of the course will be \$191 for NAHU members and \$298 for non-members.



Get on the Hill!

You won't want to miss this session and your opportunity to lobby with fellow NAHU members for common-sense solutions in healthcare. Join us on the **Roadmap to Reform**, by informing lawmakers about the perils of single payer and all of its forms, and to advance commonsense reforms that will improve the current healthcare system.



Get Informed!

NAHU

HEALTHCARE HAPPY HOUR

Official Podcast



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INDUSTRY HEADLINES

Smart benefits: Certain wellness program incentive limits eliminated Jan. 1

In 2016, the EEOC issued final rules describing how ADA and GINA apply to employer-sponsored wellness programs. The final ADA rule said that incentives to employees who answer disability-related questions or undergo medical exams as part of a program couldn't exceed 50 percent of the total cost of self-only health coverage, while the final GINA rule stated that employers could offer an incentive of up to 50 percent of the total cost of coverage to an employee whose spouse provides information about their health status as part of the employer's wellness program.

[Read More](#)

Annoying robo-calls are at 'epidemic levels' this health open-enrollment season

With health insurance open-enrollment season underway, automated phone calls offering Affordable Care Act or other health plans are spiking — and driving many consumers to the brink. California residents may have it worst, because its open-enrollment period is twice as long as in other parts of the country. "It's an epidemic level," said Aaron Fox, founder of Nomorobo, who estimates his spam-call-blocking service, based in Long Island, headed off more than 250,000 health-related robo-calls in October alone — nearly five times the interceptions for September.

[Read More](#)

Commercial, managed care insurance sectors profits boom in Q3

Health care margins: Commercial and managed care payers experienced significant third quarter profits, reductions in healthcare spending, and enrollment growth, according to the latest financial statements from insurance companies. Medicare Advantage (MA), Medicaid managed care, and commercial group health plans experienced upticks in member enrollment and profitability. A few of the largest commercial payers are also expecting even sharper growth in profitability as they pursue mergers with pharmacy benefit managers (PBMs) to vertically integrate medical and prescription drug insurance businesses.

[Read More](#)

Feds shut down 'sham' health insurance companies

Healthcare America: Health care has become a big issue for many Americans over the past few years. As the costs of health care continue to rise, families without health insurance are looking for ways to afford these costs. That can make them vulnerable to companies that take their money without providing needed services. The Federal Trade Commission recently reported that a federal judge shut down a Florida-based operation that it accused of defrauding more than \$100 million by preying on Americans in search of health insurance, selling these consumers worthless plans that left tens of thousands of people uninsured.

[Read More](#)

PLUS experts: One of the biggest gaps in cyber is explaining it to customers

Insurance Journal: What's one of the biggest gaps in cyber? Good communication between the insurance industry and customers, who are in need of more than just products to help protect them from risks in the rapidly changing digital world. That was the consensus from a panel of experts speaking recently at the annual PLUS conference in downtown San Diego, CA.

[Read More](#)

What the Amazon, Berkshire Hathaway, JPMorgan deal means for payers

Healthcare Finance: The announcement of the healthcare partnership between Amazon, Berkshire Hathaway and JPMorgan Chase is either the major disrupter everyone in the industry has been awaiting or means little except to the three companies involved. Since the firms have

WASHINGTON UPDATE

November 9, 2018

Fast Facts

- As a result of Tuesday's midterm elections, Democrats will control the House of Representatives and Republicans have expanded their Senate majority for the 116th Congress, beginning in January.
- Several states have taken measures on healthcare-related issues, including states, Nebraska and Utah, which voters to expand their Medicaid programs.
- Congress will return next Tuesday through mid-December for a lame-duck session. They will need to pass a spending package by December 17 to avoid a government shutdown. NAHU is advocating further delays or permanent repeals of the Cadillac Tax and Health Insurance Tax before the end of the year.
- NAHU CEO Janet Trachtenberg will review the impact of the elections on next Thursday's LME from NAHU website at 12:30 p.m. Eastern.
- The Healthcare Happy Hour podcast features an extended discussion on the election results as they relate to NAHU's policy priorities for the lame-duck session and the new Congress.

Midterm Election Results in Split Government and Opportunity to Advance NAHU's Priorities

The midterm elections on Tuesday resulted in a return to divided government, as Democrats will retain the House of Representatives and Republicans expanded their Senate majority. [Read More](#)

NAHU Seeks Repeal of Cadillac and Premium Taxes in Lame Duck

Congress will be returning to Washington, DC, next week for a brief lame-duck session through mid-December. Much of their attention is expected to be focused on... [Read More](#)

Healthcare Happy Hour: Can Divided Government Achieve Compromise in Healthcare ahead of 2020?

One of the most heated midterm elections in memory came to a close on Tuesday, and NAHU's Mary W. Buckner, John Greene and Chris Hoffmann analyze the results and what they could mean... [Read More](#)

State Spotlight: Utah, Idaho and Nebraska Vote in Favor of Medicaid Expansion

Three traditionally Republican states approved Medicaid expansion in Tuesday's midterm elections, which could extend coverage to an estimated 325,000 low-income people... [Read More](#)

Trump Administration Seeks Greater Marketplace Verification Standards

On Wednesday, CMS issued a proposed rule intended to ensure that marketplace consumers are properly verified in coverage. The rule would require... [Read More](#)

Register for Next Week's Webinar on the Election's Impact on Healthcare Issues

The Democrats have taken back the House and Republicans have expanded their majority in the Senate, ensuring ten years of divided government... [Read More](#)

Save \$100 on Capitol Conference Registration by Registering Today!

Early registration is available now through November 16 to NAHU's 29th Annual Capitol Conference. For more than a quarter century, NAHU members have been... [Read More](#)

Open Enrollment is Underway: Are You Certified?

The 2018 open enrollment period is underway and will last through December 15 for the federal marketplace... [Read More](#)

HUPAC Roundup: A Congressional Split

It was a monumental week around the country, with Election Day taking center stage on Tuesday. After an intense battle for Congress over the past several months... [Read More](#)

What We're Reading

Although Congressional elections took center stage this week, significant healthcare changes were made as well... [Read More](#)

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- Open Enrollment is Underway: Are You Certified?

Get Engaged!

NAHU activates **Operation Shout** to help members make their voices heard by policymakers.



Operation Shout!

Take Action

NAHU is very concerned about ongoing discussions in Congress that would undermine the employer-sponsored health insurance system by eliminating or placing a cap on the **employer tax exclusion** for health insurance. More than 175 million Americans currently receive their coverage through this system, largely due to the tax exclusion where employers provide contributions for an employee's health insurance that are excluded from that employee's compensation for income and payroll tax purposes. Eliminating the exclusion would eliminate the incentive for employersponsored insurance while capping it would degrade the benefit and serve as a tax increase for middle-class Americans.

The employer-sponsored system is highly efficient at providing American workers and their families with affordable coverage options through group purchasing and its associated economies of scale by spreading risk and avoiding adverse selection. Eliminating the exclusion would eliminate most of the benefits of employer-sponsored insurance, including the means for spreading risk among healthy and unhealthy individuals and group purchasing efficiencies. Capping the exclusion for employees would devalue the benefit and result in a significant tax increase for middle-class Americans, forcing many to drop employer-sponsored insurance, including dependent coverage. Employees would be incentivized to only offer coverage to their employees that would fall below the value of the cap in order to avoid paying any increased taxes, potentially resulting in a race to the bottom for employers to sponsor insurance that wouldn't meet the cap's thresholds and further shifting costs onto employees. Many of the inherent problems with the **employer tax exclusion** would exist for eliminating the employer exclusion such as setting a tax credit sufficiently high enough to cover the significant contribution made by employers today. Also, indexing a credit would need to be set to medical inflation if it is to keep up with the typical rise in healthcare expenses.

The employer exclusion tax benefit makes employer-sponsored health insurance a valuable benefit for workers. We urge Congress to maintain the system that has worked for Americans for decades, and preserve employer-sponsored health insurance through the continuation of the employer exclusion because it preserves the employer system for health insurance for the vast majority of Americans. Over the coming weeks, as Congress discusses various healthcare reform proposals, we want to be sure that they hear directly from agents, brokers and employees about the value of the employer tax exclusion. You can help us spread the message by taking action below:

1. **Contact your senators and representative.** Send an Operation Shout today asking your federal legislators to oppose the elimination or cap of the employer tax exclusion of health insurance in any healthcare reform legislative proposals. You can also call your legislators at the numbers below.
2. **Tell your employer clients to take action.** Your employer clients would be most directly impacted by the elimination or cap of the employer tax exclusion. Tell them to take action sharing why the exclusion must be preserved in any healthcare reform legislative proposals. Tell them to take action [here](#).
3. **Share your story.** As a licensed insurance specialist who works closely with employers to help them offer and utilize employer-sponsored health insurance, you know personally about how the employer tax exclusion directly impacts your clients. Stories from your clients will demonstrate the value of the exclusion and the need to preserve it. We will share your stories with appropriate legislators and staff. You can share your story [here](#).

Take action today and tell your federal legislators to keep the employer exclusion tax benefit!

Take Action

Don't want to send an email? No problem, you can also reach your legislators by phone:
Rep. George Holding (R) can be reached at (202) 225-0032.
Sen. Richard Burr (R) can be reached at (202) 224-9164.
Sen. Thom Tillis (R) can be reached at (202) 224-6042.

This call to action is designed as an email message to your legislators. You are welcome to use the prepared text or calling script to call your legislators, or to expand on the prepared message to share your personal story on how

Contribute!

Few other industries are as heavily regulated as health insurance. Your success, and that of your clients, is directly dependent upon the actions of Congress. It is absolutely critical that we help those Congressional candidates who support private sector health insurance.

Support legislators who fight for agents and brokers and the employer-based system



Resources

As insurance brokers trained in risk management, it is our job to analyze and identify risks that might adversely affect our client's business objectives. Compliance with federal statutes and regulations in the areas of insurance, labor and taxes is a daunting task for many of our employer clients.

With the NAHU Compliance Corner, you now have a one-stop place to find the majority of federal statutes that affect the employee benefits world.



Certifications



Q and A

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