



SecureCare Benefits

The plan covers the following services:

- Inpatient/outpatient/ER hospital
- Physician, midwife, PA, NP, podiatrist, chiropractor, psychologist
- Primary care and chronic disease management
- Preventive services
- Emergency transportation
- Prescription drugs
- Medical equipment
- Mental health including addictive disease treatment
- Rehabilitative therapy services including PT, OT, ST
- Dental care except cosmetic orthodontia
- Vision Care including optometry and eyeglasses (1 pair per year; basic)
- Long-term care services including:
 - Nursing home care except room and board
 - Home and community based services (HCBS)
- Skilled nursing facilities (as alternative to continued hospitalizations)
- Patient education
- Hospice services



Georgia SecureCare plan has been developed by Georgians for a Common Sense Health Plan (GCSHP), a group with a

twelve-year history in our State of working through research, education, advocacy and action to end the disparities in our health care system. GCSHP's mission is to work for a health care system in which all people have a right to quality, comprehensive health care. Recently they were awarded a grant to evaluate health care financing reform alternatives that have not been previously considered in sufficient detail in Georgia. The extensive economic analysis for SecureCare was performed by the Lewin Group of Virginia. The Lewin Group has over 18 years experience in analyzing the impact of health reform initiatives for major stakeholder groups including employers, providers, governments and consumers.

Funded by a grant from Healthcare Georgia Foundation (HGF). Created in 1999 as an independent private foundation, HGF's mission is to advance the health of all Georgian's and to increase access to affordable, quality healthcare for underserved individuals and communities.

Produced by:

Georgians for a
Common Sense Health Plan

Working to Inform the Debate on Health Care Reform

246 Sycamore Street • Decatur, GA 30083 • (404) 687-9891

georgia SecureCare

Financing Universal Health Coverage

A recently released study shows that we can cover all Georgians with a full range of health services, guarantee provider choice and save millions.

As independent polling confirms, many Georgians are dissatisfied with the current health care system and support SecureCare as a good plan for providing comprehensive health care for all Georgians.

SecureCare is a consolidated financing approach that provides affordable, quality health coverage for all Georgians regardless of health status or disability, employment status, age, gender, income, geography or any other characteristic. SecureCare offers a universal, comprehensive benefit package including prescription drugs, dental services, long-term care and still saves the state economy millions of dollars per year. For Georgia residents receiving health care services, there are no co-payments (except for specialist services without referral), no deductibles and no cost-sharing that cause people to delay needed care.

With SecureCare, individuals have free choice of providers and services. The existing delivery system remains intact. Physicians, nurses, other providers and hospitals work as they do now—only the payment source for the services changes. And because everyone is covered, access and statewide levels of care will improve. How will the savings be realized? The universal SecureCare plan eliminates administrative waste in our health system and ameliorates the illogical misdistribution of services in our state.

Financing

SecureCare is financed through funds from existing government programs, a new payroll tax to replace employer's health care contributions and other taxes that entirely replace household health care expenditures such as premiums, deductibles, and most co-payments. These specific new revenues include:

- An employer payroll tax equal to 9.1% of wages and salaries for all employees
- A tobacco tax increase of 50 cents per pack with proportionate tax increases for other tobacco products
- An alcoholic beverage tax increase
- A one percentage point state sales tax on non-grocery items (i.e., one penny tax per dollar of taxable purchases)
- A dedicated income tax payment for all Georgians computed to be equal to about 22.2% of each Georgia taxpayer's federal income tax

By consolidating all health care financing to create a universal health care program with comprehensive services, we can cover everyone and save over 700 million dollars a year in Georgia. SecureCare's consolidated payment approach replaces our current patchwork of 1,500 payers (Medicare, Medicaid, private insurance and other programs). The comprehensive financing plan also permits economies of scale through bulk purchasing of goods and services. Everyone benefits from greater predictability of health care expenditures in the years ahead.

Impact on Employer Health Spending

Health coverage for workers and their dependents under SecureCare would be financed in part with a payroll tax paid by employers. Firms that currently offer coverage will contribute only about \$122 more per worker on average than they do now. Employers that currently do not provide coverage to their workers will begin to contribute through the payroll tax system. However, they will not face cost prohibitive premiums that currently disadvantage small employers. SecureCare levels the playing field. Above all, costs are completely predictable and the hassle and cost of offering employment based coverage is eliminated.

SecureCare Impact on Household Health Spending

Under SecureCare, most families in Georgia will see a decrease in their direct and indirect health care expenditures. Households will eliminate premium payments along with most out-of-pocket costs and co-payments. After paying the new taxes under the program (substitutes for current premiums and cost-sharing), most families will experience an average reduction in household health spending of about \$122. In general, SecureCare would tend to reduce health care costs for lower- and middle-income families, while increasing health related costs for people in higher income groups. (Under the current system, low and middle income families pay disproportionately more than higher income families. This is primarily the result of the regressivity of the existing financing structure.) SecureCare helps to make the financing of health care fair. Families headed by someone age 65 or older will average about \$2,299 in savings per year. This reflects the fact that the program would cover many services not currently covered under Medicare for this population such as prescription drugs and long-term care. Depending on income and current health spending, total costs on average for families headed by someone between the ages of 25 and 54 may rise, reflecting the fact that these people are in their prime earnings years.