

Chapter 5

SIMPLICITY

“Each of our medical insurance policies requires separate and different applications for reimbursement, each of which have to be mailed to different addresses. This mountain of paperwork places an undue burden on older Americans . . .”

*J.H.
Venice, Florida*

In order to simplify American health care, we must move forward on two fronts. First, we must reduce paperwork by adopting standard insurance forms and clarifying administrative rules. Second, we must strip away the unnecessary layers of regulation and oversight as we hold health plans and providers accountable for results. Streamlining administrative burdens will make our system less daunting and frustrating for consumers and more supportive and flexible for the doctors, nurses, and hospitals on the front lines.

REDUCING PAPERWORK

Guaranteeing all Americans health coverage and establishing a uniform, comprehensive set of benefits represent the first, vital steps toward simplifying health care. If all Americans have guaranteed coverage for comprehensive health benefits, then doctors, hospitals and clin-

ics have less paperwork to do when a patient walks in the door. Doctors, nurses and other health professionals will no longer have to worry which patients are covered for what services. Patients no longer will have to deal with confusing sets of insurance requirements, and will no longer be stuck with huge medical bills because they didn't read the fine print.

The Health Security Card that every citizen and legal resident receives will guarantee that health coverage travels with you as circumstances change, whether you switch jobs or move to another state. Like the cards that activate bank-teller machines, a magnetic strip will provide basic registration information, including identifying the health plan in which you are enrolled. A personal identification number will authorize access to insurance information, reducing the process of registering and billing, but maintaining your privacy.

Protection of Privacy

The Health Security Act establishes the first national privacy protection laws specifically aimed at protecting the medical records of patients.

Under reform, new security standards will protect computer information, ensuring that medical records will be available only to health professionals who have a legitimate need to see them. For example, the bill clerk in the hospital's financial department won't have access to medical information. This is an assurance that few insurers, or hospitals, can offer consumers now.

The Health Security Card will not be a "smart card" — which carries information in a computer chip — a national identification card, or a credit card. It does not hold sensitive information such as medical records. It's simply a way to streamline the billing process, reduce

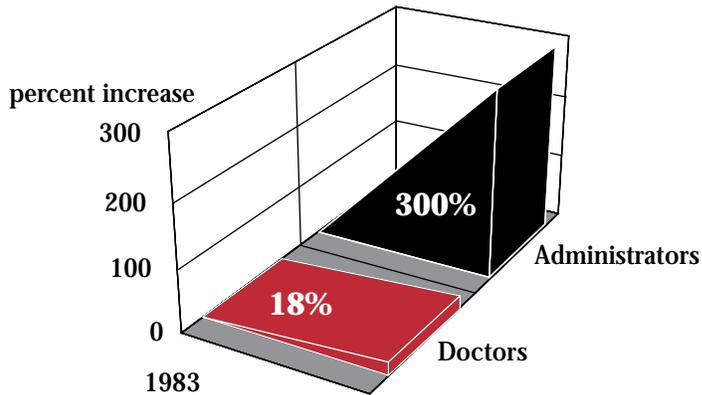
FOR OFFICIAL USE ONLY **MEDICAL CLAIM FORM**

Health Plan Information									
1) Health Plan					2) Health Plan Number				
Patient Information									
1) Last Name		2) First Name		3) Middle Initial		4) Patient Identification Number			
5) Gender		6) Patient Signature			7) Date		8) Release Medical Information?		
							YES <input type="checkbox"/> NO <input type="checkbox"/>		
Subscriber Information									
1) Last Name			2) First Name			3) Middle Initial			
4) Subscriber Identification Number									
Treatment									
1) Is need for care:									
a) Employment - related?			c) Other, accident - related?			d) Auto - accident related?			
e) Emergency?			e) Appointment?						
2) Initial Diagnosis					3) Final Diagnosis				
4) Description of Patient's Encounter									
From	Through	Place of Service	Primary Diagnosis Code	Procedure Code	Units/Days of Service	Covered Charges	Non-Covered Charges	Co-pay Collected	Optional Field
5) Total									
Health Care Provider Information									
1) Last Name					2) Identification Number				
3) Signature					4) Date				

paperwork for doctors and patients, and assure people that they have a comprehensive set of benefits that can never be taken away.

All health plans will adopt a standard form that providers file for services. Replacing the hundreds of different claim and billing forms and codes insurance companies use today will allow health professionals to collect and send the same information to all health plans and alliances. Uniform claim forms will reduce the work that doctors, nurses, and hospitals must do and save an estimated 75 cents for each

In the last decade, the number of health administrators grew 16 times as fast as the number of doctors



Source: Statistical Abstract, 1993

1992

claim. In the long run we will save billions of dollars and free health professionals to spend more time caring for patients.

Today, different types of insurance often overlap, causing confusion, duplication, and waste. Under the Health Security Act, the health care portion of both workers compensation and auto insurance will be covered through regular health insurance. The need to coordinate benefits will decline and small businesses will be rewarded with less confusion and lower administrative costs.

"I know of cases where friends with insurance that covers medication will get prescriptions so that their poorer contemporaries will have the medication they need. Elderly patients try to help those without money for prescriptions by getting a doctor to prescribe for them in their name. We are playing Russian Roulette with medication because our system does not work."

*M.J.
Detroit, MI*

CUTTING RED TAPE

Simplifying health care also requires aggressive steps to reduce unnecessary regulation. The Health Security Act frees hospitals and other health care institutions from excessive regulations. The federal government will develop national standards for quality which will use them as the basis for licensing hospitals and other health care institutions.

Today, dozens of public and private agencies, inspectors and outside groups inspect hospitals every year to make sure they meet quality standards. Although they all check the same things, they make their visits separately, and hospitals must spend time and money preparing for each visit. Under the Health Security Act, these groups will coordinate their visits, reducing preparation and follow-up time. Rather than routinely examining every hospital each year, inspections will concentrate on institutions with poor histories, following up on complaints and responding to problems.

To reduce frustration and delay, all health plans will have to make clear to participating consumers and doctors precisely how they perform “utilization review” — how the plan determines whether appropriate and effective care was given. Health professionals and industry groups will establish new performance standards, eventually reducing reliance on obtrusive methods of control.