

Integrating private insurance with public health would improve US health care -- study

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The United States has an inefficient and expensive health care system, but it could be improved with a new integrated health care system detailed in a new study in the *American Journal of Public Health* (February 2010 Vol. 100 No. 2).

According to the authors of "Integrating [Public Health](#) and Personal Care in a Reformed U.S. [Health Care System](#)" from Ben-Gurion University of the Negev (BGU) and UCLA, the American healthcare system is riddled with inefficiencies due to a lack of an integrated system that could promote an optimal mix of personal medical care and population health measures.

BGU Prof. Chernichovsky and UCLA Prof. Arleen Leibowitz advocate establishing an integrated [health care](#) system with a National Healthcare Trust (NHT) that would provide funding for both personal medical care and public health prevention measures. The NHT would also direct spending to procedures that would have the greatest long-term results.

The major innovation of this plan would be to incorporate existing private health insurance plans into a national system that rebalances health care spending between personal and population health services and directs spending to investments with the greatest long-run returns.

The NHT would require households to pay taxes to federal or state governments to support health services. Households would also make direct, mandatory payments to the NHT to support health care similar to

payroll taxes that support the Social Security System or the payment that Medicare requires.

Instead of employers offering core insurance benefits, all residents would select a health plan or physician through a regional insurance exchange. The contribution would be pooled by the NHT into a global budget for health spending.

According to the authors, the advantage of an NHT is it would ensure that health spending would be targeted to its most productive uses and that decision makers could take a more appropriate long-term perspective on Americans' health by investing now in prevention and health promotion, while also providing equitable medical care. Such a system would reduce billing costs and administrative waste by eliminating medical underwriting, duplicate coverage and cost shifting.

Further, the authors believe that "to create a more effective and efficient health care system, the United States should capitalize on current health reform efforts that aim to make access to care universal and contain its costs within an integrated health system."

The proposed integrated delivery system would build on existing components for current health care systems and incorporate competing private health plans to create a national health plan. This is similar to the universal coverage provided by the national systems in Germany, Switzerland and the Netherlands.

These countries achieve superior health outcomes but spend a smaller proportion of gross domestic product on health (between 9.2 and 11.6 percent) than the U.S. spends. In 2008, U.S. health care spending came to \$2.34 trillion - an average of \$7,681 per resident, and was the highest of all industrialized countries.

Provided by American Associates, Ben-Gurion University of the Negev

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