Human Rights Assessment of the "Hsiao" Healthcare System Design Options

The Healthcare Is a Human Right Campaign submitted **detailed comments** (http://www.workerscenter.org/hsiao_comments) on the healthcare system design proposals Dr. William Hsiao presented to the Vermont legislature in January. The comments focus on the human rights requirements for Vermont's healthcare system, passed into law by last year's Act 128. Act 128 incorporated the human rights principles of universality, equity, accountability, transparency, participation and healthcare as a public good into the design of a new healthcare system for Vermont.

The comments were prepared using the "**Detailed Human Rights Standards for Healthcare Systems** (http://www.workerscenter.org/assessment)" developed by the campaign, which enable Vermonters and their elected officials to evaluate the healthcare options proposed by Dr. Hsiao in accordance with the requirements of Act 128.

In the following charts, the campaign presents its complete assessment of the Hsiao report options using the "Detailed Human Rights Standards for Healthcare Systems," which translate the general human rights principles of Act 128 into a set of specific policy questions, to enable logical and consistent evaluation of the "Hsiao" options and any subsequent legislative proposals.

Summary of the Campaign's Assessment of the "Hsiao" Options

Principles in Act 128	Design Option 1A	Design Option 1B	Design Option 2	Design Option 3
Universal access	◒	◒	○	◒
No systemic barriers	●	◒	○	◒
Equitable, sustainable financing	◒	◒	○	◒
Accountability, transparency, efficiency	◒	◒	○	◒
Participation	N/A	N/A	N/A	N/A
Public Good	●	●	○	◒

● meets the principle;

◒ meets some aspect of the principle;

○ does not meet the principle

Hsiao Design Option **1A**: public single payer system with comprehensive benefits

Hsiao Design Option **1B**: public single payer system with essential benefits

Hsiao Design Option **2**: public option in addition to private insurance

Hsiao Design Option **3**: public-private single payer system with essential benefits

Chart 1 (Universality)
Principle in Act 128:
All Vermonters must have access to comprehensive, quality health care. (Sec.2.1)

	Health Care Models Designed Pursuant to Act 128			
	OPTION # 1A	**OPTION # 1B**	**OPTION # 2**	**OPTION # 3**
1. **Would the system provide healthcare to all?**	**Almost**	**Almost**	**No**	**Almost**
a. Would access to care be easy, continuous, portable, and integrated for everyone?	Almost[1] (#ftn1)	Almost[1]	No	Almost[1]
b. Would any population group be excluded?	Yes[2] (#ftn2)	Yes[2]	Yes	Yes[2]
2. **Would the system provide equal access for all?**	**Almost**	**Not entirely**	**No**	**Not entirely**
a. Would the system eliminate different tiers of access or coverage?	Yes[1]	Yes[1]	No	Yes[1]
b. Would the system facilitate access to care on the basis of clinical need, not privilege, payment, immigration status, or other factor?	Almost[2]	Not entirely[3] (#ftn3)	No	Not entirely[3]
c. Would the system regularly and publicly monitor and assess inequities in access?	No mechanism provided	No mechanism provided	No mechanism provided	No mechanism provided
3. **Would the system ensure that comprehensive healthcare services are accessible to all?**	**Yes**	**Not entirely**	**No**	**Not entirely**
a. Would everyone be able to get all screening, treatments, therapies, drugs, and services needed to protect their health (including mental health, dental and vision care, prescription drugs, reproductive health, adaptive equipment, long-term and hospice care)?	Yes	Not entirely[4] (#ftn4)	No	Not entirely[4]
b. Would the system ensure that community and patient representatives are adequately represented in a decision making body that determines the specific content of the comprehensive healthcare package?	Not specified	Not specified	No	Unclear[5] (#ftn5)
4. **Would the system reward the provision of quality healthcare to all?**	**Unclear**	**Unclear**	**No**	**Unclear**
a. Would provider payments be structured the same for all patients, regardless of their source of coverage?	Yes	Yes	No	Yes
b. Would provider payments be linked to quality, coordinated care and to health outcomes, rather than to procedures and volume of care?	Yes, probably	Yes, probably	No	Yes, probably
c. Would the system independently and publicly track information, based on publicly agreed criteria, about provider quality performance and health outcomes?	No mechanism provided	No mechanism provided	No mechanism provided	No mechanism provided
d. Would the system eliminate disparities in quality of care received by different population groups?	No mechanism provided	No mechanism provided	No	No mechanism provided
e. Would the system regularly and publicly monitor disparities to assess their progressive elimination?	No mechanism provided	No mechanism provided	No mechanism provided	No mechanism provided

Chart 2 (Equity)
Principle in Act 128:
Systemic barriers must not prevent people from accessing necessary healthcare. (Sec.2.1)

	Health Care Models Designed Pursuant to Act 128			
	OPTION # 1A	**OPTION # 1B**	**OPTION # 2**	**OPTION # 3**
1. **Would the system eliminate financial barriers to use of needed healthcare services?**	**Almost**	**Not entirely**	**No**	**Not entirely**
a. Would all prices charged by the private sector (e.g. insurers, providers, pharmacies) be publicly controlled?	Yes, with exception of drug prices	Yes, with exception of drug prices	No	Yes, with exception o drug prices
b. Would the system eliminate financial barriers to care, such as deductibles, co-pays or other out-of-pocket costs?	Almost	No[6] (#ftn6)	No	No[6]
c. Would payments for health care be collected independently from the actual use of care (to avoid creating a barrier to care)?	Almost	Not entirely; out-of-pocket costs.	No	Not entirely; out-of-pocket costs.
2. **Would the system allocate health care resources and infrastructure equitably, according to health**	**Almost**	**Not entirely**	**No**	**Not entirely**

needs?				
a. Would the system ensure that there are providers in underserved areas?	Yes	Yes	No	Yes
b. Would the system ensure that primary care providers are supported, so that everyone has a regular primary care doctor?	Yes	Yes	No	Yes
c. Would the system take into account that some communities and individuals need more care and different services than others?	Unclear[7] (#ftn7)	Unclear[7]; cost-sharing may disadvantage those with greater needs	No	Unclear[7]; cost-sharing may disadvantage those with greater needs
d. Would the system provide resources for transportation, interpretation, health education etc. to eliminate access barriers?	No	No	No	No
e. Would the system monitor health needs and allocate funds according to those needs?	No mechanism provided	No mechanism provided	No mechanism provided	No mechanism provided

Chart 3 (Equity)

Principle in Act 128:

The financing of health care must be sufficient, fair, sustainable, and shared equitably. (Sec.2.6)

	Health Care Models Designed Pursuant to Act 128			
	OPTION # 1	**OPTION # 1B**	**OPTION 2**	**OPTION # 3**
1. Would the system's costs be shared equitably by all people and businesses?	**Almost**	**Not entirely**	**No**	**Not entirely**
a. Would health care services be funded independent of a person's use of those services, so that the burden does not fall unfairly on those who get sick?	Almost.	Not entirely[8] (#ftn8)	No	Not entirely[8]
b. Would the system be financed through income-based mechanisms that enhance equity?	Not entirely[9] (#ftn9)	Not entirely[9]	No	Not entirely[9]
c. Would the system require higher contributions from those who can afford it, in order to subsidize those who are less able to pay?	Not entirely[9]	Not entirely[9]	No	Not entirely[9]
d. Would the system reduce costs to most individual Vermonters?	Yes	Yes	No	Yes
2. Would people pay for healthcare based on their ability to pay, without regard to other factors such as age, health status, gender, or employment status?	**Yes**	**Almost**	**No**	**Almost**
a. Would the system spread costs and risks across Vermont society as a whole, with risk pools as broad as possible to ensure cross-subsidization and affordability for all?	Yes	Yes	No	Yes
b. Would the system ensure that those unable to pay are not required to pay?	Yes, minor co-pays	Almost, high co-pays	No	Almost, high co-pays
3. Would the system be financed sufficiently and sustainably?	**Yes**	**Yes**	**No**	**Yes**
a. Would the state be able to raise and allocate sufficient revenue to support universal access with this model?	Yes	Yes	No	Yes
b. Would the financing of the system be sustainable over time?	Yes	Yes	No	Yes

Chart 4 (Transparency & Accountability)

Principle in Act 128:

The healthcare system must be transparent in design, efficient in operation, and accountable to the people it serves. (Sec.2.2)

	Health Care Models Designed Pursuant to Act 128			
	OPTION # 1	**OPTION # 1B**	**OPTION # 2**	**OPTION # 3**
1. Could Vermonters hold the system accountable for meeting their health needs and improving their health?	**Unclear**	**Unclear**	**No**	**Unclear; administration subcontracted**
a. Would public and private enforcement mechanisms and remedies be available to people denied quality, comprehensive health care, denied equal access, required unfairly to pay for services, and otherwise denied protection of their right to health?	Unclear[10] (#ftn10)	Unclear[11]	Not addressed	Unclear[11] (#ftn11)
b. Would the system ensure that people have adequate information to navigate the health system easily?	Not addressed	Not addressed	Not addressed	Not addressed
c. Would the system include a participatory process to publicly monitor and evaluate universal access, equity, quality, comprehensiveness and affordability?	Not addressed	Not addressed	Not addressed	Not addressed
d. Would the monitoring and evaluation results trigger concrete changes to the system if deficiencies were	Not addressed	Not addressed	Not addressed	Not addressed

found?				
2. Would the system use money effectively?	**Yes, probably**	**Yes, probably**	**No**	**Yes, probably**
a. Would the system ensure that resources are used to progressively improve health care and health outcomes for all Vermonters?	Yes	Yes	No	Yes
b. Would the system invest in communities whose health has not kept up with that of the rest of the population?	Not addressed	Not addressed	Not addressed	Not addressed
c. Would the system include a participatory and public process for monitoring the effective use of resources?	Not addressed	Not addressed	Not addressed	Not addressed
3. Would the system use money efficiently?	**Yes, probably**	**Yes, probably**	**No**	**Not entirely**
a. Would the system be financed in such as way as to minimize administrative costs and eliminate other unnecessary indirect costs, such as payments to intermediaries, multiple bureaucratic layers, or incentives unrelated to health protection?	Yes	Yes	No	Not entirely, administration of the system would be contracted out
b. Would the system publicly monitor, regulate and control all funds, public and private, expended for healthcare in Vermont, including those expended by insurers, providers, and manufacturers?	Yes	Yes	No	Unclear role of contractor
c. Would the monitoring and evaluation of all relevant private sector costs and financing be fully transparent and made available to the public?	Not specified, probably through legislature	Not specified, probably through legislature	No	Not specified
d. Would the system automatically enroll all Vermonters in one comprehensive health care package?	Probably[12] (#ftn12), although enrollment process unclear	Probably[12], although enrollment process unclear and benefits not comprehensive	No	Probably[12], though enrollment process unclear and benefits not comprehensive
e. Would the system be governed by one governmental agency with one set of rules applicable to all healthcare in Vermont?	Yes	Yes	No	No, administration outsourced and not clear on oversight of administrator

Chart 5 (Participation)

Principle in Act 128:

The state must ensure public participation in the design, implementation, evaluation, and accountability mechanisms in the health care system. (Sec.2.2)

Health Care Models Designed Pursuant to Act 128

	OPTION # 1B	**OPTION #1A**	**OPTION # 2**	**OPTION # 3**
1. Would the system ensure public participation?	**Not specified**	**Not specified**	**Not specified**	**Not specified**
a. Would the system ensure that communities are involved in determining how their health needs are met?	Not specified	Not specified	Not specified	Not specified
b. Would the system include a participatory monitoring and evaluation mechanism to track its implementation?	Not specified	Not specified	Not specified	Not specified
c. Would the system set up enforceable standards and public accountability mechanisms for all of its components (payer, provider, manufacturer etc.)	Not specified	Not specified	Not specified	Not specified
d. Would the system ensure that people are able to participate in health system decision-making, including the oversight of financing structures?	Yes, through legislative process	Yes, through legislative process	No	Yes, through independent board

Chart 6 (Public Good)

Principle in Act 128:

Healthcare is a public good for all Vermonters (Sec. 8 a)

Health Care Models Designed Pursuant to Act 128

	OPTION # 1A	**OPTION # 1B**	**OPTION # 2**	**OPTION # 3**
1. Would the system treat healthcare as a public good?	**Yes**	**Almost**	**No**	**Not entirely**
a. Would the system treat healthcare as a public good that is free to all at the point of service (like K-12 education, fire services etc.)?	Yes	Not entirely, due to cost-sharing	No	Not entirely, due to cost-sharing
b. Would the system ensure that people contribute financially as they are able, in an equitable manner, and that all benefit from this public good, based on	Almost[13] (#ftn13)	Almost[14] (#ftn14)	No	Almost[15]

their needs?				
Would the system be publicly financed and administered, so that access and services are not restricted by market forces?	Yes	Yes	No	No, the system could be administered by a private contractor

1 (#body_ftn1) Medicaid recipients are not included and may churn between the universal system and Medicaid.

2 (#body_ftn2) Excludes undocumented immigrants; and Medicare and Medicaid recipients are not included in the same plan as other Vermonters.

3 (#body_ftn3) The higher out-of-pocket costs in options 1b and 3 make access more dependent on payment and therefore less universal than the much lower out-of-pocket costs in the comprehensive benefits plan (1a).

4 (#body_ftn4) In addition to charging out-of-pocket costs, some benefits, like long-term care and dental care for adults, are not included.

5 (#body_ftn5) Patients would have a seat on the governance board, but it is unclear whether this would entail adequate representation.

6 (#body_ftn6) Co-pays and coinsurance could be as high as 10-12% of income.

7 (#body_ftn7) Risk-adjusted provider payments are proposed, but no mention of measures at the community or population level.

8 (#body_ftn8) The cost-sharing requirement places a disproportional burden on those who get sick.

9 (#body_ftn9) The payroll tax proposed leaves unearned income untaxed. It also has a cap and is a flat tax, both of which make it more regressive than income tax.

10 (#body_ftn10) Too little detail is provided. The only accountability issue addressed in detail is malpractice reform, yet without exploring its impact on patients.

11 (#body_ftn11) Unclear whether the contractor administering the system could deny claims and what kind of redress patients would have.

12 (#body_ftn12) But see footnote 2 about exclusion of undocumented immigrants, as well as Medicaid and Medicare recipients.

13 (#body_ftn13) Payroll tax makes contributions less equitable than some other taxes.

14 (#body_ftn14) In addition to the payroll tax concern, cost-sharing may deter people in need.

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hsiao_assessment.pdf	75.47 KB

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