Health Care for All Illinois

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Summary of the "Health Care for All Illinois Act" (HB 311)
Introduced by Reps. Mary Flowers and Mike Boland

Summary:

The Health Care for All Illinois Act establishes a statewide single-payer health insurance plan to provide health benefits to all Illinoisans equally for all medically necessary needs.

The plan would save enough on paperwork to cover all of the uninsured, thus requiring no increase in total health spending. In addition, it would put in place effective mechanisms to control costs in the future, making the system sustainable for future generations.

Last but not least, it would restore choice of physician and hospital to all Illinoisans.

Access:

Every Illinoisan would be covered for all necessary medical care.

Patients would receive an Illinois Health Services Program (IHSP) card entitling them to care at any hospital or doctor's office. Patients would not be billed for covered medical care; all costs for covered services would be paid by the IHSP.

Benefits:

Coverage would include standard medical care as well as hospital, mental health, long-term illness, dental and vision services, and prescription drugs.

In effect, the plan improves on traditional Medicare's benefits and expands coverage to all Illinoisans. It would eliminate co-pays and deductibles, cover all medications, and cover all physician and hospital care, including mental health care (Medicare currently pays only 50% of the cost of outpatient mental health care).

Administration/Administrative Savings:

The program would be publicly financed (like Medicare) and administered by regional boards.

Private insurance which duplicates IHSP coverage would be eliminated, saving tens of billions annually in insurance company profits and overhead. Removing the complex and redundant insurance bureaucracy would greatly simplify paperwork for doctors and hospitals, generating billions of dollars of additional savings. About half of the 30% of hospital budgets that now go for billing and administration would be saved under this plan. Total savings: more than $13 billion annually.

Effective Cost-Controls:

Coverage for all Illinoisans is possible with no increase in total health spending

According to estimates from the General Accounting Office, the Congressional Budget Office, and several private consulting firms, savings on bureaucracy would allow single payer IHSP to cover all of the uninsured and upgrade coverage for the under-insured (including full drug coverage for seniors) without any increase in total health spending.

Future costs increases would be contained by the IHSP's ability to set and enforce overall spending limits (see below) and improved health planning. This is the only proven method of controlling health costs over the long run.

Hospitals and other health facilities would be on a budget.

Most hospitals and nursing homes would remain privately owned and operated, receiving an annual "global" lump sum budget from the IHSP to cover all operating costs. Global operating budgets would be negotiated with the IHSP. Capital funds would be distributed separately by regional IHSP boards on the basis of health planning goals.

Physicians would be paid based on a simple fee schedule covering all patients.

Private doctors would continue to practice on a fee-for-service basis with fee levels set in negotiations with the IHSP. While HMOs which merely provide insurance would be phased out, patients could choose to continue their care in the few non-profit plans that actually own clinics and employ doctors. Such plans would receive capitation payments from the IHSP for each patient, with regulations to prevent skimping on care. Neighborhood health centers, clinics, and home care agencies employing salaried doctors and other health providers would be funded directly from IHSP on the basis of a global budget.

Medications would be purchased wholesale.

The IHSP would pay pharmacists wholesale costs plus a reasonable dispensing fee for prescription drugs on the IHSP formulary.

Financing

The program would be paid for by combining current sources of government health spending into a single fund with modest new taxes that would be fully offset by reductions in premiums and out-of-pocket spending.