

RESOLUTION 65-08A

Title: Single Payer System

Introduced by: Harvey W. Halberstadt, MD, Oakland County

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Referred to: Reference Committee A

House Action: No Action

Whereas, the spiraling costs of the broken health system in the United States are anticipated to exceed the profits of the Fortune 500 companies by next year, and

Whereas, General Motors states that health care costs are hindering its competitiveness, and

Whereas, private insurers seek to insure the healthy and not the sick, and

Whereas, a study done by the Lewin Group, a health care consulting firm, estimates that administrative costs consumes 20 percent of total health care expenditures nation-wide, and

Whereas, there is an enormous amount of paperwork required of American doctors and hospitals that does not exist in countries like Canada and Britain, and

Whereas, the United States spent for health care an average of \$6,702 a person in 2004 while Canada spent \$3,165 a person, France \$3,150, Australia \$3,120, and Britain \$2,205, according to the Organization for Economic Cooperation and Development as cited in the *New York Times*, on December 31, 2006, and

Whereas, a single payer system allows patients to choose their own doctors with the government providing the insurance that encouraged competition among providers, and

Whereas, with a single payer system the insurer pays doctors, pharmacists, and hospitals at a preset rate allowing patients to elect being out of the system, and

Whereas, unlike a single payer system, the American system has unnecessary costs such as duplicate processing of claims, unpaid claims, large number of insurance products, complicated billing systems, and huge marketing costs compounded by profits and excessive pay and generous benefits to executives of the insurance companies, and

Whereas, Medicare spends less than two cents of every dollar on administrative costs, allowing 98 cents to pay for medical care, but private insurance companies spend 80 cents of each dollar in premiums on medical care with much of the remaining 20 cents spent denying insurance to those who need it (*New York Times*), and

Whereas, unlike Medicare, private health insurance companies have employees cull medical records with the deliberate intent to revoke insurance after purchase on the pretext that the insurees had failed to notify the companies of a pre-existing condition that the insurers were not aware of (*New York Times*, documentary Sicko), and

Whereas, Humana has a staff of physicians to review medical records for medical necessity with the instruction to deny 10 percent of the reviewed case and with the understanding that bonuses are earned if the rejection rate is greater than 10 percent (documentary Sicko); therefore be it

RESOLVED: That MSMS support federal legislation for a single payer system modeled upon Medicare.

WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE