

SUMMARY AND HIGHLIGHTS OF PENNSYLVANIA HEALTH CARE PLAN (PHCP)

Pennsylvania:

- Spent 19% of state income on health care in 2012 – up from 14% in 1997.
- Had an uninsured rate of 11.0% in 2010 – up from 7.5% in 2004 and 8.2% in 2008.

PHCP will:

- Extend and/or improve healthcare coverage to all Pennsylvanians.
- Increase real disposable income for most Pennsylvania residents.
- Fund most health care in the state, excluding only elective cosmetic expenses.
- Save 22.6% of current health care expenditures.
- Save over \$17 billion or \$1,000 + per resident.

How does PHCP accomplish this?

- Savings in administration of private insurance (14%) to Medicare levels (2%)
- \$1.5 billion administrative expense savings for employers.
- \$12.8 billion savings in billing/ insurance related expenses to providers and hospitals
- Negotiated pharmaceutical pricing to world level, saving almost \$8 billion.
- Reduced administrative expense in government programs like Medicaid by integrating them into the Pennsylvania Plan, saving almost a billion dollars in administrative costs.
- Savings of over \$1.2 billion from reduced fraud and accidental overcharging.

PHCP cost increases and new benefits:

- Expanding coverage to the uninsured = \$1.4 billion
- Increased utilization of health care, including dental and home health care - \$4.6 billion
- Increase Medicaid reimbursement rates = \$9.8 billion

Reduction in health care spending in Pennsylvania: \$16 billion + (from \$144 billion to \$128 billion).

Percentage of provider payments devoted to actual spending on healthcare will increase from the current 75% to 87%, saving Pennsylvania over \$1,400 per person.

Paid for with a 10% business payroll contribution and a general personal income tax of 3%.

Who benefits?

- Employers currently providing health care benefits. (Over-all savings to business = \$7 billion +).
- The average individual who pays well over 3% of personal income for health care.
- Pennsylvania's state and local governments and school boards will save over \$6 billion.

Economic Impact of PHCP on Pennsylvania:

- Will bring over \$15 billion in additional federal money into Pennsylvania.
- Federal spending, increased demand for providers, and economic expansion equals between 160,000 and 235,000 new Pennsylvania jobs, not including 40,000 jobs produced by the Affordable Care Act (Obamacare).
- New Job creation will generate over \$2 billion in additional tax revenues to Pennsylvania.