



12/29/2008

Senator Tom Daschle
Secretary Designate Department of
Health and Human Services

Jeanne M. Lambrew
Director Designate of the
White House Office on Health Reform

Dear Senator Daschle and Ms Lambrew,

After finishing the book "Critical" and then watching the events of the last weeks unfold I sat back and could not believe it. The American people will finally have someone in important positions in our national government that understand the health care reform that is needed in our country. **I thank you both for taking your new positions.**

I published the book "Health Security America: Fixing the Health Care crisis" in 2006 and am Director of the Coalition for a Health Secure America. I could have written your book and I think you could have written mine as our fixes are very similar. Both of you are definitely more attuned to what can be done politically and we desperately need your expertise. I offer some points on the inner workings of the health industry that may or may not be available to you due to our different careers leading all of us to this point of trying to solve the health care problem in 2009 and beyond. I would like you both to have my book and find it enclosed as well a copy of the Independent Reviewer that I publish for the Coalition as the need for comment presents itself. My work and writings are archived on the website <http://www.healthsecurityamerica.com> and my book is now available free via the net from this site as well.

As we work toward the goal of real universal health care you have very adequately pointed out why we need to go the route that you have directed to get us there. I would like to comment on some of your ideas with a slightly different perspective that perhaps might make the route faster. I do this with great respect for your thinking.

Universal Health and "Socialized" Medicine:

You feel Americans will not accept single payer plans as they will not accept "Socialized Medicine". The financial down turn and its severity will make this comment less of an issue but most of all, I know of no plan proposed seriously for this country that is socialized the way the word socialized is bantered around. Socialized Medicine in the

countries that have it pays the providers a salary. Providers are employees of the government. Whether it is HR.676, my plan or many others this will not be the case. Physicians will not get a W-2 from the state or federal government. A simple statement that our universal health allows physician choice and providers are responsible for their own business could put a stop to this false assumption by the public.

Insurance companies:

Why do we need them in the same mode they now function? They take a 10% profit of all premiums that we can no longer afford to pay. Use them as “back office” people if needed to make the plan work smoothly and help the employment problem. This should at least save the 10% and certainly not hurt their overall viability.

Keep it simple but continuing to use insurance companies as traditionally used by our health system will promote a bureaucratic mess similar to what we have now. A single payer plan will simplify.

Competition:

There **is no price competition** in medicine as one would compare it to other industries. Presently insurance companies go from large clinic to large clinic and get “bids” on a list of procedures but you will find most are all very high. To prove my point go to two separate clinics and complain of a sore throat and visit the physician who most likely will do a throat culture or strep test. You will find there will be pennies or at most a few dollars apart but both twice as high as they need to be. If you do this with requests for physician surgery estimates you will find the problem the same. There is never enough difference in price to encourage people to go one place or another for service. Price transparency for hospitals, as I have mentioned on page 85 in my book is necessary to achieve real competition and in some instances there can be none at all as only one hospital is available.

Set Fees:

If you take the Medicare fee book you could impose this as the schedule for all people and this would save about 145 billion dollars per year and the physicians would survive **making more** than now- **If** you stop a very perverse thing called non-compete clauses in physician contracts. I urge you to see the research we have done on this and it is in my book on page 74 with the full study in the appendix. The numbers were taken from an outlying Mayo Clinic Practice and are all real.

Mental Health:

You can very easily make this equal to physical ailment payments but you will have to use **evidence based treatments only** or you can not do it. Mental health is not as clear cut many times as physical ailments when it comes to treating and predicting cost.

Federal Health Board:

I would suggest reading my book from Part two and note how I have separated the governance of our health system a bit more than you have from elected officials. Let the people decide. My system will keep Congress out of the health issues and also take away

the budget issue once it is up and running. The budget issue is even more important today than 12 months ago.

The cost of our health system has to be halved and it can be. I suggest between what I have proposed and you have been working on this will be possible. **We are at the correct time in history to make this happen.**

I wish both of you the best of luck. I am willing to help you in anyway I can if only to read and comment on some idea that might come to mind. I think I can tell you how it will fly with "The engaged citizen" as viewed by someone who has been presenting and answering questions on health care reform in many venues for some time.

Sincerest Regards,

Fred Bannister, M.D.