

# Smart-Care

## How to save up to 15% or more of the cost of healthcare,

- over \$500 Billion per year,
- give a 2.7% boost to the economy
- improve care and access to care

## by using the cloud and existing technology for online:

- Universal electronic records
- Insurance information and demographic
- Rapid payments

**The government, just on its own employees, will have expected savings in excess of \$35.25 Billion per year, plus many other benefits.**

To help understand government direct savings at a National level:

The Congressional Budget Office, as reported in the Baltimore "Sun," estimates that the AHCA would cut \$834 Billion from Medicaid by 2026. So this would be something between \$92.7 and 104.25 Billion a year for 9 or 8 years. Smart-Care if implemented will save the government directly over a third of this - an estimated \$35.25 Billion per year just in Government workers reduced costs of healthcare, without any Medicaid cuts, with other benefits as noted in the whitepaper on the web. (This estimate is based on a 15 % savings on a low estimated typical cost of \$10,000 per year for health coverage for the 23.5 Million Federal, State, Local, Military and Postal employees. The Federal savings alone for Federal, Military and Postal employees, based on an estimated 4.2 Million workers would be \$6.3 Billion per year. (There are more employees in security and other departments not included in these figures and the savings shown are calculated based on a low annual cost of worker's insurance of only \$10,000 per year, so the savings should be more in each case.)

For Maryland based on 2015 figures of 46,440 state government based employees per the State budget report, assuming the costs and savings as noted above, the annual savings would be, just for the state employees, \$69.66 Million. Across the state the savings are estimated at \$6.2 Billion based on population and cost figures from the CDC.

In an effort to implement this, in Maryland's last legislative session SB 750 was introduced by Senator Guzzone and companion HB 1516 was introduced by Delegate Hill, cosponsored also by Delegate Hettleman and 10 others. I am hoping we can get funding for Maryland as a test state for this program if we can't get it going nationwide. The main reasons the bills failed was lack of funding for startup costs estimated to be about \$400,000 and because insurance companies did not want to invest in a pilot program. Some federal grant funds would go a long way to getting this done. To fully implement all the features and incentivize insurance companies will likely require a one-time expense of \$10-20Million in Maryland. Once set up the programs should be self-supporting as they can charge small transaction fees like a credit card company, but less since this should all be non-profit. In any location, state or for the entire nation, startup costs should be less than the first year of savings.

## Smart-Care Summary

No one is happy with the current system where the US economy is being crippled by healthcare which is now 18% of our spending. We pay more per capita for healthcare than any other country in the world and yet we don't live as long – for example we spend fifty percent more than the Swiss who live on average 4 years longer; in 2013 U.S. males ranked only 25<sup>th</sup> in life expectancy, right below Slovenia. Congress's current proposals to lower healthcare costs would result in reductions or loss of benefits for millions, including many of the mentally ill. Part of the problem is that we lose an average of 31% of each healthcare dollar to administrative costs. Many psychiatrist and other providers do not accept insurance as healthcare workers struggle to get records from one place to another and to complete an elaborate transfer of information to get complex benefits and billing correct, to eventually get paid. These problems reduce funds available for other needs and cause discontent with healthcare. Fewer of our brightest graduates choose health professions, leading to an erosion of future care.

A solution to these issues is the Smart-Care system which can reduce these problems and costs while helping to improve care. Smart-Care will use secure online technology to make patient records available to all providers through the cloud along with insurance coverage, billing and reimbursement. Other countries with lower costs and better results do something similar. This should produce savings of up to 15 percent or more which would be over \$500 Billion a year and yield a 2.7% boost to the entire United States economy. With Smart-Care waste is cut by accessing the health information system at the start of an encounter using the patient's magnetic card or number along with passwords and possible biometric protection. Benefits are clearly available at the point of service and, after the visit, a brief record of care is uploaded in return for prompt online payment. Everything stays up to date and readily available to improve care.

Smart-Care can build on existing health data exchanges that typically only include hospital records by adding national standards for records, along with benefits coverage and prompt online reimbursements. The online availability of free basic records will make it easy for all providers to participate. More funds will be available for other needs, improving the quality of life in many ways beyond healthcare while helping the US to compete in the world economy.

Some of the many benefits of immediate online record availability, insurance coverage and the ease of prompt online payments include:

- Increased access to care with reduced costs
- Less administrative time and expense
- Happier providers and patients
- Ready availability of records to coordinate care
- Quick look up of organ donor status, health care power of attorney, and living wills
- Patients can opt-in to facilitate research which otherwise would not be possible
- And assisting with lifesaving history when an Emergency Room patient can't provide information as after an overdose or stroke.

For a change this big, government must lead the way by: helping to set the standards, giving start up grants and requiring all government employees to be covered by insurance using the program within 3 years. The process would start with providing support for focus groups of stakeholders to study the systems in use elsewhere and to develop the standards for the US within a year. Electronic records vendors might use existing Health Level 7 standards to communicate. Unique patient identifiers need to be assigned and authorized to ensure that the correct information is provided for each person. Demographics and benefits must be consistently outlined. To improve system security each access point can be specified along with two factor identification. Grants can be provided to companies to develop the free online basic records. Once several private carriers, perhaps with grant support, voluntarily agree to offer the program in a service area, they will have a competitive advantage and others will follow suit.

Smart-Care would be a huge change for the better for our nation and government must help get it started by requiring all government workers to be covered by the program in 2-3 years and with grants to get it going.

Details and references: [www.Smart-Health-Care.com](http://www.Smart-Health-Care.com)

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