RosenCare©

An Alternative Solution to "ObamaCare"

RosenCare©

Prologue

In 1991, Rosen Hotels & Resorts (RHR) made the decision to become a self-insured employer. We also decided to provide an on-site primary care facility for all of our associates and their dependents. We had a total of 1,176 covered lives on our health plan at the time. At that time, there were 3 associates, including 1 physician serving the population.

Today, 26 years later, our health plan has 5,700 covered lives. We have 3 full-time physicians, 4 nurse practitioners, 1 physician's assistant and a staff of 51. In our medical facility, we provide comprehensive care in family practice, including a podiatrist, nutritionist, chiropractor, basic radiology services, monthly mammograms, a physical therapy department, laboratory services and a small pharmacy. In addition, we have a fitness center offering free classes, such as Tai Chi, yoga, spinning, Zumba, etc.

Since 1991, we have been comparing our cost per covered life with the national average and we have saved approximately $340 million. As a Patient Centered Medical Home (PCMH), we believe that our laser-like emphasis on health, wellness, prevention and partnering with the best high performance healthcare providers and processes is responsible for these savings. We work very closely with all RHR associates to make certain they have all they need to become and remain healthy. Annual physicals are a vital component in our health and wellness program and prevention is our primary focus. We work closely with our associates and their family members who are pregnant, diabetic, hypertensive, obese, or have any other chronic care conditions.

In addition, our company culture strongly discourages smoking, the use of illegal drugs, or excessive use of alcohol. In fact, to encourage a healthy drug and alcohol-free lifestyle, we conduct random drug tests, to include nicotine testing, on a regular basis. The discovery of any of the aforementioned may be grounds for dismissal.

Rosen Hotels & Resorts' 26-year healthcare initiative is the precursor to what we have defined as the national RosenCare program, which we believe may very well create results comparable to our own, but of course on a much larger scale. If the entire public and private sector implemented a RosenCare model, we would anticipate annual savings of approximately $935 billion, simply by preventing unnecessary illnesses and diseases and by emphasizing the importance of a healthy lifestyle. What follows is a proposed comprehensive healthcare plan for our nation. Our plan, which we believe to be the Real Affordable Care Act, guarantees that every American shall have access to affordable healthcare.

RosenCare

"The Real Affordable Care Act"

1. In lieu of the ACA, employers would provide healthcare coverage for their employees who work a minimum of 25 hours per week and for their dependents as well.

   The Federal Government would offer a tax credit to all private sector employers who provide healthcare coverage for their employees. We suggest a tax credit of $4,000 per employee (see page 6).

2. Employers may request that their employees make a contribution to the health coverage plan. Annual employee contribution shall not exceed $1,000 for single or $2,000 for family coverage, which shall be tax deductible to the employee. Statistically, the average employee covers approximately one dependent. The Rosen model gross cost is $9,800 for two covered lives. The $4,000 tax credit plus the $2,000 employee tax deduction equals $6,000 and leaves the balance of approximately $4,000 of the cost to the employer. Conversely, employers today, without the Rosen model, have an average gross cost of $15,384[1], with the average employer portion of $12,154 for the two covered lives. Our plan saves the employer an average of $8,000 per employee. These savings provide the employer with resources to grow their business, make capital improvements, investments, increased wages, or create more jobs which will ultimately have a significant multiplier effect on the nation's economy. Employers would not be mandated to implement this model. However, if they opt to do so, the employer tax credits and employee tax deductions outlined above would be available.

3. Part-time workers, not covered by Medicare or Medicaid, shall have access to health coverage if they work fewer than 25 hours per week. Since they will not receive full coverage, these part-time employees shall access the nearest free private or public healthcare clinic, such as a Primary Care Access Network (PCAN) (see #6), or they can, if they wish, have the option of purchasing their own health coverage on the open market.

4. The RosenCare plan will provide a guide to a minimum benefits package. (See attached).

[1] Portions of estimate derived from Statistical Brief #474: Medical Expenditure Panel Survey by Agency for Healthcare Research and Quality

Approximately 124 million Americans are working full-time in the private sector and with RosenCare (the new "Real Affordable Care Act"), all of them shall now have health coverage. [1]

5. Since everyone who is employed shall have health coverage, we anticipate that the number of uninsured individuals in America will decline by more than 20 million.[2] According to the Kaiser Foundation, at present, there are approximately 28 million[3] uninsured Americans. It is, therefore incumbent upon us to create a plan for those who are not working and not insured. To accomplish this we recommend the creation of both private and publicly funded healthcare clinics in every state (PCAN). The sole purpose of these free clinics will be to provide healthcare for the aforementioned unemployed individuals and for those who work fewer than 25 hours/week. These free clinics will be financed and administered by both the private and public sector (county, city or state government) and will operate in the following manner:
    a. The healthcare organization will utilize part-time employees and volunteers, (mostly retirees and/or practicing physicians, nurses, nurse practitioners, specialists, dentists, etc.) Volunteers will agree to work without pay for perhaps several days each month and will be granted sovereign immunity for their volunteerism.

    b. These healthcare organizations will be located, when possible, in easily accessible facilities. Individuals utilizing these facilities will have to demonstrate that they are unemployed or working less than 25 hours per week. Individuals located in rural areas will be provided free transportation to the facility if needed.

    c. Unemployed individuals will not be charged for any of the services provided. Employees working less than 25 hours per week will pay a small fee based upon their average weekly compensation.

[1] United States Department of Labor – Bureau of Labor Statistics https://www.bls.gov/cps/cpsaat08.htm

[2] *The Uninsured: A Primer-Key Facts about Health Insurance and the Uninsured in the Wake of National Health Reform.* Nov. 01, 2016. http://www.kff.org/uninsured/report/the-uninsured-a-primer-key-facts-about-health-insurance-and-the-uninsured-in-the-wake-of-national-health-reform/

[3] *Key Facts about the Uninsured Population.* http://www.kff.org/uninsured/fact-sheet/key-facts-about-the-uninsured-population/

d. Local hospitals will be required to provide free services for all patients referred to them by the free private and publicly funded clinic. All hospital services will be provided free of charge for those who are unemployed. Employees working less than 25 hours, a work-based compensation formula will be utilized. We believe that hospitals will be amenable to this program because the aforementioned healthcare organizations will substantially reduce unnecessary visits to the hospital emergency rooms, which are currently required to provide care for all indigent patients. It is our belief that the healthcare organizations will assist hospitals by dramatically reducing emergency room visits, thereby eliminating substantial unpaid medical expenses, with which many hospitals are currently struggling. In addition, hospitals will benefit from the RosenCare plan because it is very likely that there will be a significantly reduced burden of patient account receivables due to the vastly improved healthcare format.

e. As the economy improves, the percentage of individuals not working will decline and the number of individuals without employer health coverage will dramatically decline as well. In addition, the RosenCare program will rapidly provide hospitals and physicians throughout the nation with a substantial (approximately 20 million) increase in covered (paying) patients, dramatically improving their current financial situation by increasing hospital occupancies.

6. Medicare will remain unchanged with the exception of the following: Eligibility would be means tested; Individuals earning more than $350,000 annually at the time of eligibility will not qualify for Medicare. In addition, Medicare age eligibility would also be gradually increased from 65 to 68 over the next 10 years. These two rather simple changes would reduce Medicare expenditures over the next 10 years by approximately $270 billion[2,3,4]. Medicare shall also use the Rosen PCMH model. See Exhibit C, Wellness Menu of Offerings (attached) in order to reduce costs.

[2] Portions of the estimate derive from Moffit, Robert. *The First Stage of Medicare Reform: Fixing the Current Program.* http://www.heritage.org/research/reports/2011/10/the-first-stage-of-medicare-reform-fixing-the-current-program.

[3] Portions of the estimate derive from The U.S. Bureau of Labor and Statistics. http://data.bls.gov/cgibin/print.pl/news.release/empsit.t17.htm.

[4] Portions of the estimate derive from Hodge, Scott (2012, June 15). *Who Are America's Millionaires?* The Tax Foundation.

7. Medicaid will remain unchanged with the exception of the following: Medicaid shall also use the Rosen PCMH model in order to reduce Medicaid costs or, in time, it will not be able to sustain the program. (See Exhibit C, for Wellness Menu of Offerings)

8. Application of The RosenCare model to all public sector healthcare programs including Medicare, Medicaid and all government employees will potentially save approximately $3.5 trillion[5,6] over 10 years ($350 billion annually).

9. Hospitals shall be prohibited from acquiring private physician practices and/or surgery centers. These acquisitions merely reduce competition and increase patient costs.

10. Hospitals shall be encouraged to offer all payers a choice between a fully capitated program or a more traditional fee for service plan. In addition hospitals shall be required to publish on an annual basis, a detailed itemized list of the actual cost of all of their products and services.

11. Hospitals shall be required to correct and reform the Hospital Chargemaster system, a system which is broken and which does not reflect actual healthcare costs. Recommended changes are outlined in Exhibit B "The Challenge of the Hospital Charge master (attached)."

12. Healthcare Navigators, a position created under the Affordable Care Act for patient education, will be utilized to educate employers about the advantages, cost savings and implementation of the RosenCare model in order to keep costs at or below $4,900 per covered life per year. Approximately, $5.6 trillion[5,6] over 10 years ($558 billion annually) could be saved by the private sector over a 10-year period by following the RosenCare model.

[5.] Portions of the estimate derive from the *National Health Expenditure Projections 2011-2021.* http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and Reports/NationalHealthExpendData/Downloads/Proj2011PDF.pdf

[6.] https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical.html

13. A comprehensive tort reform program must be created to reduce costly and unnecessary medical practices and procedures utilized primarily to protect the practitioners from lawsuits. Said tort reform will save approximately $11 billion[7] annually. (C.B.O. estimate).

14. The significant annualized savings, outlined throughout the RosenCare document, are represented below with three tax credit options and the associated savings of each.

Opportunity	Annual Savings
Medicare availability age increase	$ 24,360,000,000
Tort Reform	$ 11,000,000,000
Income Eligibility	$ 3,460,285,080
RosenCare Estimated savings for the Private Sector	$558,062,628,697
RosenCare Estimated Savings for the Public Sector	$349,233,648,947
Total Savings	$946,116,562,724

	Plan A	Plan B	Plan C
Employer Tax Credit	$4,000	$3,000	$2,000
Employee Tax Deduction	$2,000	$2,000	$2,000

Net Annual Tax Implication	Plan A	Plan B	Plan C
RosenCare Plan Annual Savings	$946,116,562,724	$946,116,562,724	$946,116,562,724
Employer Tax Credit	($496,000,000,000)	($372,000,000,000)	($248,000,000,000)
Employee Tax Deduction	($62,000,000,000)	($62,000,000,000)	($62,000,000,000)
New Total Savings	$388,116,562,724	$512,116,562,724	$636,116,562,724

[7] CBO's Analysis of the Effects of Proposals to Limit Costs Related to Medical Malpractice ("Tort Reform") https://www.cbo.gov/publication/249

RosenCare Minimum Benefits Package

ROSENCARE COVERED SERVICES					
	NETWORK		NON-NETWORK		
	Member Pays	**Plan Pays**	**Member Pays**	**Plan Pays**	**Network Details**
Hospital Services					
Inpatient Admissions	$750.00 per admission copay	100% after copay	$1,000.00 per admission copay	100% after copay non network admissions must be approved TPA	Facility's semi-private and ICU room rates apply.
Total inpatient copays per Calendar Year will not exceed: $1,500.00 per individual and $3,000.00 per family in network.					
Skilled Nursing Facility	$0.00	100%	No Coverage		90 day Calendar Year Maximum. Authorized By TPA Facility's semi-private room rate applies.
Outpatient treatment					
Surgery center	$100.00 copay	100% after copay	No coverage		
Hospital	$100.00 copay	100% after copay	No Coverage		
Urgent Care					
Emergency Room	$75.00 copay	100% after copay	$75.00 copay	100% after copay	
Urgent Care	$35.00 copay	100% after copay	No Coverage		
Diagnostic Services					
Outpatient Diagnostic Services Primary Care Facility	$0.00	100%	No Coverage		Schedule all lab and radiology at Employer Approved Primary Care Center. X-Ray, Mammograms

RosenCare Minimum Benefits Package

	NETWORK		NON-NETWORK		
	Member Pays	**Plan Pays**	**Member Pays**	**Plan Pays**	**Network Details**
Pre-Operative Diagnostic Services Primary care facility	$0.00	100%	No Coverage		Schedule all lab EKG, pre surgical x-rays at Employer Approved Primary Care Center
Outpatient Diagnostic / Therapeutic Services at Network Radiology Facility	CT Scan $10.00 copay MRI $25.00 copay	100% after copay	No Coverage		Covered, CT Scan, PET Scans, MRI and nuclear medicine must be received at an in network outpatient facility
Physician Services					
Office visit with Primary Care Physician	$5.00 copay	100% after copay	No Coverage		Primary care must be received from the Rosen Medical Center for members age 15+
Pediatric office visit	$5.00 copay	100% after copay	No Coverage		Must be network registered
Specialist visit	$20.00 copay	100% after copay	No Coverage		Must be referred by Primary Care Physician
Inpatient care and service	$0.00	100%	No Coverage		Must be authorized by TPA
Home Health Care	$0.00	100%	No Coverage		100 visits or 400 hours Calendar Year Maximum. Auth. by TPA case mgmt.
Hospice Care	$0.00	100%	No Coverage		

RosenCare Minimum Benefits Package

	NETWORK		NON-NETWORK		
	Member Pays	Plan Pays	Member Pays	Plan Pays	Network Details
Bereavement Counseling	$0.00	100%	No Coverage		$500.00 Calendar Year Maximum
Ambulance Service	$0.00	100%	No Coverage		
Wig After Chemotherapy	$0.00	100%	No Coverage		1 per year
Occupational Therapy	$0.00	100%	No Coverage		60 days maximum per treatment plan
Speech Therapy	$0.00	100%	No Coverage		60 days maximum per treatment plan
Physical Therapy	$0.00	100%	No Coverage		60 day maximum per treatment plan
Durable Medical Equipment	$0.00	100%	No Coverage		
Prosthetics	$0.00	100%	No Coverage		
Orthotics	$0.00	100%	No Coverage		
Spinal Manipulation Chiropractic	$20.00 Copay	100% after copay	No Coverage		10 visit Calendar Year Maximum
Preventive Care		100%	No Coverage		
Routine Well Adult Care Includes: office visits, pap test, mammogram, prostate screening, gynecological exam, routine physical examination, x-rays, laboratory blood tests and immunizations	$0.00	100%			
Routine Well Newborn Care	$0.00	100%	No Coverage		
Routine Well Child Care Includes: office visits, routine physical examination, laboratory blood tests, x-rays and immunizations through age 14.	$0.00	100%	No Coverage		20 visit maximum at the age intervals shown in SPD

RosenCare Minimum Benefits Package

	NETWORK		NON-NETWORK		
	Member Pays	**Plan Pays**	**Member Pays**	**Plan Pays**	**Network Details**
Organ Transplants	$0.00	Normal Plan benefits apply based on services rendered		Subject to TPA approval	
Pregnancy	$20.00 co-pay office visits with OB	Normal Plan benefits apply based on services rendered.	No Coverage		No benefits for dependent child
Prescription Drugs Covered through pharmacy benefit refer to PBM summary of benefits					
OTC Class Drugs	$2.00		No Coverage		For Complete coverage refer to PBM plan document
Class 1	Preferred RX provider: $0 including insulin products; $10.00 copay at other retail centers		No Coverage		
Class 2	Preferred RX provider: $13; $15.00 copay at other retail centers		No Coverage		
Class 3	Preferred RX provider: $25; $30.00 copay at other retail centers		No Coverage		
Out Of Pocket Maximum					
The out of pocket limit on how much you could pay during a coverage period for your share of the cost of covered services is $6,350 for individual and $12,700 for family.					

EXHIBIT B

THE CHALLENGE OF THE HOSPITAL CHARGEMASTER

Aaron Liberman, Ph.D., LHRM
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The Overarching Issue

With the publication of Steven Brill's 24,105 word article entitled, "Bitter Pill--Why Medical Bills are Killing Us," which appeared in the March 4, 2013, edition of *Time Magazine*, the national discussion about the high cost of health care in America began to crystallize around issues involving the cost of hospitalization and overall healthcare costs in general in the wealthiest and most productive nation on Earth.

Brill's article follows a highly critical account of the cost of healthcare in America that appeared in a book entitled, *The Healing of America*, by T.R. Reid, a noted author and Washington Post Correspondent, as well as a long standing Commentator for National Public Radio. Both Brill and Reid have compared the cost of health services in America to those of other developed nations; and independently each has concluded that healthcare costs in the United States, if they continue their unabated upward spiral, can and likely will bankrupt our nation's ability to sustain the fabric of its economy.

The critique from each of these authors, as well as several researchers who are seemingly aligned with their thinking (including Clayton Christenson, Ph.D., of Harvard University, the spokesperson for a line of thinking and research that embraces *Disruptive Innovation in Healthcare* as a method of saving our health delivery system) all focus on the seeming genesis of evil in the delivery system—the Hospital Chargemaster. With unbridled passion, and with a seeming growing credibility for this line of thinking, the critics of America's hospitals believe that the Chargemaster demonstrates both an inability and a lack of interest and/or commitment in controlling the cost of healthcare in this country.

An Appropriate Response

The question now is how best to address the challenge of cost containment without diminishing the noteworthy accomplishments of America's health delivery system.

The first step in a civilized dialogue addressing cost containment would be for healthcare executives to initiate substantive steps to correct and reform the Hospital Chargemaster and the inherent inconsistencies it has spawned. The task will not be easy to accomplish as for many years the Chargemaster has served as a convenient representation of the 'retail cost of healthcare' in most public discussions about hospital costs. However, as has been accurately pointed out by hospital critics, the Chargemaster does not reflect actual healthcare costs. Even within a single hospital system, which has multiple hospitals in the same geographic area, Chargemasters are not uniform, even though all hospitals in that area may be billing under the lead hospital of that system.

If each hospital system publicly acknowledges the existence of these inconsistent Hospital Chargemasters and launches what would begin as a three-part program to correct the problems, this would identify hospitals as a proactive leader in reforming a system that as currently structured simply cannot prevail.

Recommended Changes

(1) Hospital executives would announce publicly a commitment to assure that the Hospital Chargemaster at all of their hospitals shall be standardized across the board;
(2) Hospital executives would also announce a commitment to review all charges contained in the Chargemaster and assure they represent the actual costs of healthcare, which includes a reasonable level of surplus that can be reinvested in services, thus ensuring consistency with their stewardship of public health;
(3) Hospital executives then would convene and host a national conversation about how to correct the inconsistencies in the Chargemasters of all hospitals in America;
(4) Then, and most importantly, the needed changes would be implemented and periodically audited to assure they do not come unglued.

Conclusion

If adopted, these changes would serve only as a first step in the challenging process of healthcare reform. However, from a hospital services perspective, the Hospital Systems would: (a) emerge as an acknowledged national leader that recognizes the scope of the problem, and (b) indicate its willingness to assume a leadership role in resolving the issues associated with the problem. This proactive and empowered stance is preferable to simply hibernating and awaiting Federal Action (which surely will come) that could radically alter the existing healthcare landscape and force more draconian changes on what is presently viewed as a reluctant to change and intransigent healthcare industry.

Exhibit C

Wellness

Menu of Offerings

WORKPLACE WELLNESS

- Fitness Programs
- Work / Life Balance
- Wellness Message
- Wellness Events
- Family Outreach Center

FITNESS AND HEALTH PROGRAMS

W.O.W. FACTOR PROGRAM – WORK OUT FOR WELLNESS®

- Weight Watchers Program
- Department Stretching
- Class Schedule
- Individual Property Schedules
    - Zumba Express (30 min.)
    - Power Abs
    - Walking Clubs
    - Spinning
- Ability to Schedule More
- Swimming

WORK/LIFE BALANCE MONTH

- Planning Committee
- Seminars that create a personal impact
    - Financial
    - Health and Well-being
    - Fitness
- Celebrating Family (Movie Night)

WELLNESS MESSAGE (INTERNAL)

- Wellness Commitment Policy
- The Buzz
- Wellness Wednesdays
- W.O.W. Factor News
- Employee Resource Groups – Wellness Initiative Network (W.I.N.)

WELLNESS EVENTS

- Health, Benefits & Safety Fair
- W.O.W. Factor Anniversary
- Work/Life Balance Month
- National Start Eating Healthy Day
- National Walking Day
- National Employee Health & Fitness Day
- Community Projects and 5Ks
- Family Events
- Menu Planning

WELLNESS MESSAGE (EXTERNAL)

- Central Florida Employee Wellness Group
- American Heart Association
    - Platinum Level Fit Friendly Company
- 2013 Healthiest Employer Award
- Numerous Public Relations Opportunities

FAMILY OUTREACH CENTER
Social Service Referrals:

- Social Worker
- Referrals to local agencies
- Employee Assistance Program (EAP)

Employee Assistance Program

- Confidential Referrals
- Challenges include:
    - Workplace Conflicts
    - Family Issues
    - Marital Issues
    - Substance Abuse
    - Depression
    - Others
- Access up to five sessions at no cost
- LiveAndWorkWell.com available

Translations

- Creole and Spanish
- Full Time Associates
- Documents and Appointments
- Communication between associate and healthcare specialist

Domestic Violence

- Referrals for Victims
- Workplace Procedures in Place
- “Recognize, Respond and Refer”

Case management

- Personalized Assessment
- Referrals advocacy
- Medical Center Collaboration

ROSEN MEDICAL CENTER

Established in 1991

Staffing

- Four Medical Doctors
- Three Nurse Practitioners
- Physician’s Assistant
- Podiatrist
- Chiropractor
- Nurses
- Medical Assistants
- Basic Machine Operators
- Registered Dietician

Comprehensive Care

- Wellness Programs
- Pharmacy
- Fitness
- Lab Services
- Nurse Care
- Nutrition
- Radiology
- Ancillary Services
- Physical Therapy
- and much more….

Preventive Care

- Complete Physical Exams
- School Physical Exams

- Well Woman Exams
- Family Planning
- Smoking Cessation
- Functional Medicine

Lab Services

- Screenings
- Blood Draws
- Immunizations
- Ear Irrigations
- Strep Tests
- Urine Analysis
- EKG

Nurse Care Services

- **Case Management**
  - Diabetes
  - Hypertension
  - In-patient Care
  - Advanced Case Management
  - Pregnancy
  - Triage
  - Emergency Medical Response
  - IV Infusion Therapy
  - Pillbox Management
  - Wound Care
  - Home Health Care
  - ER and CC Patient Follow Up

Pharmacy

- In-house Dispensing System
- 90-day Generic Retail Program
- Mail-order Programs
- Vitamins and Supplements

Nutrition

- Registered Dietician
- Personalized Nutritional Counseling
- Group Counseling
- Meal Planning
- Disease-specific Diet Management

Radiology

- Digital X-rays
- Mammograms
- Ultrasounds
- DEXA Scans
- Out-patient Coordination

Ancillary Services

- Hospital Liaison
- Chiropractic Medicine
- Physical Therapy
- Podiatry
- Sleep Study Assessments
- Holter Monitoring
- Social Worker Assistance

Additional Services

- Translators
- Referrals
- FMLA Documentation
- Supplemental Insurance Documentation
- Worker's Compensation Services