

# RosenCare

*An Alternative  
Solution to  
ObamaCare*

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## RosenCare

### Prologue

In 1991, Rosen Hotels & Resorts 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 1176 covered lives on our health plan at that time. The number of associates working in the primary care facility including a **physician** was 3.

Today, almost 25 years later, our health plan has a little over 5,000 **covered** lives. We also have 4 full-time physicians and a staff of 38. In our medical facility, we provide specialized care in family practice, podiatry, nutrition, and basic radiology services; we also (do mammograms). In addition, we have a complete fitness center and we offer **classes** in Tai Chi, yoga, spinning and Zumba. We also have available a chiropractor, a physical therapist, an acupuncturist and a small pharmacy.

Since 1991 we have been comparing our cost per covered life with the national average and during this time period we saved approximately \$240 million. Our laser-like emphasis on health and wellness is responsible for these savings. We work very closely with all of our associates to make certain they have all they need to stay healthy. Annual physicals are a vital component in our health and wellness program and prevention is our primary focus. We work especially closely with those associates who are diabetic, hypertensive, obese or who have elevated cholesterol levels.

In addition, our company culture discourages smoking, the use of illegal drugs, and excessive use of alcohol. In fact, to encourage a healthy drug and alcohol-free lifestyle, we conduct random drug tests on a regular basis.

Our 25 year healthcare initiative is the precursor to what we have defined as the national RosenCare program, which we believe will create results comparable to our own, but on a much larger scale. Instead of annual savings in the millions of dollars, we would anticipate saving approximately \$1.5 trillion dollars 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 refer to as the Real Affordable Care Act, guarantees that every American citizen shall have access to affordable healthcare.

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## RosenCare

### “The Real Affordable Care Act”

1. In lieu of ACA, employers may opt to provide healthcare coverage for their employees who work a minimum of 25 hours per week. Employers may also decide to provide health coverage for dependents as well.

The Federal Government shall reimburse employers, who opted to provide healthcare insurance for their employees, for the cost of their healthcare insurance contribution (up to \$3,500 per employee). This employer contribution shall be in the form of a tax credit. The total amount of tax credits shall not exceed \$700,000 per employer (i.e., will cover up to 200 covered lives at \$3,500 per employee). Employers with health insurance expenditures in excess of \$700,000 will in addition, receive a tax deduction.

2. Employers may request that their employees make a contribution to the health insurance plan. Annual employee contributions shall not exceed \$1,000 for single coverage and the maximum annual employee contribution for family coverage shall be \$2,000. These contributions by the employee shall be tax deductible. When the tax credit of \$3,500 is added to the employee contribution of \$1,000 (for single coverage), the total cost per covered life is \$4,500 which is the approximate expense per covered life under the RosenCare model.
3. Part-time workers shall receive some health insurance coverage if they work fewer than 25 hours per week; because they will not receive full coverage, these part-time employees shall be permitted to access the nearest free private or public healthcare clinic (see #6). They will of course have the option of purchasing their own insurance on the open market.
4. The RosenCare plan will provide a guide to a minimum benefits package. (See attached).
5. Approximately 135 million Americans are working and with RosenCare, the new “Real Affordable Care Act”, all of them shall have health insurance coverage.

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6. Since everyone who is employed shall have health insurance, the number of uninsured individuals in America will decline by as many as 20 million or more. According to the Kaiser Foundation there are currently approximately 48 million<sup>1</sup> 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. 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 American citizens or permanent residents or are employed but currently working fewer than 25 hours per week. Individuals located in rural areas will be provided free transportation.
- c. Unemployed individuals will not be charged for any of the services provided. Part-timers may pay a small fee based upon their average weekly compensation.
- d. Local hospitals will be required to provide 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

<sup>1</sup>National Health Expenditure Projections 2011-2021. <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/Proj2011PDF.pdf>

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are unemployed. For part timers, 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 hospitals' 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.

- e. As the economy improves, the percentage of individuals not working will most likely decline and the percentage of individuals without employer healthcare insurance 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 insured (paying) patients, dramatically improving their current financial situation by increasing hospital occupancies.
7. 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<sup>2,3,4</sup>. Medicare shall also create a wellness and disease management program. See Exhibit C, Wellness Menu of Offerings (attached) in order to reduce costs.

<sup>2</sup> 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>.

<sup>3</sup> Portions of the estimate derive from The U.S. Bureau of Labor and Statistics. <http://data.bls.gov/cgi-bin/print.pl/news.release/empsit.t17.htm>.

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

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8. Medicaid will remain unchanged with the exception of the following: Medicaid must create a wellness and disease management program 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)
  9. Application of The RosenCare model to all public sector healthcare programs including Medicare, Medicaid and government employees potentially saving approximately \$8.9 trillion<sup>2</sup> over 10 years.
  10. Hospitals shall be prohibited from acquiring private physician practices and/or surgery centers. These acquisitions merely reduce competition and increase patient costs.
  11. Hospitals shall be encouraged to offer all patients 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.
  12. Hospitals shall be required to correct and reform the Hospital Chargemaster system, a system which is broken and which sadly does not reflect actual healthcare costs. Recommended changes are outlined in Exhibit B "The Challenge of the Hospital Charge master (attached)."
  13. 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 \$4,500 per covered life per year. Approximately, \$5.7 trillion<sup>5</sup> dollars could be saved by the private sector over a 10 year period by following the RosenCare model.
  14. 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 \$5.4 billion annually. (C.B.O. estimate).

<sup>5</sup>. 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>

## RosenCare Minimum Benefits Package

<b>ROSENCARE COVERED SERVICES</b>					
	<b>NETWORK</b>		<b>NON-NETWORK</b>		
	<b>Member Pays</b>	<b>Plan Pays</b>	<b>Member Pays</b>	<b>Plan Pays</b>	<b>Network Details</b>
<b>Hospital Services</b>					
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.
<i>Total inpatient copays per Calendar Year will not exceed: \$1,500.00 per individual and \$3,000.00 per family in network or \$2,000.00 individual and \$4,000.00 family for out of network. Copays are paid on your behalf by your employer, then reimbursed through payroll deduction.</i>					
<b>Skilled Nursing Facility</b>	\$0.00	100%	No Coverage		90 day Calendar Year Maximum. Authorized By TPA  Facility's semi-private room rate applies.
<b>Outpatient treatment</b>					
Surgery center	\$100.00 copay	100% after copay	No coverage		
Hospital	\$250.00 copay	100% after copay	No Coverage		
<b>Urgent Care</b>					
Emergency Room	\$75.00 copay	100% after copay	\$75.00 copay	100% after copay	
Urgent Care	\$35.00 copay	100% after copay	No Coverage		
<b>Diagnostic Services</b>					
Outpatient Diagnostic Services Primary Care Facility	\$0.00	100%	No Coverage		Schedule all lab and radiology at Employer Approved Primary Care Center. XRay, 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
<b>Physician Services</b>					
Office visit with Primary Care Physician	* \$5.00 copay	100% after copay	No Coverage		Primary care must be received from an Employer Approved Center
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
<b>Home Health Care</b>	\$0.00	100%	No Coverage		100 visits or 400 hours Calendar Year Maximum. Auth. by TPA case mgmt.
<b>Hospice Care</b>	\$0.00	100%	No Coverage		



## RosenCare Minimum Benefits Package

	NETWORK		NON-NETWORK		
	Member Pays	Plan Pays	Member Pays	Plan Pays	Network Details
<b>Bereavement Counseling</b>	\$0.00	100%	No Coverage		\$500.00 Calendar Year Maximum
<b>Ambulance Service</b>	\$0.00	100%	No Coverage		
<b>Wig After Chemotherapy</b>	\$0.00	100%	No Coverage		1 per year
<b>Occupational Therapy</b>	\$0.00	100%	No Coverage		60 days maximum per treatment plan
<b>Speech Therapy</b>	\$0.00	100%	No Coverage		60 days maximum per treatment plan
<b>Physical Therapy</b>	\$0.00	100%	No Coverage		60 day maximum per treatment plan
<b>Durable Medical Equipment</b>	\$0.00	100%	No Coverage		
<b>Prosthetics</b>	\$0.00	100%	No Coverage		
<b>Orthotics</b>	\$0.00	100%	No Coverage		
<b>Spinal Manipulation Chiropractic</b>	\$20.00 Copay	100% after copay	No Coverage		10 visit Calendar Year Maximum
<b>Preventive Care</b>		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	\$10.00 copay		No Coverage		
Class 2	\$15.00 copay		No Coverage		
Class 3	\$30.00 copay		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. (This does not apply to the pharmacy benefit)					

## EXHIBIT B

### THE CHALLENGE OF THE HOSPITAL CHARGEMASTER

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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

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