

## **A MODEL PLAN FOR HEALTH CARE ON A SLIDING SCALE**

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### **OBJECTIVES:**

To provide health insurance on a sliding scale to self-employed and other uninsured North Dakotans, with the purpose of:

- Preventing unnecessary loss of life
- Preventing unnecessary permanent disability
- Preventing unnecessary loss of farms, businesses, and the means of livelihood
- Encouraging people to remain in North Dakota and to develop their own businesses (economic development).

### **METHOD:**

Health care would be provided on a sliding scale based on income, to all uninsured citizens fairly and equally, without regard to age or other non-income considerations.

**EXAMPLES:** (These figures are suggestions only and could be adjusted for use in actual practice.)

The program would provide health care based on a sliding scale to uninsured North Dakota citizens with incomes of \$25,000 per year or less.

People with incomes of \$5,000 per year or less would pay 15 per cent of their medical costs up to \$2,000, 10 per cent of their costs between \$2,000 and \$5,000, and 5 per cent of their costs above \$5,000. They would not pay more in any one year than the equivalent of two years' income.

The percentage paid would increase gradually according to income, up to \$25,000 per year, at which level persons would pay 100% of their health care costs. Above this level, they would be presumed able to afford private insurance. People at every level covered by the program would pay no more for medical care in a single year than the equivalent of two years' income.

### **ASSETS:**

To achieve its objective of encouraging the establishment of new businesses in North Dakota, the program must have a high enough asset test to allow owners of small businesses to keep those businesses or at least to start over. In addition, the asset test should not make a person ineligible for the program, but move him or her to the equivalent of a higher income bracket; adding 10% of a person's assets to his actual income to arrive at his calculated income is suggested. For example:

- A person with an income of \$4,000 per year and assets under \$20,000 would receive full benefits according to his income.

- A person with an income of \$4,000 per year and assets of \$20,000 to \$30,000 would receive the same benefits as a person with an income of \$6,000.
- A person with an income of \$4,000 per year and assets between \$30,000 and \$40,000 would receive the same benefits as a person with an income of \$7,000.
- A person would become ineligible for the program when his calculated income reached the equivalent of \$25,000 per year.

#### CHILDREN AND SENIORS:

Children under 21 would participate in the sliding scale program, with benefits determined by their parents' incomes.

Seniors would participate in the program for their medical costs over and above those covered by Medicare.

#### FREE PROGRAMS:

The sliding-scale program would replace programs that provide health care free of charge. Reducing the overuse of the system which plagues free programs would help fund the sliding-scale program.

People who currently receive Medicaid would participate in the sliding scale program; at their level of income, their costs would be minimal.

Undoubtedly, private foundations such as Caring Program for Children would provide free health care to low-income children, as they did successfully for years before the advent of free government programs.