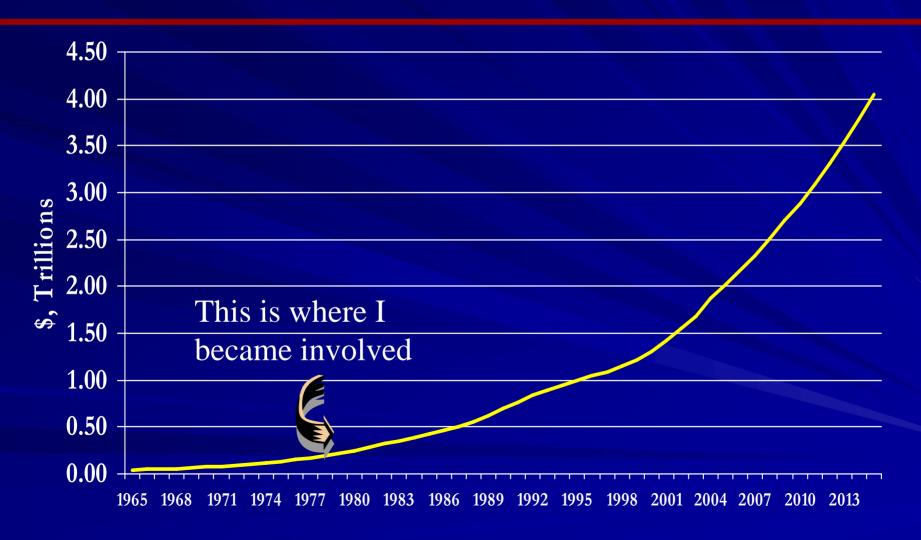
U.S. Health Care Expenditures, 1965-2015 in Trillions of Dollars



Source: National Expenditure Accounts



Medicare Part E(veryone)

- Everyone is required to enroll in Medicare unless they have health insurance coverage
- Medicare part E is self sustaining
 - No trust funds
 - No deficits permitted
- Premiums are the same for all enrollees
- Premiums for low income individuals (up to 400% of FPL) are subsidized by federal government

Medicare Part E(veryone)

- Same benefits as traditional Medicare
 - Parts A,B,C,D
- Same payment system
- Same rules and regulations

Uses an existing insurance system that requires minimal new rules and bureaucracy

Buying into Medicare Part E

- Individuals and firms can purchase Medicare Part E coverage at actuarially determined rate
 - Individuals
 - Small firms
 - Firms with older and higher risk individuals
- Premium could increase because of adverse selection
- Entire firm would be required to join
- Premium would be \$10,000 for family of 4 in 2006

Private Sector Can Participate When It Provides Added Value

How?

- Medicare Part C managed care option
- Medicare Part D drug plans
- Medigap coverage
- Sell directly to individuals and firms