

# A Health Care Organization (Medicare extension)

Managerial & other problems in extending the current  
Medicare system to a general customer population

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# Problem Statement

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Medicare covers 55 million people, providing insurance to one in six Americans. Research shows that Medicare faces a host of challenges in the decades to come. Expanding this system to 'all' will only exacerbate any existing issues and bring on its own set of challenges. Finance, politics, logistics and a number of other topics will need to be addressed in order to implement a new process of extending Medicare to 'all'.



# Problem Areas

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## ❑ Financing

- 10,000 people per day become eligible for Medicare, yet the number of taxpayers to fund the program is decreasing.

## ❑ Affordability

- In 2013, half of all people on Medicare had incomes below \$23,500 per person

## ❑ Health Care Cost Increase

- Premiums & Medical spending continue to grow at a rate faster than inflation.

## ❑ Link between coverage and employment

- Millions of Americans left without coverage.

## ❑ Catastrophic Costs

- No supplemental insurance to eliminate risk of being impoverished by their medical expenses



# Possible Improvements

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## ☐ Medicare for All

- Abolish Parts A and B, A general benefits package available to all Americans.
- A Single-Payer, Tax-based, health care system

## ☐ Access to Care

- All Americans would have access to healthcare

## ☐ Quality of Care

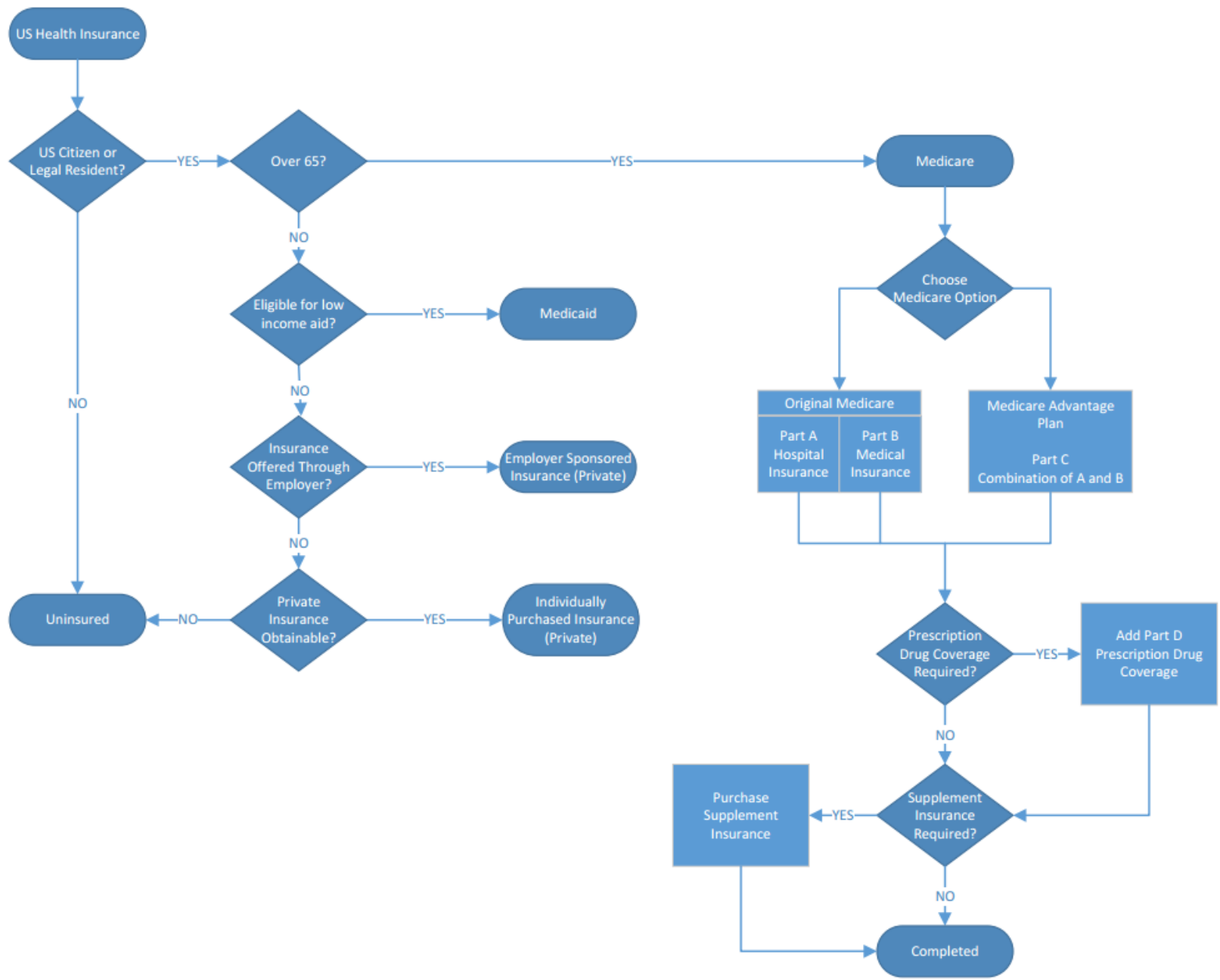
- Extending health insurance to millions who do not have it or do not have enough



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# Process Flow Chart





# Cost of Poor Quality (COPQ)

Process	Internal Failure	External Failure	Appraisal	Prevention
Funding (Taxpayers / Government)	More Claims than Available Funds	Not Enough Taxpayer Input	Percent of Budget Allocated to Program.	Increase Medicare Taxes / Negotiate Lower Service Costs
Employees	Not Enough / Training			
Service Provider (Hospitals/Doctor's Office/etc.)	High Administration Fees, Medical Professional Miss Diagnosis	Limited Service Providers vs. User Needs	Medical Facilities, Quality of Care	Single Payer Tax System, (Cut Administration Fees)
Billing (Documentation / Paperwork)	Filed Incorrectly / Complexity / Poor Instructions	Patient Fills Out Incorrectly / Forgets Documentation		Universal Database (Patient Lookup) / Automated Form Finder (Questionnaire) / Information Distribution



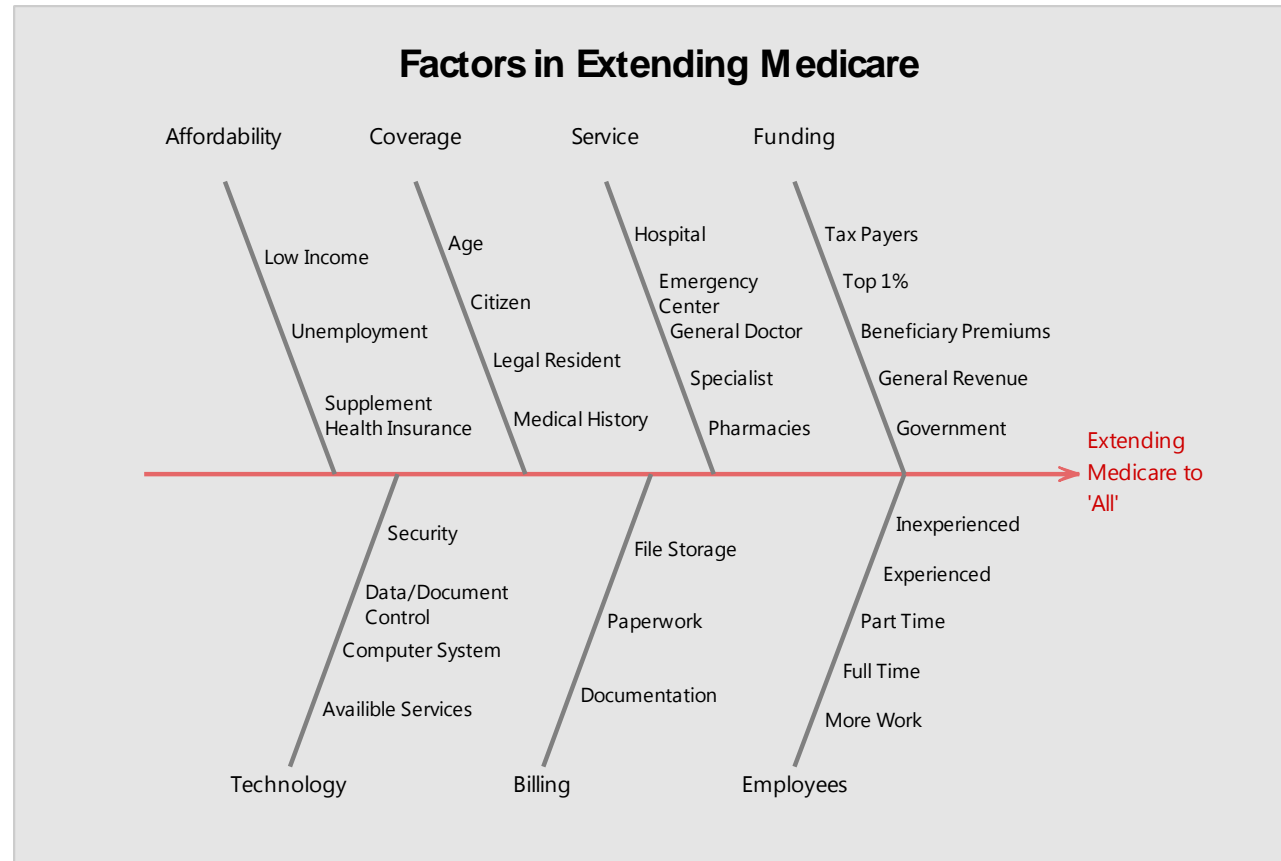
# Affinity Diagram

Funding	Employees	Service Providers	Billing	Technology	Coverage	Affordability
Taxpayers	More Work (Single Insurance Organization)	Hospital	Documentation	Available Services	Age	Low Income
Top 1%	Full Time	Emergency Center	Paperwork	Computer System	Citizen	Unemployment
Beneficiary Premiums	Part Time	General Doctor	File Storage (Servers?)	Data / Document Control	Legal Resident	Supplement Health Insurance
General Revenues	Experience	Specialist		Security	Medical History	
Government	Inexperienced	Pharmacies				





# Fishbone (Ishikawa) Chart



# Process Capability Analysis

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- ❑ To determine how well a process meets a set of specification limits
- ❑ How well is the process meeting its specifications
- ❑ Statistics used to measure the capability of a process:  $C_p$  and  $C_{pk}$ :

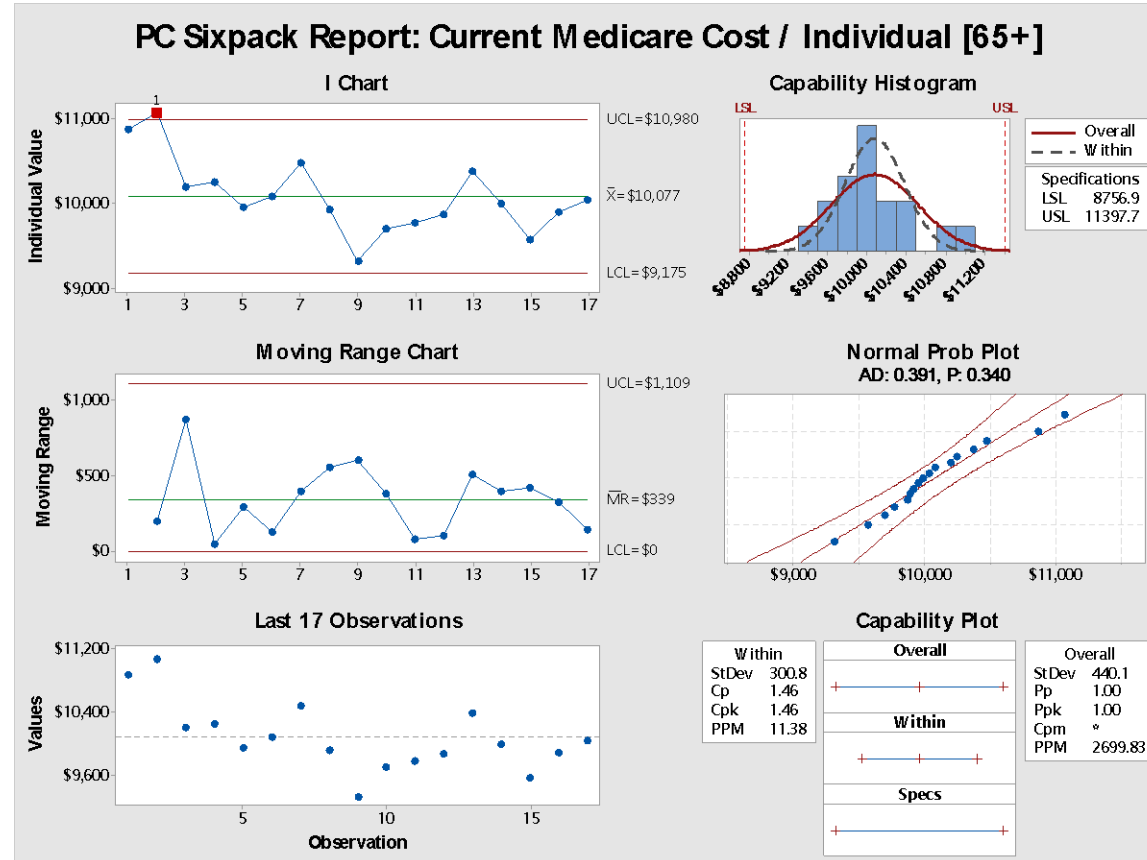


# Data Collection

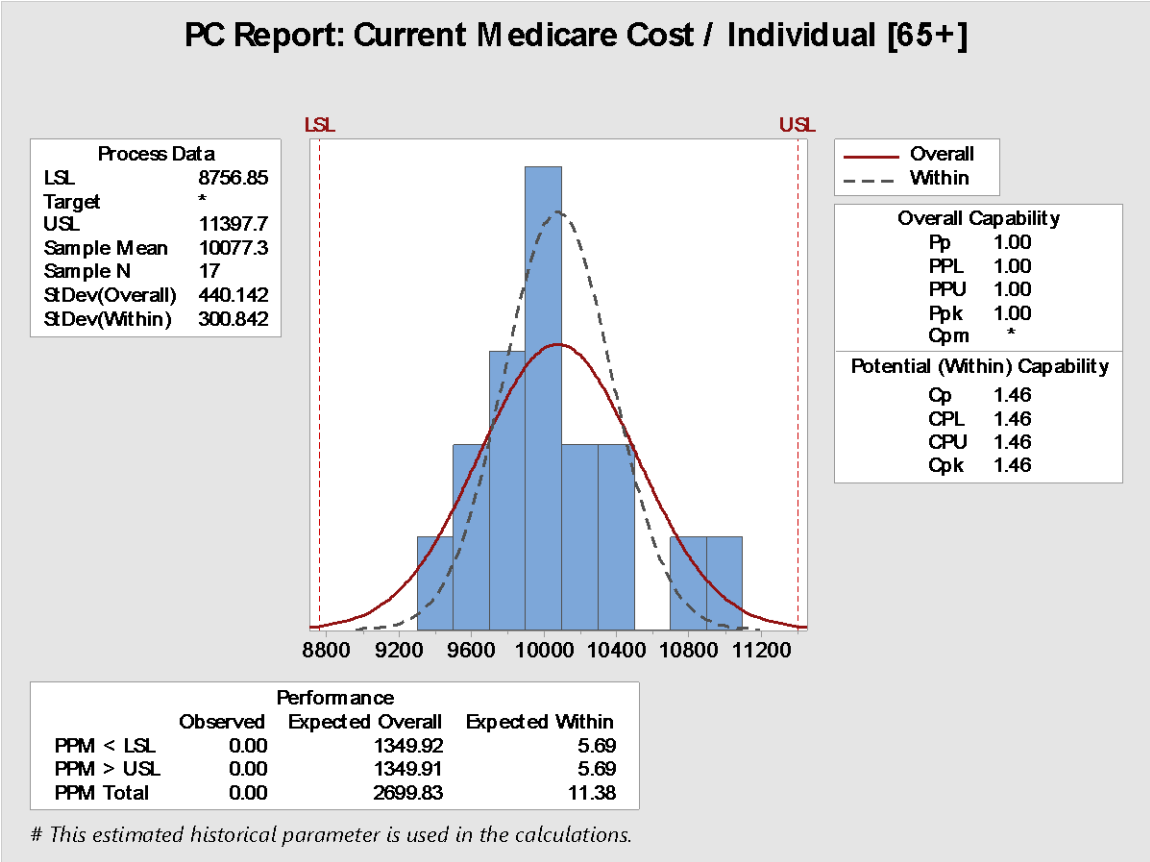
Actual	Net Medicare Spending (Billions)	Net Medicare For All Spending (Billions) 12% Administration Reduction	U.S. Population - 65+ [x1000]	Medicare Cost / Individual [65+]	U.S. Population - Total [x1000]	Medicare Cost / Individual [for 'All']	Projected (/Actual) Inflation	Inflation Index	Medicare Cost / Individual [65+] {2010 Dollar Value}	Medicare Cost / Individual [for 'All'] {2010 Dollar Value}
Projected										
2010	\$446.00	\$392.48	40,229	\$11,087	310,233	\$1,265	{1.21%}	72.51966076	\$10,869	\$1,240
2011	\$480.00	\$422.40	41,749	\$11,497	312,460	\$1,352	1.96%	73.94104611	\$11,067	\$1,301
2012	\$466.00	\$410.08	43,269	\$10,770	314,687	\$1,303	1.75%	75.23501442	\$10,198	\$1,234
2013	\$492.00	\$432.96	44,790	\$10,985	316,915	\$1,366	1.51%	76.37106314	\$10,245	\$1,274
2014	\$505.00	\$444.40	46,310	\$10,905	319,142	\$1,392	1.35%	77.40207249	\$9,950	\$1,270
2015	\$540.00	\$475.20	47,830	\$11,290	321,369	\$1,479	1.90%	78.87271187	\$10,077	\$1,320
2016	\$595.00	\$523.60	49,510	\$12,018	323,996	\$1,616	1.82%	80.30819522	\$10,474	\$1,409
2017	\$598.00	\$526.24	51,212	\$11,677	326,626	\$1,611	1.90%	81.83405093	\$9,918	\$1,368
2018	\$597.00	\$525.36	52,935	\$11,278	329,256	\$1,596	1.97%	83.44618173	\$9,318	\$1,318
2019	\$661.00	\$581.68	54,678	\$12,089	331,884	\$1,753	2.01%	85.12344999	\$9,700	\$1,406
2020	\$709.00	\$623.92	56,441	\$12,562	334,503	\$1,865	2.03%	86.85145602	\$9,774	\$1,451
2021	\$764.00	\$672.32	58,300	\$13,105	337,109	\$1,994	2.03%	88.61454058	\$9,871	\$1,502
2022	\$858.00	\$755.04	60,179	\$14,258	339,698	\$2,223	2.03%	90.41341575	\$10,379	\$1,618
2023	\$883.00	\$777.04	62,075	\$14,225	342,267	\$2,270	2.03%	92.24880809	\$9,987	\$1,594
2024	\$906.00	\$797.28	63,989	\$14,159	344,814	\$2,312	2.03%	94.1214589	\$9,566	\$1,562
2025	\$1,005.00	\$884.40	65,920	\$15,246	347,335	\$2,546	2.04%	96.04153666	\$9,889	\$1,652
2026	\$1,091.00	\$960.08	67,541	\$16,153	349,826	\$2,744	2.04%	98.00078401	\$10,032	\$1,704
2027	\$1,176.00	\$1,034.88	69,171	\$17,001	352,281	\$2,938	2.04%	100		



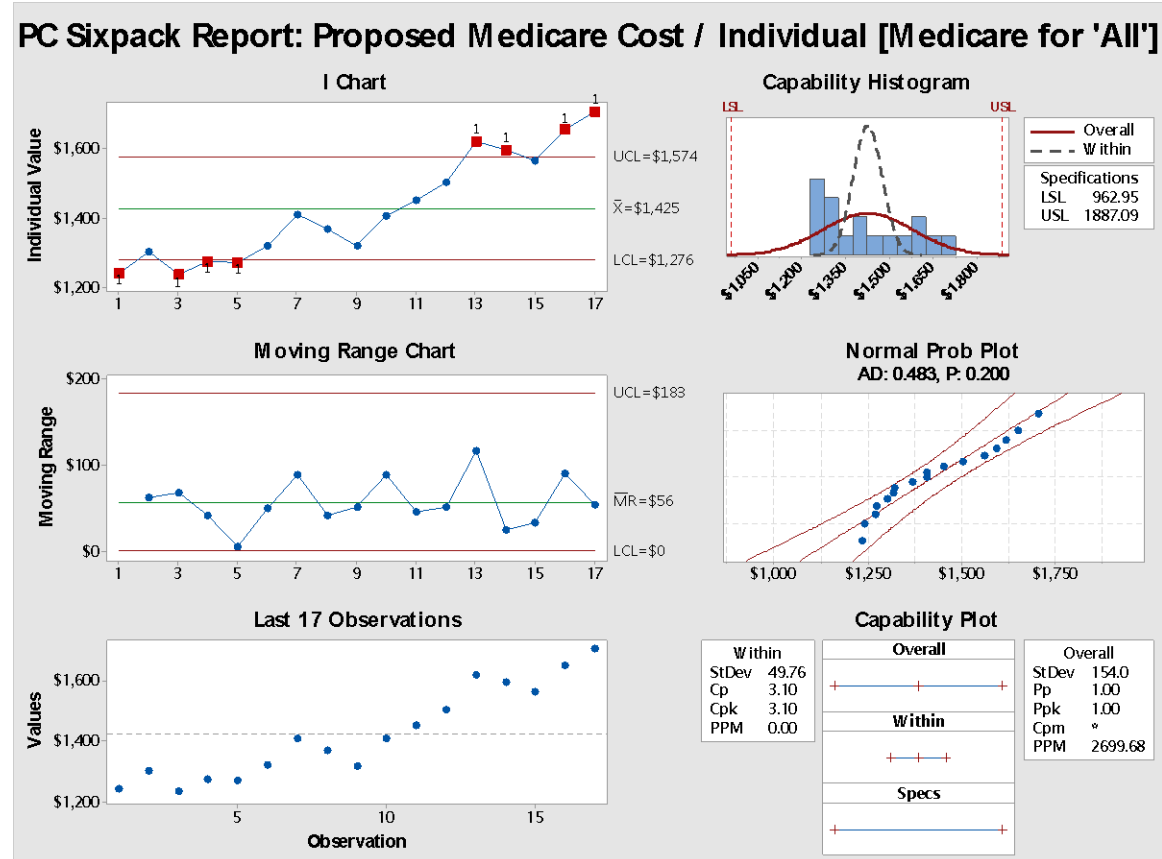
# Six Pack Chart - Current



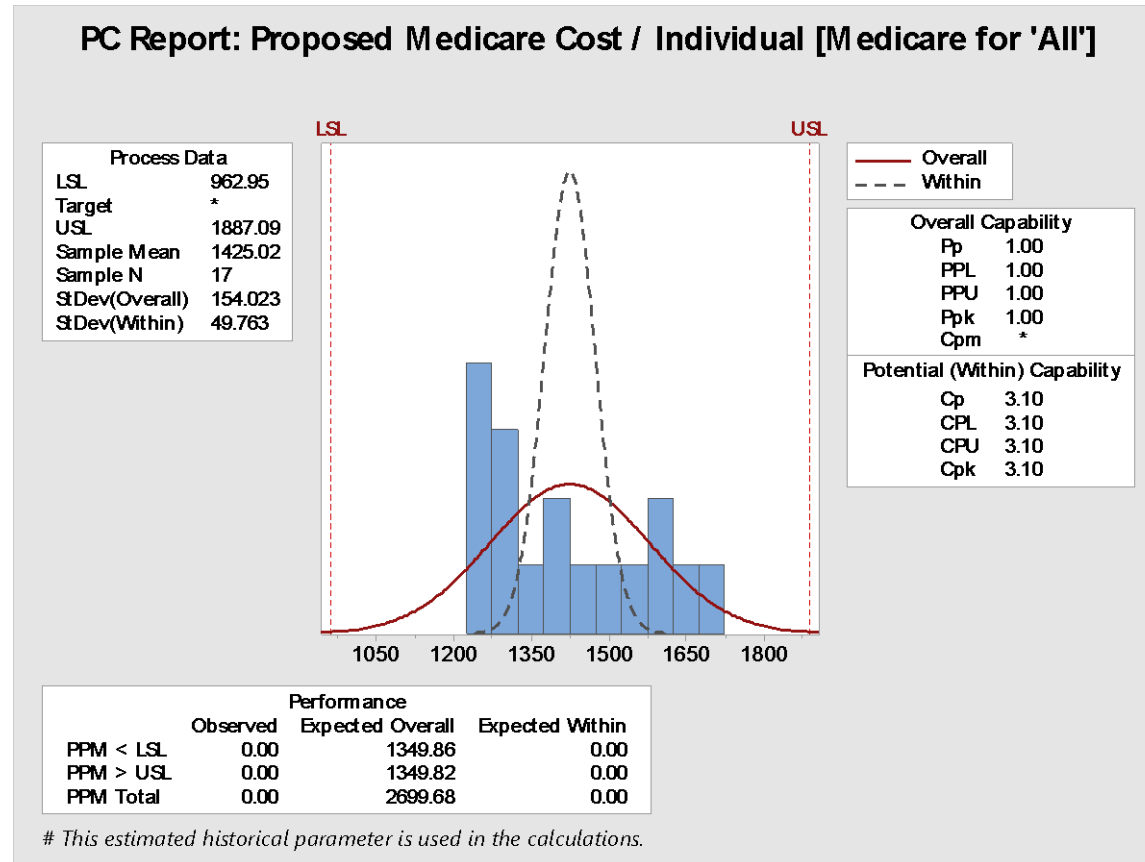
# Process Capability - Current



# Six Pack Chart - Proposed



# Process Capability - Proposed



# Conclusion

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There are several proposed solutions which take into account the health care system in its entirety to eliminate waste and reduce overall costs and quality of medical coverage.

Determining the direct affect on Medicare expansion to all as it relates to management of the program does not currently exist. The proposed plans for consolidation do not specifically address Medicare as it stands today. These plans incorporate health care as a whole into a new proposed Medicare 'for all' system. This will allow a sum of 44 million Americans currently without healthcare coverage to gain access and in turn, increase their overall quality of health care coverage.

With the Medicare system enrollment increasing and a lack of growth in the economy (which affects Medicare's revenue from payroll tax) the solvency of the Part A trust has been estimated to be depleted by the year 2028.





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