

A Healthy Alternative

This document was originally written before Obamacare. It is a logical approach to healthcare in America. Today, more than ever, it is relevant and worth review.

America was founded as a free enterprise system where you use the rewards of your labors to purchase food, shelter, property, a new coat, as well as professional services. From what you earn you make decisions as to what you value, require, and can afford. If you choose a cell phone or new car over health insurance that is your right. To expect others to pay for your healthcare is wrong. You wrong your neighbors, those who toil to purchase insurance, and your nation.

What is wrong with healthcare in America?

To begin, it is too expensive. Next, it is impersonal, inefficient, cumbersome, and frustrating. Add to that the fact that the wrong people are driving the process causing the patient/doctor relationship to break down. Ambulance chasing lawyers siphon off an enormous amount of funds for personal gain that could be used to improve the system. Fraud is at epidemic proportions. There is far too much bureaucracy and regulation. Doctors are underpaid and overworked. We are trapped in a pharmaceutical maelstrom of deterioration. Efficacious and efficient alternatives are ignored. And finally, the American public is pursuing an unhealthy lifestyle. There may be more, however, this pretty much sums it up. Now, if you believe throwing a single-payer, government-run, mega-program into the mix is the answer I tell you, with all my heart and pity, that you are going to be severely disappointed.

The doctor/patient role.

Never forget, the single most important person in healthcare decisions is you. Nothing is more personal than your health. I will not allow any doctor to perform any test, prescribe any medicine, execute any procedure, or bill me a nickel without my understanding what, why, how, and the risks involved. Good doctors treat each patient as an individual with unique characteristics, challenges, treatment approaches, and potential outcomes. An insurance dictated protocol, list of pharmaceuticals, established number of visits, allowable tests, and level of payment is only good for the insurance company.

SOLUTION 1: The doctor and patient together must make all healthcare decisions based on medical history, available alternatives, risk, cost, and comfort level.

This is basic medicine that has been lost in an endless list of what insurance companies will and will not approve. There is no single approach that will fit every situation. The addition of the government into the process will not improve anything and most likely will make it worse. We need to return to a one-on-one relationship that is not influenced by bean pushers, government bureaucrats, or those with a profit motive. Together, the doctor and patient must make all healthcare decisions.

SOLUTION 2: Let doctors determine cost of their services.

Competition among doctors, not insurance companies, will lower the cost of healthcare and allow a doctor to make allowances for those less able to pay. If an ophthalmologist chooses to do cataract operations on patients over 65 at a flat rate of \$500 that is his or her choice. The doctor across town who charges \$2,500 will see a drop in patients and most likely will lower costs, as well. When an insurance company establishes the rate it removes the professional from the process. Further, because doctors are paid for procedures, rather than their time, they are forced to recommend procedures just to survive. I would rather that my doctor be compensated for discussing my case and reviewing the many options available with me. Wouldn't it be nice to have a doctor suggest that we try some simple approaches first, then if there isn't improvement do appropriate tests?

When a doctor discusses a patient's situation and healthcare needs it should be the doctor who provides the patient with an estimate of professional charges, cost of tests and procedures, and expected pharmaceuticals or other elements. Based on the type of insurance that a patient has, all or a portion of the costs would be covered.

Insurance.

We all hate insurance companies that make it nearly impossible to understand their procedures, policies, coverage, and requirements. In addition, they charge too much for the pleasure of being frustrated and limited in our choices of treatment. Insurance coverage does not protect you as much as it limits what medical services you can receive. I can't tell you how many times I've made my co-payment, left the doctor's office and weeks later gotten an additional bill from the practice for hundreds of dollars to cover what the insurance company would not pay, defined as ineligible, or some other surprise reason for not covering the bill. How many times have you had to call your insurance company to ask if they cover a procedure or doctor visit you believe you need? After paying thousands of dollars in premiums you have to ask for permission like a child. By virtue of monopolizing the process along with counter-productive government regulations the greatest healthcare system in the world is inhibited and misused. To be honest, insurance companies are in business to make money not make you well.

SOLUTION 3: Eliminate employer funded health insurance.

We backed into this employee perquisite when companies were competing for talent. Unfortunately, it leads to age and state-of-health discrimination when hiring or firing, represents an ever greater burden to businesses in terms of cost and employee time, abandons individuals without insurance when they leave the company, lowers awareness of the real cost of healthcare, and opens the door for more government interference in private business.

The fix is simple. Much like it is with automobile insurance, health insurance should be purchased by the individual. This allows each person to decide whether or not they want insurance and what kind of coverage (more on this later). An employer can and should give employees a raise to cover the expected average cost of insurance. They can do this with the savings from not having to buy insurance through the company or pay employees to manage the process.

SOLUTION 4: Create a more flexible approach to healthcare insurance.

The cost of healthcare insurance is a function of many factors. There are far too many to address in this article, however let me discuss a few for illustration purposes. I will use fictitious numbers because I'm too lazy to do more research. Consider the following scenario. Your employer gives you a \$6,000 raise to cover healthcare. You can pocket the money and not get insurance and take your chances, which would be ill-advised. Or, you could shop for insurance and use the following criteria to determine the cost.

Doctor's Visits – If you pay for all of your doctor visits out-of-pocket there would be no premium for this service. You choose to pay out-of-pocket because you see a doctor rarely.

Deductible – Much like with car insurance the higher the amount you are willing to pay each year before insurance companies have to pay the lower your premium. Given your \$6,000 raise you decide a deductible of \$3,000 is safe. This level gives you an attractive premium of \$2,400 per year. Even if you use the total deductible you are \$600 ahead.

Annual Caps – If you select an annual cap of, say \$20,000, for tests, procedures, and pharmaceuticals, which means anything above that amount (non-catastrophic) is your responsibility your premium would be reduced to \$1,800 per year.

Percent Coverage – A percent coverage option which states that the insurance company would pay 80% would also lower your premium. Now, you face \$1,200 per year.

Catastrophic Coverage – Here is where most people need coverage to protect their family. If you face a catastrophic illness or injury this coverage would pay 100% after you reach the annual cap with your regular insurance. Because you are part of a large pool of customers the cost would be \$1,200 per year bringing your premium up to \$2,400.

Prescription Drug Coverage – For coverage of 80% of the cost of pharmaceuticals, after you reach your deductible, you would pay an additional \$600, or \$3,000 per year.

Lifestyle Discounts – Rewards for good health habits could be offered by insurance companies as a way of keeping claims down. A smart insurance company would pay 90% of the cost an annual physical to identify and treat health issues before they become chronic or expensive. A non-smoker, who is not obese, who passes a drug test might get a discount of 10%. This would result in a premium of \$2,700 per year.

Unemployment Coverage – A rider can be purchased at very low rates to pay health insurance premiums if you become unemployed or disabled. This could be as little as \$100 making your insurance premium \$2,800 per year.

Given the above example, an individual with a \$6,000 raise would pay \$2,800 for coverage tailored to their needs and desires. This would leave them \$3,200 to cover doctor visits and other healthcare costs. After a few years of healthy living they might have quite a reserve to cover those years when they face more expenses.

SOLUTION 5: Improve competition among insurance companies.

Insurance is a numbers game—it's that simple. They don't care if you are a nice person, educated, dog lover, or go to church. Insurance companies evaluate risk and base the cost of premiums on making a, well, uh, this is difficult to write, fair profit. So, if you lower your risk profile with a higher deductible, lower annual cap, lower percentage coverage, and positive lifestyle discounts your premium would be lower. If you notice I didn't mention pre-existing conditions (more on that later). Get government regulations out of the way and allow insurance companies from anywhere in the world to compete for your business and you will see a wide range of premium costs from which to choose.

SOLUTION 6: Simplify the approval/payment process.

Remember solution 2 let doctors determine their costs and solution 4 create a more flexible approach to healthcare insurance? These two solutions should put healthcare control back into your hands. Using the above insurance example, if you have a \$3,000 deductible before any insurance is paid you will be more careful with your spending. This doesn't mean not getting healthcare. Instead, you can choose which doctor to visit and discuss charges in advance.

For example, if I need a cataract removed I can choose Dr. Cadillac because, hey they serve wine, at a charge of \$2,500 or I can go to Dr. Icare (no pun intended) and pay \$500. Based on my decision I will either have \$500 or \$2,500 left in my healthcare kitty. Now which do you think I will select? And, how long do you think old Doc C will keep charging \$2,500?

So, what happens when I reach my deductible? When I paid for insurance, my insurance company issued a personal coverage card. Much like a credit card it tracks your account, outlines coverage, and provides instant payment to medical practices. Now, there is a catch. All payments including those you pay directly have to be registered to your account for insurance companies to determine when you reach your deductible. In addition, to help keep costs reasonable insurance companies can provide a list of procedures and the amount they pay for each. You and your doctor can go to their website and discuss whether or not this is acceptable. So, once again, I'm sipping wine at Dr. Cadillac's office and have reached my deductible but now need this pesky cataract removed. We visit my insurance carrier's website and it clearly shows an allowable payment of \$1,750 for this procedure. Dr. C shakes his head and I shake his hand and head to Dr. Icare. Before I get to the parking lot we have an agreement and everyone is happy. If Dr. Cadillac had not relented and I really really wanted him to perform the surgery I could make the decision to cover the additional \$750 out-of-pocket. The key is that the decision is mine—not the insurance company's. Ah, isn't freedom great!

SOLUTION 7: Eliminate pre-existing conditions from insurance considerations.

There are two major factors that come into play in this regard. First, health is a fluid and unpredictable thing. How often have we heard of an individual who is in great physical shape, living a healthy lifestyle having a stroke or heart attack, or being struck down with a completely unforeseen disease? Lou Gehrig is a perfect example who now has a disease named after him. The point is that a person who has not had any health expenses may encounter them at any time. Persons with a chronic illness or who become ill long term are simply a part of the pot that makes up the total sample that is used to establish premium rates. Yes, we all pay a little to cover those who are less fortunate and in need of more healthcare. Rather than complaining about the cost be thankful you are not in the category of those who suffer.

The second part of the formula is evaluation of usage. Upon renewal of a policy a relative level of claims will be used to determine the insurance premium. Now, before you jump up and call me names, understand that those who have greater needs will pay more to be covered. However, this can be done in a logical and reasonable manner. Based on level of claims, an individual would pay 10%-25% higher rates, but no more than 25% regardless of claims. While this sounds harsh go back to the premium example above. If I pay doctors out-of-pocket up to my deductible of \$3,000, have an annual cap of \$20,000, expect the insurance company to pay 80%, have catastrophe insurance, pay 20% of prescription drug costs, have a healthy lifestyle discount of 10% and have unemployment premium coverage my annual premium is \$2,800. Now, say I am unfortunate enough to acquire a chronic illness that calls for almost \$20,000 in insurance payments my renewal premium might be the going rate, plus a 25% surcharge. My premium would increase from \$2,800 to \$3,500. This is still extremely reasonable considering the benefit that I am receiving.

SOLUTION 8: Make 100% of healthcare insurance and expenses tax deductible.

OK, big fat government, put your money where your mouth is; you want people to have healthcare make it more affordable. Every penny paid for healthcare coverage and services, including prescription drugs, should be 100% tax deductible. Don't worry you get your share from taxes on my \$6,000 raise. Only my insurance premium and any expenses must come directly off my adjusted gross income to make this approach practical.

SOLUTION 9: Limited Government Regulation

While government interference most often leads to corruption and waste there are a few areas where government regulation can be, well, uh, this is difficult to write, helpful.

Payment Schedule Review – To protect citizens from insurance company abuse a government agency should review payment levels established by insurance companies for procedures. Caution: this does not mean the government will determine payment levels. Rather, it should be a function of tracking cost trends and publishing average costs to promote competition.

Premium Caps – While the government shouldn't establish premiums as this would eliminate competition and artificially raise the price it can set top limits to protect citizens from being overcharged.

Corporate Income Tax – Insurance companies are in business to make a profit, but they also provide an essential service. A special lower tax rate should be established for healthcare insurance companies to make it possible to make a profit without raising rates during tough times.

SOLUTION 10: Government Insurance

Much like the FDIC with the banking system, insurance companies will contribute to a general fund to cover any unexpected concentration of claims that stresses the financial capabilities of a single insurance company. Because health is more unpredictable than the weather a safety net is wise to have. Companies will be able to draw from this account at zero interest to cover unexpected losses.

Hospitals

From a financial perspective we all fear a hospital stay. Costs are astronomical and can destroy your financial ship in a few days. Here again, we need greater flexibility and more personal control.

SOLUTION 11: Develop facility flexibility

This has already begun to happen in the free market and should be encouraged. Different procedures and diseases require a variety of services, treatment, and technological support. If you have a sore throat you begin at a “quick care unit” run by nurse practitioners. If they suspect anything serious they can refer you to a family practice doctor or if really concerned to the emergency department. I don’t claim to be enough of an authority to do justice at defining types of facilities that would be appropriate, however to get those creative juices flowing here are a few.

Full Service Hospital – You’ve seen them, those huge buildings with undersized parking lots. One night is like a stay at a luxury hotel in terms of cost, but room service sucks. They are not needed for every condition but great to have when you have a real disease that requires a wide range of services.

Medium Level Surgical Hospitals – Some doctors have surgical units in their office for simple procedures. Smaller surgical hospitals can be used for routine low-risk procedures. These would have to have and maintain less equipment and have smaller staffs.

Out Patient Care Facilities – These already exist for simple procedures.

Quick Care Units – Basic equipment, run by nurse practitioners.

L.E.S.S. (Lab, Equipment, Staff, and Stay) facilities – Let’s face it medical equipment is expensive to purchase and maintain. Some equipment is used regularly while other equipment is not. Equipment that is gathering dust is a waste of money. A well equipped facility, strategically located, with trained staff that is available to any doctor for a fee would both be profitable as well as save general practitioners the expense of equipment, staff, and training.

Home Care – Visiting nurses and homecare professionals can provide the medical monitoring and assistance without the huge hospital expense. And, let’s face it, we all feel better at home.

What should be clear is that there are many ways to be more efficient, thus lowering the cost of healthcare services.

Free Clinics

Let me be blunt. There are those parasites who milk the system for all its worth. I’ve driven through “poor” neighborhoods in my 10 year-old car and passed people on cell phones, driving new SUVs, wearing \$100 sneakers who probably do not have health insurance, receive food stamps, free school lunches, and live in low rent housing. We have succeeded in removing all incentive to work hard to succeed by providing these persons more than any of our grandparents would have had—for nothing! And, nothing gets you nothing. No effort to improve, no desire to become a productive member of society, no ability to teach their children to strive for a better life. Quite frankly I’ve paid enough for their lifestyle. Since we are talking about healthcare let me say it makes me sick. Having said that, I realize there are unfortunate people who are trying very hard who cannot afford healthcare that need somewhere to go. A government or charity run free clinic is their best option and there is nothing wrong with such a place. And let me be even more blunt—if the parasites who are fully capable of working would get off their big rear ends and out of the way the free clinic could do a far better job of serving those who really need it.

One way of developing more free clinics with quality service is to create a program where a doctor’s school tuition and expenses are paid by the government in exchange for a commitment to work one day a week at a free clinic for ten years. It takes far longer than that for a doctor to pay off the huge debt they

incur becoming a doctor. I would hope that they would find the experience rewarding and would continue after their debt is cleared. There are many doctors who volunteer their time here in America and overseas so it is not something that would be shunned.

Concierge Medical Practices

I've never been rich and never will be. There are times I want to spit on some arrogant snob's Mercedes. However, a free enterprise system gives everyone the opportunity to achieve wealth and enjoy the rewards—including premiere healthcare. Are they better than me? No. A fact of life is that some people can afford to buy steak while I can afford hamburger or in those slow months bologna. I'm sure Ted Kennedy didn't sit in a waiting room at a clinic. Socialists want everything equal, yet it never is. Either you are a worker doing more than others to provide for the common good, you are a parasite taking more than you provide, or you are the powerful leader of the party that makes decisions for everyone else while making sure you get the best. Concierge medical practices are an alternative for those who have the means to get exceptional service and convenience. Put aside your jealousy and realize that if it takes these folks out of the waiting room at your family practice you might just get more doctor time yourself.

Tort Reform

In my opinion one of the easiest to fix causes of runaway healthcare cost is tort reform. Why won't congress address this? Oh, wait, could it be because most congresspersons are lawyers or get enormous campaign donations from lawyers? Once again, who are they serving, the American people or their own self-interest and political party? We used to look down our noses at ambulance chasers, now we get a steady diet of them on television. Now, not all lawyers are evil snakes in the grass without any scruples. However, those that do hiss and live in huge houses purchased from the gains they garner from outrageous settlements are a major cause of escalating healthcare costs. Texas and California introduced tort reform and have seen dramatic decreases in the cost of healthcare insurance premiums.

Doctor, hospitals, pharmaceutical companies, medical equipment manufacturers, insurance companies, and even administrators live in fear of making some small error that a greedy lawyer pounces upon to gain big rewards for themselves. Sorry, I'm a cynic; I don't believe they do it for the poor patient.

SOLUTION 12: Settlement Formula

The reason we have compensation for malpractice is to help patients live relatively normal lives after an unfortunate accident or mistake. They should be compensated. The goal is to help them live as normal a life as close to what they were living before the occurrence. Development of a settlement formula that is reasonable based on a number of factors would make the process easy, fair, and give the patient funds more quickly. The formula would address previous lifestyle, degree of impact, need, and events that led to the suit. Within the formula can be a standard lawyer fee, not a percentage of settlement that is so attractive to chasers.

SOLUTION 13: Create a medical Review Board

Each state should have a medical review board that evaluates claims each month. Based on their findings they can recommend a settlement or deny any compensation. Of course, a patient can choose to appeal their decision and enter a lawsuit. If they are successful the settlement formula would come into play. The process should be quick to reduce suffering and unnecessary financial strain.

SOLUTION 14: Doctor Waiver option to lower cost of services

We all know that even the simplest procedures have some degree of risk. If a patient chooses to sign a waiver that precludes any lawsuit they can get a significant reduction in the cost of services and procedures.

Alternative Medicine

If I suffer from an ailment my options are limited. As the system now stands I have to accept pharmaceuticals that, in my opinion only cover up symptoms, or the insurance company won't pay. If I

would prefer to visit a naturopathic doctor, that should be my right. My visit should be paid for just as the above examples were paid for. In fact, it would save the insurance companies countless millions of dollars in payments. Consider the fact that when a patient is put on one prescription it is generally long term. Then the imbalance caused by the chemicals creates the need for another prescription and another. How often have you heard a person say, "I take eight pills a day."

Think about this; I asked a naturopath doctor about acid reflux. People are taking drugs on a regular basis to control their acid which has side effects and risks. He told me that most acid reflux is not too much acid but too little. Huh? When you have too little acid the food remains in your stomach too long and hence you get the burning. His suggestion was to take a teaspoon of apple cider vinegar in water. It increases the acid and relieves the problem. I followed his advice and after two events have been acid reflux free for years. Now how much would I have spent on prescription drugs to cover symptoms?

SOLUTION 15: Cover all medical care

Remember healthcare costs come out-of-pocket until the deductible is met. If you want to pursue an alternative medical path, that is your right. To be honest we don't know as much as we think we know about the human body, why we get sick, and how to get well. If you choose pharmaceuticals, that is your right. The person who wishes to approach their health through nutrition is equally correct. There are so many stories of patients who doctors told were terminal who took a different direction and appear to have been cured that we cannot dismiss these. Conversely, there are people who chose a non-traditional route who have died. Either way this is their right and no government has the authority to infringe upon that right.

There is far more that can be discussed; electronic filing, patient's rights, doctor shortages, and more. I don't claim to be the ultimate authority. I am, however, horrified by the short-sighted, big-government, another give-away program approaches that are being discussed in Washington. Sadly, these folks are better at shaking hands, smiling, and getting elected than they are at solving problems. They do not have the Constitutional right to force me to accept their version of healthcare!

SOLUTION 16: Vote out of office any congressperson, senator, or president that attempts to further burden the American citizen with socialistic programs that are neither efficient nor effective nor legal.

It may take a while but we can replace those who have lost any concept of why they are there with representatives who believe in founding father's values, vision, and form of government. They will then repeal all of the entitlement laws that should never have been enacted.