

TODAY'S "SHORT TOPIC"

BIPARTISAN HEALTHCARE FIX

By Stephen L. Bakke  June 28, 2015



Here's what provoked me:

SCOTUS has ruled. Repeal of the ACA is unlikely. Yet, something needs to be done to undo as much damage as possible from the ACA. I believe there is a bipartisan feeling that major improvements must be made. Opponents should play the cards they've been dealt, and develop a bipartisan "fix." They should retain certain goals of the legislation, dispose of unwise elements, accept things that can't be changed, and make sure free market elements are added. We should set up a framework for success, establish basic rules and regulations, and adjust tax laws and regulations to accommodate this system THEN GET OUT OF THE WAY!

Here's my response:

Bipartisan Healthcare Fix

SCOTUS has ruled. Repeal of the ACA is unlikely. Opponents should play the cards they've been dealt, and develop a bipartisan "fix." They should retain certain goals of the legislation, dispose of unwise elements, accept things that can't be changed, and make sure free market elements are added.

RETAIN:

- Elimination of preexisting conditions barriers.
- Elimination of annual/lifetime limits.
- "Guaranteed insurability" – requires a subsidized risk pool for uninsurable underwriting "casualties."

RETAIN FOR PRACTICAL/POLITICAL REASONS (placates ACA supporters):

- State exchanges.
- Mandated catastrophic coverage.

ELIMINATE:

- Government mandated coverage elements, coverage levels, and price controls.
- Mandated "first dollar coverage." (Catastrophic coverage mandates retained.)

INTRODUCE (satisfies ACA opponents):

- Individual/family policy ownership and decision making.
- Insurance companies competing across state lines.
- Traditional insurance company underwriting.
- A combination of high deductible catastrophic coverage – from insurance companies, and tax favored Health Savings Accounts (HSAs) – deductions, tax credits, and refundable tax credits.
- Any subsidies or payment for "high risk pools" would be administered and paid through the tax system – ie. with tax favored elements as for the HSAs. Subsidy levels would be tied to income.

Costs would be saved compared to the ACA because:

- NO new bureaucracy is created.
- More competitors would be vying for everyone's business.
- People would purchase the coverage they want.

We should set up a framework for success, establish basic rules and regulations, adjust tax laws and regulations to accommodate this system **THEN GET OUT OF THE WAY!**

I will be posting a more complete analysis very soon - SB