

HEALTH CARE REFORM – WHAT CAN BE AGREED ON NOW?

Stephen L. Bakke – July 24, 2009

This is one of several topics which lead into my attempt at identifying reasonable and viable elements of health care reform – “soon to be completed”. My suggestions will recognize the compelling need for reform, accept those aspects which virtually all citizens agree must change, and provide an alternative to the undesirable, and ever less popular, government imposed system.

If I were “facilitating” negotiations for health care reform, I would first try to identify what both sides can agree on, and then spend time and energy debating only what’s remaining. That’s a good way to “advance the ball” on this issue. Without mentioning areas of disagreement, or certain “non-starters”, I would attempt to get at least a tentative “check mark” by as many items as possible. Even though everyone’s ideal system wouldn’t be accomplished, I would try to obtain general agreement on some common general elements. That’s the first step – a negotiation must show progress, and have a possibility for completion. I believe there could be essential agreement, at some level, on the following elements:

- Agreement that health care reform should happen.
- Adequate coverage available to everyone.
- A goal of lowering costs.
- Consumers more involved in medical decisions.
- Transparency of pricing for medical services.
- Portability of coverage.
- No denial of coverage due to “preexisting conditions”.
- Insurance pools available to all.
- No “out of network” price differentials.
- Meaningful tort reform.
- Expanded use of retail location “walk in clinics”.
- Information technology such as “paperless office” and information transmission.
- Preventive care and wellness programs.
- Aggressive program dealing with **true** “hard core” uninsured/uninsurable.

Can you guess which of these I’m least fond of? That’s politics and compromise.

What’s left? These “merely” deal with how the agreed upon elements are accomplished. Here are the main disputes:

- Creating a government option for insurance coverage in order to create competition **VS** removing the artificial boundaries which prevent true national competition across state borders among the 1,300 to 1,500 private insurance companies that already exist and are available to compete.

- Continuing employer provided insurance **VS** individual ownership of health saving accounts (HSAs) and insurance policies – but employers may contribute.
- Making the tax provisions for individuals more generous for HSAs and other health care expenses **VS** retaining the existing inequitable tax treatment.
- Making the much cheaper major medical/catastrophic coverage the norm when buying private insurance **VS** continuing reliance on expensive “first dollar coverage” provided by insurance policies.
- Obtaining “first dollar coverage” through generous tax deductions and credits for HSAs, and encouraging employer contributions to these accounts **VS** continuing the more expensive “first dollar coverage” in insurance policies.
- Eliminating governmental coverage mandates **VS** continuing the paternalistic philosophy that regulators know best what coverage you should buy.

What’s left for later? These deserve separate consideration, and agree to disagree for now on these items:

- Medicare and Medicaid changes/reform. This will become easier once the system is reformed.
- Illegal alien issues.

The art of negotiation starts with simplification, and creates a feeling of progress by establishing “common ground”.

Sources of Information

The major sources of information used in developing my health care commentaries will be included in my future report on health care reform recommendations. A preliminary, but not complete, list of sources can be found in my April 2009 report on the status of our health care system and reform.