

## HEALTHCARE REFORM

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### **Is \$900 Billion Worth Providing Reliable and Affordable Health Insurance to all Americans?**

Can our country afford to pay 900 billion dollars over the next decade to provide affordable and reliable healthcare to all Americans? More than ever, consumers like you and I are being denied health coverage, paying extraordinary premiums, being forced to have yearly and lifetime caps and even worse, not being able to afford health insurance at all. On the flip side, some Americans are very satisfied with their healthcare coverage and don't want to see any changes, nor do they want to pay additional money so others can now be covered, or see our country spend \$900 million on a system they don't see as broken. So the question becomes, "does the cost outweigh the benefits?"

On December 24, 2009, the Senate passed a health insurance overhaul, 60-39, which supports an \$871 billion, 10-year package that will aim to cover about 30 million Americans. All 58 Democrats and two independents supported the bill while 39 of the 40 Republicans rejected it. Let's talk about what led to this landmark event.

During a televised address in September 2009 to Congress and the Nation, President Obama expressed the urgency and importance in correcting the healthcare crises. His plan is in favor of a provision for the federal government to sell insurance in competition with private industry which is a compromise between a government run system and an approach that would require consumers to buy health insurance on their own. Below is a summary of President Obama's proposed plan:

- Current Insurance Holders will:
  - no longer be denied coverage because of an existing condition
  - not have coverage dropped when becoming ill or when switching jobs
  - not be limited to yearly or lifetime caps on coverage
  - have a realistic limit set on out-of-pocket expenses
  - have preventive care and checkups covered
  - not have to make a changes if currently happy with healthcare coverage
- Non Insurance Holders will:
  - be offered affordable healthcare choices, including small businesses
  - be offered tax credits if health insurance is still unaffordable
  - immediately be offered low cost coverage if suffering from pre-existing conditions
  - be required to have health insurance
  - have assistance from employers who will be required to chip in for health insurance
- All Americans will:
  - see a slow growth of health care costs
  - see programs in place to reduce the financial impact of lawsuits against doctors



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- see no coverage offered to illegal immigrants!

So with a quickly growing deficit, how can we afford this 900 billion healthcare reform over the next 10 years? Obama feels a lot the cost will be paid by premiums and could even pay for itself by the elimination of waste and fraud that currently goes to insurance companies. Obama sees the premiums from the additional revenues drug manufacturers will gain from new customers who will now afford coverage, from charging insurance companies a fee for their highest insurance premiums, and from fees received from companies who do not chip in for health insurance. He added that he will not let the plan add one more dime to our deficit or take any money from the Medicare Trust Fund. The plan will also be designed to monitor the savings, with provisions built in that would require more spending cuts if the promised savings do not materialize. But is it realistic to think that these landmark healthcare changes will not add more to our deficit? It does seem very unlikely.

Drug Manufactures, Insurance Companies, Politicians and even some consumers are naturally hesitant about these pending healthcare changes. Manufacturers worry if their current systems and processes are ready for this change after the recent overhaul from the 2005 Deficit Reduction Act. Insurance Companies worry if they will be able to stay in business with the government-backed competition, since they would be pressured to keep their policies affordable, and require better customer service. Politicians worry about where the money will come from and that illegal immigrants will benefit from his proposal. Consumers that are satisfied with their current healthcare coverage worry that they will be forced to make changes to comply with the new program. President Obama is very aware of all these concerns and did discuss this throughout his speech. He said that he remains open to all ideas on different ways in which his plan can work and even be improved. The only area that he is not flexible for the President would be not making any changes at all.

Even though Senate passed this health insurance overhaul, Republican senators are determined to fight to the bitter end to prevent the legislation from being implemented. In fact, Senate Minority Leader Mitch McConnell said the Republicans need to fight on behalf of the American people and hoped that voters would appeal to lawmakers to stop the bill before it becomes law. With all this said, I still believe, and think most Americans would agree, that some changes to our healthcare system are imperative, but again, the question becomes the extent of the changes and at what cost to Americans. It will be very interesting this year to see how the Healthcare Reform plays out. Stay tuned for additional updates on this subject!

