

## **The Sensible Health Assurance Plan,**

**By Mark Stewart Greenstein**

**Assisted by – hundreds of CT Citizens with Common Sense**

The plan is easy: make ObamaCare and Medicare voluntary. Those who want to pay in and receive future benefits are free to do so. The benefits come only from paid-in funds plus interest. None can come from younger people who have yet to pay in.

The replacement is The Free Market. The backup is Welfare, with private welfare at work first and government welfare as a last resort.

The Free Market knows no racial boundaries, restricts no MD or nurse from practicing, and allows everyone to participate. The Free Market's soundness is observable almost everywhere. The Free Market takes a mere paragraph to explain.

The Free Market in health care is the voluntary exchange of services. The Free Market is the system in which the prices are set freely by consent between consumers and clinics/hospitals/therapists. The Free Market follows the law of supply and the law of demand, free from intervention by a state, the federal government, a price-setting monopoly, or other authority. It's what propels people to innovate, what propels people to offer goods for low prices, and what encourages businesses to be good to their customers. The Free Market is what channels the nature we all have for greed into good. We invent, we offer our goods and services, we are nice to customers all for the profit motive.

The Free Market can be observed in every unregulated or minimally-regulated service. Our supermarkets, our clothing, our publishing, our computers, our furniture, our autos, our housing, and our television programming exemplify the services that are abundant, varied, and largely unregulated. The above offerings give Americans a huge array of choices, with new products every month. Their products and services get unmistakably better, while their prices tend to stay flat and often fall.

By contrast, here are three highly regulated services: energy, education, and health care. 1) Energy is regulated by utility commissions, and is subject to many political influences. The result is that we have very few forms of regulated energy production, and none that have been implemented in the last 40 years (nuclear power plants came into service in the 1960s and 1970s) and steadily INCREASING home heating prices. 2) Education is highly regulated in our K-12 public schools, and barely regulated in private K-12 schools. The differential results are stark: when affordable, almost every parent prefers a private school for the child. Only in public schools do kids graduate unable to read; only in public schools do discipline problems impede children's learning. 3) Health care has become highly regulated, except in some non-traditional therapies and non-traditional drugs. The best illustration of regulated versus unregulated health care is laser eye surgery. Over the last 20 years, the cost of laser surgery has gone down (dramatically), and the results have improved. No traditional, regulated therapy has decreased in

cost, or become so much more available. Indeed while traditional procedures require long waits, laser eye surgery can now be routinely scheduled within a week.

The Free Market can easily be applied to health care. Apply the "rules" of the Free Market as we do to laser eye surgery. Watch how prices fall and more practitioners (not necessarily MDs) are available for care. The only impediment is that some procedures are inherently expensive. That's where insurance comes in. Big items get paid via self-insurance, catastrophic-care insurance, or regular low-deductible insurance. Nurses, doctors and therapists will flock to patients needing care just as computer services "find" consumers wanting new machines and/or upgrades. Costs will fall because these medical professionals will face minimal paperwork and because they too face competition.

Now, the welfare portion. This is what we use when good people have health care needs beyond their means. The first donors can and should be doctors and medical professionals. They all donate now; they can donate their time, leaving only the cost of medicines, and even these can be had for low prices.

The second, and most widespread, donor group are the Americans who care about their good fellow Americans. I suggest this comprises 90% of us. Everything we know about Americans tells me nine in ten who see a good person with no means to recover his health help him out. When we have thousands of dollars more because government isn't extracting it, a good portion is now available for private welfare. I suspect many of us would give MORE than what's now extracted. We know there's a chance that what we give gets repaid, and even if it doesn't, we are instrumental in making a better world.

That direct loan or direct gift is salubrious. The receiver has a personal debt that he is almost certainly grateful to receive. The donor has the satisfaction of directly helping someone in their community to health. That there might be moral ties is also salubrious "I'm helping you only once you quit drinking"; I'm helping you get that surgery because you stayed away from cigarettes for the last year."

Community groups and church groups can be good, efficient evaluators and distributors of money. Now comes the near-perfect match system, agents that pair receivers with donors: "need \$2000 for a colonoscopy and currently only have part time work", "hospital demanding \$8500 following my accident, and I have yet to go back to work", "medicines to treat my lymphoma are now running \$12,000 a year, and I have fully tapped my home equity".

Agents, or community members directly see these postings and decide whether to fund a community member, partially or fully or not at all. The \$2000 colonoscopy is easily funded by the couple who earn \$100,000 and lose 2.9% a year (\$2900) in Medicare extraction. The \$12,000 a year is almost certainly taken on by a collaboration of donors. The cheater who attempts to get more than \$12,000 a year by bringing an overabundance of donors, once caught, is cut off. A small church group is far more likely to catch the cheater than the big Washington bureaucracy. We somewhat do this now, with "GoFundMe" requests. The principle can and should be expanded to health care requests.

The final welfare is government welfare. We have ample funds for elite-but-useless university projects and ample funds for corporate welfare; we can certainly find funds in the case of a shocking health surprise that private funding won't cover, such as widespread infection like the 1918 Spanish flu (affecting 3,000,000 Americans, over 600,000 of whom perished.) In normal times, private funding will care for almost every good person will get funded. The not-so-good person might not. The \$20,000 a year lung cancer patient who is an unrepentant smoker might not get funded. He is at the mercy of the private donors who have much more rewarding things to do with their money. If he strikes out with them, that's what government welfare can help. If you don't take care of yourself, don't work to build your own savings, don't expect more than scraps from the public trough.

We do not need to mess with our health care system to have government welfare. It's very simple: the Free Market clearly works in every industry where permitted. The Free Market plus Welfare will work in the most efficient, fair when once we revert to it.

I say "revert" because this was the system prior to the government take-over of Welfare and then the near-take-over of health care. In the 1920s Americans were not kept out of emergency rooms; doctors did not withhold treatment due to inability to pay. Some modest-income African American groups had mutual aid societies that worked effectively. Indeed, as late as 1986 I had a dental procedure that I couldn't pay for and the surgeon simply said, "pay me back when you can". Each month, I dutifully wrote \$20 and sometimes \$40 or \$50 per month checks about a year later I was working regularly and then paid the balance. He got paid, an even thirty years later I still feel gratitude for this man. This is private welfare in action, and we can have it today if we were not seeing funds extracted to the "black hole" of state and federal welfare programs.

There is another group who will soon need to bid for donors: those Americans who sign up for state health exchanges and/or Obamacare and find they are not covered. We've seen a trickle of people falling through these government "cracks", and as ObamaCare begins to promise coverage to less-healthy people but whose complexities keep them from getting reimbursed. Expect to see this on your community or church's bulletin board:

"Victim of Jonathan Gruber / Obamacare needs \$800 per month to help cover his \$1200/month treatments"

"State exchange liars have made my elderly mother's situation dire. Please help."

For a while, private welfare will surely help here too. Call this a man-made disaster that many of us would also fund, were we free from otherwise high health care taxes.

The final group is a big one. And if we don't change the system it will overwhelm private willingness to donate and government welfare resources: that's the many sick Americans who will need care once Obamacare collapses. Remember, it WILL collapse. State exchanges are already failing, and insurers are pulling out of many extant exchanges. But this is with the least favorable population outside the pool of insureds. With no underwriting and no barrier against pre-existing conditions, these exchanges must inevitably admit those with diseases once diagnosed. So the smokers who develop emphysema will get themselves covered, a net loss to

the state exchange. The obese people who develop debilitating conditions will also enlist, another net loss to the exchange. Those who develop mental health problems will enlist and receive top-tier treatment. At that point it will be overwhelming.

The above Plan still allows for Obamacare for any adults who truly trust their funds with the Department of Health and Human Services. We hope this will be a trickle, for its failure is inevitable and everyone who put their insurance hopes on Obamacare will be scrambling.

Private welfare works best. It reduces the costs, reduces bureaucracies, reduces wait times, and makes more people likely to take advantage, voluntarily of private health insurance.