

Assessing Political Salability

by Fred Gluck

The private insurance companies would be the most affected the Sensible Approach to Healthcare Reform and would have to reduce staffs by roughly 15-20%. Painful but certainly doable over a few years and much preferable to the near extinction alternative envisioned by Medicare for All. People now covered by private insurance could continue with their current insurers. Those with Employer-Sponsored Coverage would receive salary increases equal to the premiums previously paid by their employers and pay directly for their core access plan. They would be taxed on these salary increases but the increases would be relatively small and because the tax preference is highly regressive, the brunt of the tax increases would fall on those in the higher income tax brackets and would be quite manageable. Those individuals who were self-pay would see a reduction in their premiums. Overall total costs for all enrollees would be lower in most cases due to the cost savings from the reductions in complexity and the additional revenues from the elimination of the tax preference. All participants could supplement the core access plan with additional coverage on a self-pay basis as they saw fit. Enrollees in the expanded Medicare program as well as those in private plans would be covered by the same core Guaranteed Care Plan (GCP). They would also be free to purchase supplemental coverage from the private sector.

All health care providers from major hospital systems to individual practitioners would be very happy with the reductions in administrative costs as well as the substantial decreases in the nuisance time spent by their professional staffs in negotiating reimbursements. These professionals would be able to devote significantly more hours to patient care and provide additional capacity for the guaranteed access plans.

All American businesses and other enterprises will be relieved of two major headaches: the necessity to fund health care for their employees and the concern that future increases in cost could affect their competitiveness.

Middle- and lower-income Americans would be relieved of much of the financial strain on their resources as well as the time spent managing their care and the threat of serious financial difficulties if serious illness should strike. Higher income Americans would likely see a reduction in their total costs of health care because premium reductions would overwhelm modest payroll tax increases.

Perhaps most importantly, all Americans would be able to understand how our health care system works. We should all find this quite relaxing.

In summary, reshaping the insurance industry by directly attacking the costs of complexity is a win/win scenario for all constituencies when compared to Medicare for All. Accordingly, it should be eminently salable on a bi-partisan basis.