

One Step Forward, Two Steps Back? Is repeal really the answer?

Watching football is one of my favorite pastimes. I enjoy closely scoring games, and a quarterback that appreciates team effort towards a defined goal. Those quarterbacks who direct their offense with an eye towards flawless execution through smart decision-making, favoring incremental gains and forward progress, rather than forcing passes down the field at the slightest amount of pressure. It is often said that football is a game of inches, and while touchdowns can (and do) result from spectacular plays; it's called a "Hail Mary" for a reason. Wins do not have to be spectacular, and I, for one, prefer a "move the chains" approach to the game where each small success achieved leads (safely) to the ultimate goal, a touchdown and, ultimately, a win.

As a loyal Dallas Cowboys fan, I've had a front row seat to what appears to be a superficial effort, it seems, to pad individual statistics. You know the plays; those long, dangerous, fumbled throws reaching for a touchdown in lieu of securing a safer, smarter play to simply keep the chains moving. As an American, the game plan surrounding healthcare reform appears to mirror a similarly haphazard approach as that taken by my 'boys from Dallas, a lack of a defined plan and goal leading to botched plays and turnovers further fueled by the opining of politicians who push for repeal without any real proof that the alternative will lead to the end zone.

Regardless of your opinion regarding the success of the Affordable Care Act (ACA), we need to cut through the rhetoric, roll up our sleeves, pull up a seat at the table together and come up with a game plan toward a common goal; implementing a smart progress-minded approach geared towards reasonable health care changes. Throwing out any progress made to date, as suggested by some Presidential candidates, seems ill advised and is sure to be harmful to those first downs already achieved. Is this threat of repeal intended to pander to the emotions of an electorate? Is it too much to ask that our representatives provide level headed, research driven policies and plans rather than talking points and slogans? Can we view the post "ObamaCare" world through an unbiased prism where we analyze its underpinnings, identify its successes and try to foster those successes to drive us toward the ultimate goal; available, affordable, healthcare?

To understand where we are, we must understand where we've been. Prior to the ACA, traditional health insurance was a big numbers game. The goal of underwriting was to increase insurance company profit margins and reduce future health risks associated with each applicant. The application process, within an individual insurance company's acceptable guidelines, typically permitted insurance coverage offers that restricted, or denied, benefits based on answers to a long list of health questions. There was little incentive for insurance companies to gear their relationship marketing towards customer loyalty. Offers of coverage included premiums with time specific guarantees; 12, 24, 36 (or more) months with increasing premiums as the policy guaranteed more coverage. Once the policy lapsed, a renewal application, thoroughly re-underwriting the applicant's current health, was required to determine premiums for future coverage. Customers were focused on the pricing of the product, deductible and co-insurance options for patient responsibility, and excluded condition specific endorsements.

The problem with this re-underwriting process; if an applicant or their family member's health deteriorated during the initial guarantee period, the re-underwriting questions often led to

reduced coverage or outright denial. There were very few health insurance companies who offered premium reductions geared toward securing, and fortifying, customer loyalty. The re-underwriting process had simply proven to be a huge, significantly profitable, requirement for best health insurance business practices. The focus was clearly on present or future risk to the insurance company's bottom line. There was no loyalty or care for the customer. American consumers paid the price with increased premiums, and in the most extreme situations, their health!

During my tenure as a licensed health agent, I often found the outcomes of this re-underwriting process to be horrific! Health insurance offers of coverage routinely penalized families when even one of their children was diagnosed with a simple, acute childhood ailment, such as an ear ache. Imagine submitting an application for family coverage from the carrier you've been paying premiums to for the last 10 years without incident and receiving an offer of coverage for increased premiums along with patient and condition specific coverage restrictions. One pediatric visit for a simple ear infection suffered by one of five covered children resulting in no future benefit for ears, nose and throat. These increased premiums often resulted in families' inability to afford coverage. Even where the coverage was still affordable, the restrictions placed the family at significant financial risk.

On top of that, when an individual was outright denied coverage, that denial was reported to a national data base to assist insurance companies in identifying those who posed the greatest financial risk to their bottom line. Insurance companies for the individual market became that of a transactional based product with underwriting criteria focused on profits alone. When viewing underwriting in that light, it is easy to recognize some of the positives of the ACA. Can anyone really argue against affordable healthcare that is available to everyone regardless of their ability to pay?

In complete contrast to traditional individual health insurance, underwriting for a benefit plan in the ACA Marketplace focuses on factors not related to the applicants' health. In fact, this isn't underwriting, at all. Gone are the days of several pages of health questions required before an offer of coverage is provided. Instead, the application process consists of personal and financial information to establish the eligibility of the applicant for subsidies and or credits based on the applicant's income compared to the federal poverty level.

So, from an underwriting perspective, it certainly appears that with the ACA America took a step in the right direction. One need not look much further than the banning of exclusions on the basis of pre-existing conditions. Preexisting condition limitations, although a beneficial tool for insurers, often prevented, or significantly limited, the ability of families to secure insurance coverage to protect a child born, or later diagnosed, with a health condition. The ACA made forward progress by removing underwriting for preexisting conditions limitations for children under the age of 19. This "first down" allowed families to obtain family health insurance previously unavailable from insurance companies more vested in profits than in building on the relationship for customer satisfaction.

Annual open enrollment periods as well as special enrollments for qualifying events are another “first down” that can be claimed by the ACA. These periods should be considered a successful step because they provide the potential to create a market where competitive insurance premiums and customer satisfaction matter to a consumer who has more information and options. These are only a few of the things that, when viewed in a vacuum, should be viewed as positive developments arising from the ACA.

Of course, the ACA wasn’t without its faults, and all the theoretical utopias one can imagine come with significant practical impacts. How can we expect health benefit plans to provide seemingly limitless coverage with an ever increasing list of mandates while offering bargain basement premiums? How can we seek to guarantee accessible care to all, without addressing the clear problems that many other civilized countries that purport to have done so have faced? Most importantly, how can one purport to regulate healthcare without addressing the most basic issue of all – what does the care cost? After all, underwriting risk ultimately depends on the costs of remediating the damages suffered – any regulation that fails to address the cost of care surely should be considered a fumble, or at the very least, a hail Mary.

In the past six years, costs of health insurance, health benefits and health exchanges have been rising at astronomical rates. Exchange premiums, seemingly affordable at the outset, have multiplied and families with incomes do not qualify for government subsidies have seen are unable to afford the significant increases. Many state health exchanges are failing with the majority of states resorting to a marketplace plan management or federally run exchanges.

In addition, the patients (i.e. consumers) are not in a position to fend for themselves. Accustomed to a world where there is no need to care about the costs because someone else is holding the purse strings, consumers are unable to (and uninterested in) educating themselves. Billing has become a topic that requires an advanced degree to understand. Facilities no longer employ the physicians on their staff as most doctors are contracted independent contractors. Specialized providers now handle lab work as facilities of care have separated themselves from most functions of actual patient care. These days that same surgery that in years past came with one bill now results in 4, 5, or more, bills. The consumer, unable to understand the bill, displaces it to the payer of benefits and only really cares what their portion of the bill is once it is processed. All the while, there are health care facilities and physicians who have found ways to capitalize on the increase in insured lives and are reporting record-breaking profits. It seems clear that the ACA has failed to address reasonable billing and costs as a necessary foundation for long-term success.

To an intelligent and informed consumer, on the other hand, the ACA also provides opportunities to “game” the system at its own expense. The removal of preexisting limitations significantly benefits those who made the choice not to purchase health coverage. You know, those individuals or families who made the choice to purchase a Corvette, or buy a bigger house, instead of buying health coverage because it’s “too expensive”. They chose to accept the risks and for years may have benefitted from no health premiums. Those risks are now significantly reduced for non-emergency medical treatment, such as a knee replacement; indeed, all a consumer must do is wait for an open enrollment period to apply. Once coverage is obtained, the

non-emergency surgery is scheduled, premiums are paid during the period of coverage necessary, and as soon as rehab is complete, the consumer can drop the coverage forcing the rest of us in the pool to subsidize their care even though they are not paying their fair share. Yes, there may be consumer tax penalties associated; however, they pale in comparison to the savings of, say, \$12,000 in health premium each year. Costs and risks of routine care or some emergency situation remain central to the consumer's choice, as the tax penalties do not appear to be a significant deterrent.

Regardless of what side of the aisle you find yourself on as it relates to healthcare reform, most can agree that the American healthcare system is broken. For-profit insurance leaves much to be desired and despite some positive developments from the ACA, we cannot accept the status quo. Hospitals and insurers are reporting record profits while the cost of care continues to grow exponentially. We must do the research and gain the necessary understanding to answer the question; how can we provide quality care at competitive prices with reasonable options for people to pay for that care?

In this election cycle (and in government generally) hopeful candidates, and elected officials, must stop with the rhetoric and pandering to the left, or the right, and instead seek to truly understand American healthcare and how changes impact American families. The data and advanced minds exist in this great country to identify and solve this problem. America needs a true healthcare game plan. Was ObamaCare a fumble? I suppose that depends who you ask, but industry insiders would likely agree that it was, at the very least, a "Hail Mary". The better approach has always been that of measured research and game plan development. It's just like football; to get a touchdown you need first downs. Let's not start over for the sake of it – let's call a timeout and have discourse on this – so we can find the best way to score!