States need to prepare now for the impending collapse of PP&ACA (Obamacare)!

Soon, if things go as many Americans hope, we will no longer be saddled with the unaffordable PP&ACA that forces us to buy healthcare insurance with high deductibles and unlimited coverages that we don't want or need. Obamacare is on the verge of financial and political collapse.

However, a sizable number of Americans, who were previously not covered by healthcare insurance, not necessarily by choice, will find themselves without insurance. While many of those had pre-existing conditions that insurers did not want to add to existing standard risk pools of insureds, many other Americans either chose to go without insurance or neglected to sign up for it. All of those not covered were incorrectly classified by the advocates of mandatory healthcare insurance as "needing" insurance.

This half-truth has driven the debate on healthcare: who will pay for people who can't afford treatment unless someone else subsidizes it?

Healthcare Insurance is NOT **Healthcare**

Don't "Gruber" us about the cost of insurance or healthcare

Those who can't afford to pay for healthcare are a significant motivation for income and wealth re-distribution, but no one likes that, including the beneficiaries of the "sharing"

A **free marketplace** of **honest** buyers, sellers and servicers (providers) is the **best approach in every single case** without exception.

Congress is NOT authorized to manage costs of services or quality of products wholly contained within a state, but they can regulate interstate commerce and commerce within Federally-owned places, even over insurance (if it existed) and other products and services. Congress should create model law that every state could adopt and **let the grand experiments begin in each state**.

The original complaints about healthcare insurance that people thought PP&ACA was going to solve were timely payment of claims without surprises, such as rejecting claims of coverage, or rejecting treatments not authorized by the policy, damage to insureds' credit report, and the big surprise of non-portability under COBRA. COBRA revealed a huge premium problem.

The no-drop and no-cancel provisions should be provided by laws in every single state. However, **fraud should not be tolerated** and should not be allowed to permit an insurance applicant to get undeserved low premiums, ever.

Pre-existing conditions should not be hidden by the insurance applicant, because it is fraud.

Insurance coverage should be flexible enough to cover pre-existing conditions, but with some caveats:

- fraudulent applicants claiming no pre-existing conditions should do so at the peril of not only paying the full cost of treatment but also paying a fine to the insurer
- if fully disclosed as a **pre-existing condition**, the **insured can buy a rider or supplemental coverage provision** at the cost of treating the condition – not the actual cost, but the **average, negotiated cost**
- as an alternative to rider coverage of pre-existing conditions, the insured should be allowed to select a sub-sub-standard policy with a higher premium to cover the cost of treatments
- states should be encouraged to experiment with different approaches to find a good solution

No-limit coverage is absurd. Automobile insurance requires car owners to pay more for higher limits. The same should be true of healthcare coverage. However, the idea that a life has no upper limit will be argued by many. To quell these arguments coverage limits should also be flexible enough to cover high-cost conditions:

- a mulligan on coverage selection should be allowed by insurance regulators but with some of the risk paid by the insured for being too cheap – basically let the insured re-do his insurance amount by making up past differences in premiums paid in with markup for market interest rates and a further "fine" paid to the insurer
- some insurers will experiment with longevity increases in coverages limits and states should also encourage insurers to try different approaches

Portability is a big issue to approach and it begins with removing employers from the equation. Employers have every right to offer **healthcare** (not insurance) to employees, to their families or to anyone they desire.
They **also** can negotiate on behalf of employees to get **insurance** coverage that is lower in cost but with different coverage features, but employers should only certify to potential insurers what the job description is for applicants for these negotiated rates. The policy should never be "owned" or controlled by the employer. The employee should be the sole owner of the healthcare insurance policy. This makes all employee-based policies portable for the employee. No surprises, like COBRA rates.

Employers can assist in paying for insurance premiums, but it should be done out in the open, and tax-free.

Employers can also continue making tax-deductible Flex dollars available to employees for a cafeteria style selection of different benefits to spend the Flex dollars on, but they should never, ever be lost or recouped from the employee.

Insurance is about actuarial costs and insurance companies will have to return to keeping track of different conditions and different treatment plans. If they published these for insureds or applicants, those interested in applying would understand better what is covered and how it is covered. Every insurer knows the cost of treatment for almost every conceivable condition. Why can't they offer treatment plans at the actual average cost? Pre-existing conditions can be covered by these known average costs (plus something for administration). If the condition truly did not exist when the policy was taken out, no extra should be charged to the insured.

To put aside money for healthcare, including vision and dental, should be encouraged and not discouraged by tax policy. To that end insurance companies should be encouraged to create a new type of "whole healthcare policy" for people to purchase.

A whole life insurance policy has an attached savings account that excess funds from premiums is accumulated in and is invested by the insurer to yield a return primarily for the insured. States need to enable this type of **whole healthcare insurance contract**.

Flex dollars can automatically flow into the attached savings account. If the insured had wanted to set aside some funds in case a condition was discovered later that he needed to pay for in full or via a higher premium, this was not possible. The issue of how often an insurer may re-rate an insured as to the correct risk pool needs proposals from insurers so that regulators and legislators can establish "fair" methods. For example, regulations might preclude re-rating for 2 years or dictate a 5-year phase-in to the new pool premiums, or some other method.

Savings accounts should be totally, completely free of taxes, state, local, Federal, and all contributions should similarly be tax-free. In addition, growth (interest, dividends or returns) on the policy should remain tax-free and fee-free. If a nominal fee is allowed, every insurer will charge that. Anyone can contribute to a savings account as a tax-free gift.

Vision care, dental care and pharmacy prescriptions belong in a healthcare coverage, period. If a healthcare policy does not cover them, then the savings

account should. Insurers should be allowed to offer optional coverage of any health-related treatments or services. Like the do-over for other plan coverages, insureds should be allowed to change elections after the fact to get optional coverage, too.

As a follow-on to repeal of PP&ACA, we need to address pharmacy matters, including the byzantine regulatory process for drug approvals.

FDA must "approve" a treatment, implying by law that it's "safe and effective" but frequently drugs are recalled as unsafe, even after years of regulatory rigmarole to assure their safety, and drugs available in Europe are never released into the American market. ***This is insane.***

If someone wants to take a risk with a drug, why is he not allowed to do so, provided he is actually made aware of the risks. A stamp of approval should be replaced by fairly simple labeling that conveys risks as probabilities plus sensitivities for identifiable groups. Once this re-labeling is completed according to state law, pharmacies could dispense any drug to any adult who signed the appropriate disclosure without fear that the dispensary could be sued.

If manufacturers or compounders lie, let them pay for their deception. Now no one pays, not even the FDA, when approved drugs turn out to be snake oil. It shouldn't take class action suits to get payback.

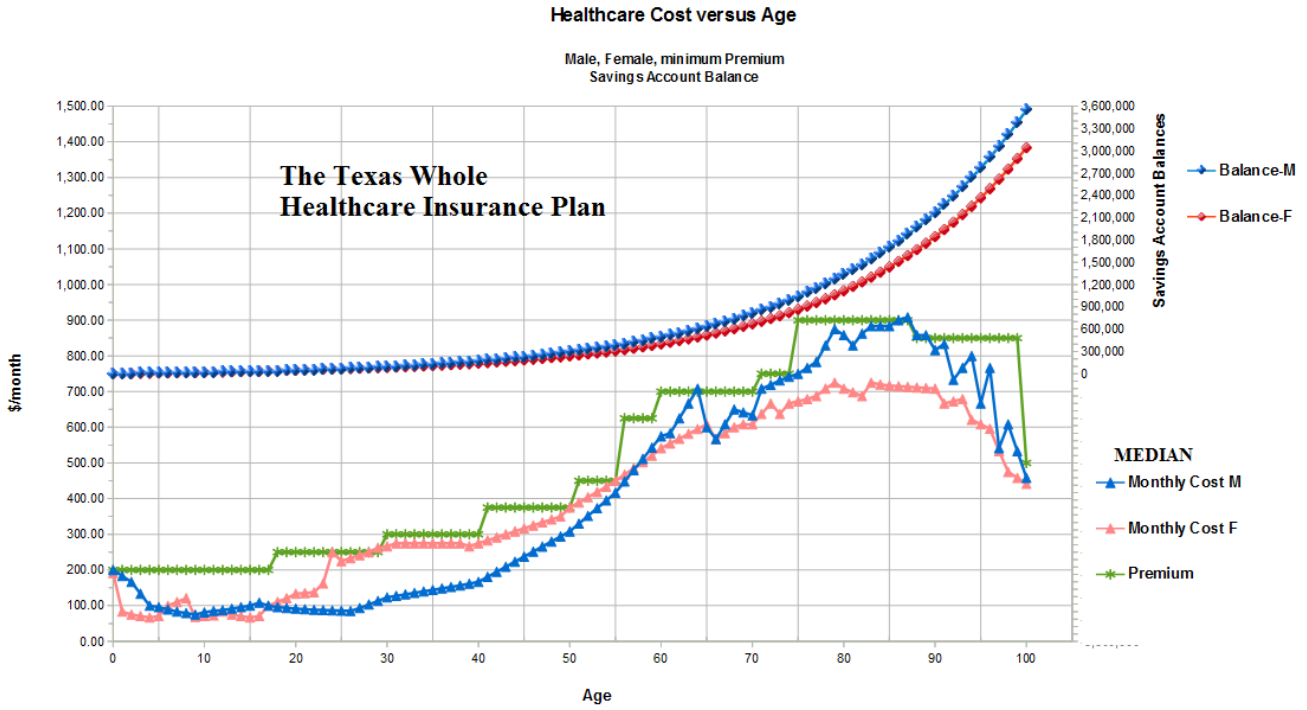
If pharmacies violate laws against dispensing to minors or without getting a risk disclosure signed, then let the pharmacist spend time thinking about it in jail.

Adults should also have their choice of treatment by board-certified doctor, licensed nurse, certified midwife, emergency medical technician, practitioner with some industry certification, holistic medicine guru, acupuncturist, massage therapist, soothsayer, or chiropractor.

If only licensed hospitals and doctors can treat people medically, then competition is limited to whatever population of doctors there is. Supply limitations always drive up prices. Moreover, the common practice of not posting prices for drugs and treatments should be prohibited by law. Every pharmacy receipt should show the actual price of the prescription before insurance payment or other discount.

Every medical practitioner, including municipally-owned ambulances should similarly be required to post their prices and any discounts available and which insurance plans they accept as partial or full payment. We shouldn't need a Federal law to require this, unless they're interstate.

Everyone needs to start now to prepare for the demise of Obamacare. States take months at a minimum to get laws staged for passage. **States need to start now to draft legislation that supplants PP&ACA.** Insurers have a difficult job, since they fired a lot of underwriters, figuring the actual costs of each possible treatment plan. **Insurers need to start now figuring out a new rational insurance model and work with state legislatures to get them enabled.** Employers also take a long time to figure out and file any necessary government paperwork for benefit plans. **Employers need to start now to plan for Obamacare replacement policies.** Individuals also have to wrap their heads around new insurance policies that will be available and which one is right for them, even though do-overs should be allowed. **Individuals need to start planning now!**



A Whole Healthcare Insurance plan premiums according to age and gender. Median healthcare costs by age are shown, with premiums set above that cost in order to generate an excess contribution to put into an attached savings account. The presumption is that the savings account yields 5% compounded. It grows by the difference in cost line(s) versus premium and interest on the cumulative balance.

At some point after opening the account, the earnings on the cumulative balance could be used to offset premium increases and keep them level, to pay the premium completely in a self-funding mode, or to pay for other types of non-covered items or provide assisted living or end-of-life care with a remainder to pass on to heirs.