

HIGH RISK POOL PROGRAM

But what about people with pre-existing conditions?

The best way to provide coverage for those who have high expense, is to admit this is an entitlement program. If we create a program to solve the specific issue, it will be more cost effective for everyone. We should also admit this is not “free” it is being paid for by all American Taxpayers.



In the healthcare industry, people who are expected to use their insurance frequently, have been managed in different ways in order to contain cost. This group includes people who may have degenerative conditions like diabetes or heart disease, and people who are born with congenital defects etc. This used to be referred to as a “high risk pool.” As that was too clear and directly understandable, the Democrats started to paint that phrase as somehow “bad” and started to refer only to “pre-existing conditions,” which is what you largely hear discussed today. I do not believe calling a duck—a duck is a bad thing. By being honest about this issue we have an opportunity to solve the issue better, more directly, and more efficiently than the terrible UnAffordable Care Act.

Historically, these people have struggled with finding any insurance, let alone having affordable coverage because insurance is based on risk. Your premium reflects the estimated impact to business from the perspective of the insurance provider. This population will often put off treatments they can't afford until they end up in the emergency room. At this point, care becomes much more costly to the system than it would have been if some disease management or preventative care had been provided. This is one of the big reasons the Federal government started getting involved.

Prior to the ACA, State governments tried to shore up these costs and address this group in various ways. California had a very successful program called the Major Risk Medical Insurance

Program (MRMIP). It worked like this:

1. Apply for the program using financial information, just as you do with any other entitlement program.
2. If approved, you would receive a premium subsidy appropriate to your needs.
3. Purchase individual coverage from a health plan of your choice.

The only difference in this program from other government entitlement programs, is that it is not based on income. You don't have to be below a poverty level to apply, you only need the costs to be a hardship to your financial ability. This can be measured in a number of ways, most notably percentage of household income being spent on healthcare costs. We all know there is a housing measure, that it is considered reasonable to have $\frac{1}{3}$ of your budget being spent on housing monthly. If you exceed the actuarial average percentage of household income spent on healthcare, you would be eligible. The good thing about this program is it is based on a sliding scale and assistance can be small or large depending on the need. It can also be adjusted as needed if expenses or income change. This program also had an arbitrary waiting period before an applicant could be eligible for the program, the Health Care Liberty Plan would not adopt this provision.

I think we can all agree that cost needs to be addressed for these folks, by providing isolated subsidies we can ensure appropriate and robust coverage for people with pre-existing conditions and at the same time reduce cost. This addresses the problem directly and with transparency and clear oversight of government spending.