

# Improving Access to Care without Comprehensive Health Insurance

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May 19, 2003

“Roadmaps to Coverage:

Exploring Options for the Uninsured”

Alliance for Health Reform &

The Economic & Social Research Institute

# Value-Maximizing Principles

- Consumer-Driven, All-Terrain Vehicles
- Reduce Third Party Payment
- Less Early-Dollar + More Catastrophic = Lower Costs + More First-Party Control
- Voluntary Choices, Personal Responsibility
- Decentralized, Diverse, Depoliticized
- Tax Parity, Deregulation

# Tools, Techniques, Tradeoffs

- Incentives, Not Mandates
- Market-Driven Affordability
- Defined Contributions Displacing Defined Benefits
- Transparency
- Targeted Subsidies
- Safety Net vs. Subsidized Coverage
- Evolution, Not Revolution

“If You Don’t Know  
Where You’re Going,  
You Might Not Get There”

L. P. Berra

# Tax Policy Reforms

- Move Toward Tax Parity
- Binary Option:
  - ESI Tax Exclusion, 30 % Tax Credit
- Tax Credit Leverages Other Reforms
- More Transparent Tax Exclusion
- Assignable, Advanceable Credits
- Bias Toward Catastrophic Coverage
- Individual Savings Vehicles (Improve ESI, too)

“If You Can’t Imitate,  
Don’t Copy Him”

L. P. Berra

(Refundable Tax Credits)

# Insurance Reform Tie-Ins (Parallel Universe)

- Preempt State Mandates
- Out-of-State Reciprocity
- Guaranteed Renewability Option
- Voluntary Purchasing Pool Flexibility

# Voluntary Purchasing Pools

## Somewhere to Go

- Preempt State Pricing Regulation
- Preempt State Benefit Mandates
- Front-End Risk Rating
- Longer Term Risk Redefinition Protection
- Long-Term Contracts, Exit Disincentives
- Incentive-Compatible Guaranteed Renewability
- Individuals, Not Just Business Buyers
- Tradeoff--Plan Choice vs. Risk Protection

# (De)Regulatory Competition

- Competitive Federalism
- Market-Driven State Regulation
- Race to the Market Top
- Political Constituencies
- Legislative vs. Contractual Fixes

# Defending & Bolstering Health Care Safety Net

- Tradeoff vs. Subsidized Insurance Coverage
- “Market for Free Care” -- Catastrophic Parallel
- Making A Virtue Out of Necessity

# Safety Net

## Steroids & Surgery

- Strengthen High-Risk Pools
  - Allow Private Insurance Markets More Leeway
- Citizen Appropriations (Charitable Care)
  - Third-Party Non-Profit Brokers
  - “Put Up or Shut Up” for Uninsured
- Rethinking EMTALA
- Medicaid Opt-Outs

# Emergency Room Care

“Nobody Goes There Anymore,  
It’s Too Crowded.”

L. P. Berra

# Patient-Directed Medicaid

- Cash & Counseling Waiver Experience
- Private Crowd-In
- Incentives
- Annualized Eligibility

# Politics of Access to Care & The Uninsured

- Resource Constraints, Budget Dollars Are Headed Elsewhere



- Public Subsidies Can't Catch Up
  - Price & Welfare Effects
  - Higher Costs Hit Lower-Income People Hardest
- Middle-Class Minimums Price Out Marginal, Lower-Income Buyers

# Politics of Access to Care & The Uninsured

- Seeking Cost-Containment Alternatives in Post-Managed-Care World
- Buying Market Share on the Cheap with Thin Coverage
- Triage:
  - Urgent Medical Needs
  - Chronically Uninsured
  - Prepaid, Capped Coverage
- Coerced Compassion Short-Circuits in a Voluntary Private Market

“If People Don’t Want to  
Come Out to the Park,  
Nobody’s Going to Stop Them”

L. P. Berra

“If the World Were Perfect,  
It Wouldn't Be”

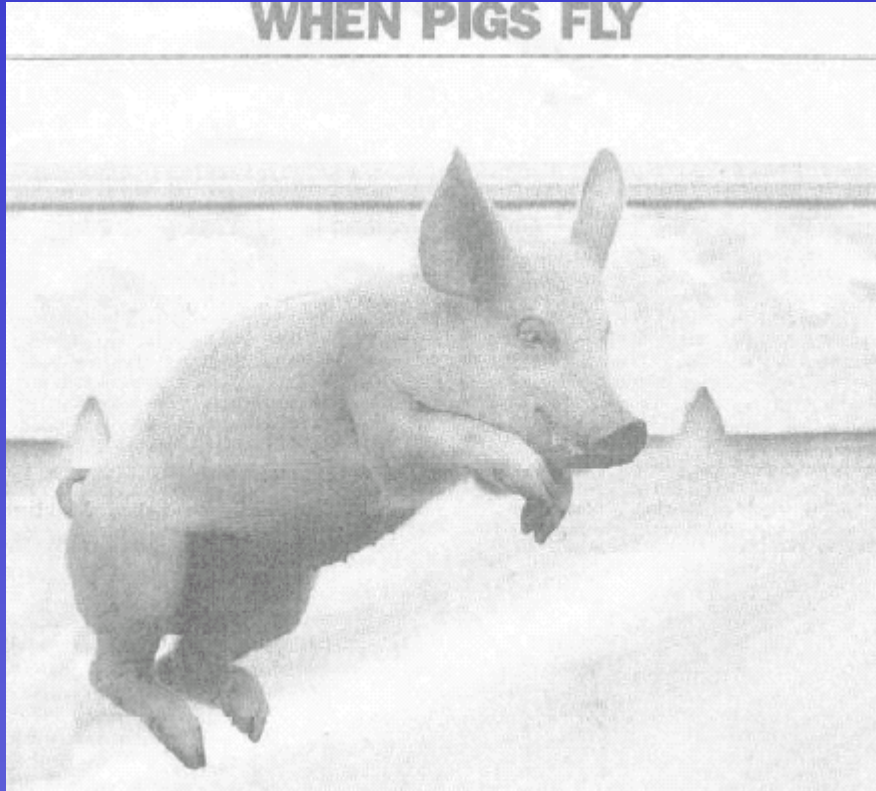
L. P. Berra

# Choices, for a Change

- Separate Income Redistribution from Insurance Market Efficiency
- Focus on Health Outcomes, Not Insurance Coverage Levels
- Leverage Market-Based Reforms to Make Limited Coverage More Affordable
- New Competition for Employer Sponsors & State Regulators
- Political Rule #1: Strike a Posture toward the Poor, but Feed the Middle Class First

When Will We Achieve  
Universal Coverage?

**WHEN PIGS FLY**



# Rethink Assumptions, Remember Realities

- Whoever Controls the Money Writes the Rules
- Markets Create Information, Expand Choice, & Improve Quality; Political Mandates Do The Opposite
- “Universal Coverage” -- A Perennial Political Trial Balloon Powered by Hot Air
- Health Care Costs Won't Rise More than Amount We Agree to Pay; “How” We Decide to Do It Determines Its Value
- If You Think Health Care Already Costs Too Much, Just Wait Until Politicians Give More of It to You for “Free”