

Suggestion!

April 23, 1994

C-SPAN
400 N. Capitol St., N.W. #650
Washington D.C., 20001

Ref: Health Care Reform, w/ Medical Savings Account (MSA)

Dear Brian:

Would it be possible to have a broadcast debate concerning the merits of making catastrophic coverage the *only* universal portion of new laws? The fears of both birth defects and terminal illnesses are concerns of *all*.

The balance of coverage could be a merged MSA/401(k) plan, which could be funded by employee selective payroll deductions, with the advantages of: income tax reduction or exclusion, transportability between jobs and conversion to an I.R.A. upon retirement. I estimate that a \$1.00/hour deduction should adequately fund this plan. There should be little employee objection to this plan in that, the affected employee could see his personal wealth increasing with each deduction. An additional benefit should be an overall reduction of medical costs, due to the patient selectivity for payment, and no copayments to worry about.

The advantages of an MSA are: no fraud (other than by the care providers), no usage abuse, totally-free choice of doctors and no parasitic drain by insurance company overhead (including lawsuit settlements). The elimination or reduction of non-medical staff overhead of care providers should reduce medical charges. Our own experience, by not having medical insurance for the past eight years, is that doctors are willing to reduce their bills by a quarter, to a third, when we are paying by check, with no applicable insurance claim. The AMA ad concerning the percentage of those without medical insurance at any one time is self-serving and therefore, a fraud. When one excludes catastrophic coverage, private medical insurance is *not* cost effective. Even one of my doctors says so. The overhead costs of small plans may reach 45-50%.

The catastrophic coverage could be a tax funded government single payer plan, in that, this should eliminate the targeting by trial lawyers, due to the potential for this to create an extremely large pool of money. I am always frightened by the prospect of lawyers, turned legislators, who write laws beneficial to other lawyers. This may explain why this country is overrun with attorneys. (Our younger daughter is approximately 1 year from her J.D.).

The MSA could have an employer funded backup, which could protect all employees from a large, although non-catastrophic, situation that totally depletes the employee's account. This has the potential of keeping the traditional insurance industry in business, if the employer so chooses.

In all the public debates that I have witnessed, no mention of MSAs has occurred, although, insurance is *always* mentioned. An article in USN&WR briefly mentioned MSAs. I believe that MSA options should be guaranteed by any new law. Any law that requires that a large portion of the GDP be paid to profit making insurance companies should be unconstitutional, unless this option is included.

I resisted subscribing to cable TV for approximately ten years. I am now glad that I did finally sign on, since I watch C-SPAN every day. Next to CNN Early Prime and PBS news programming, C-SPAN gives a complete background of all important stories. (And occasional tongue-in-cheek type).

Keep up your valuable contribution to public information access. If an MSA debate is scheduled, would you please include it in your upcoming menus? The insurance lobby has had a death grip on congress too long.

Cordially,

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