

## Insurance & Benefits

By Paul Breslau



# Health Insurance Review, Preview

THIS ARTICLE HIGHLIGHTS SELECTED HEALTH insurance concepts from my 26 previous articles that are found on our [www.HealthQuoteAZ.com/articles](http://www.HealthQuoteAZ.com/articles) webpage. The intent is to combine the information for individuals, businesses and other employer groups to better prepare for the future.

### Health Insurance “Bubble”

The health insurance bubble described in the first Your Health Insurance article published in November 2004 remains today. Rate increases of 15 percent per year are unsustainable. Growing older adds another 15 percent per year as verified by any health insurance rate table.

This medical inflation is caused by more people using more medical services more frequently. Additionally, these services cost more and the treatments are lasting longer. Adding it up equates to the 15 percent medical inflation per year, year after year.

Millions of people and thousands of businesses drop their health insurance, and these uninsured add pressure to the bubble. Insurance premiums for individuals, governments, businesses, nonprofits, and everyone continue to increase at unsustainable levels.

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### Complication

One constant theme repeated throughout many articles is that health insurance is complicated with multitudes of variations and options. Using the expertise of a health insurance agent is repeatedly recommended.

A Charmed Friend or a Dangerous Threat (1/05 article #3) describes the complication for COBRA and HIPAA.

Many of the articles focus on employer groups and individuals since that is our expertise. A full article on Medicare or Medicaid has yet to be written.

Resolution of the health insurance complication and pricing bubble will require us to leave our entrenched partisan positions behind. Over time, we must find ways to work together to solve aspects of the health insurance and healthcare issues methodically as outlined in Political Extra (10/06 #13).

### Health Insurance Versus Healthcare

Insurance can be used successfully for sudden and unforeseen events that cause financial catastrophe. We use insurance to pay for a \$10 prescription,

an \$80 office visit, and for other low-cost, routine services, and this will not work. Health insurance is confused with healthcare. Everyone should have health insurance for sudden and unforeseen, financially-catastrophic medical events. Everyone should have healthcare for low-cost and routine services.

These are two different sides of the healthcare financing coin. Agreeing upon the simple concept is an important first step to moving forward.

### Recent Adjustments

The current market adjustment is a flow to health insurance plans with lesser benefits. For example, a new popular plan covers three office visits and has a high \$10,000 deductible with very low monthly premiums. These plans will relieve some of the health insurance financing bubble pressure. It will be interesting to see if this will be enough.

Health Saving Accounts are another excellent solution to the differentiation of health insurance and healthcare. These plans have been recently improved upon. Out of Hot Water (7/07 #18), Be Your Own Insurance Company (9/05 #6), and Take the Money, Not the Prize (1/05 #2) all advocate Health Savings Accounts as a viable alternative for individuals, businesses and other employer groups.

### Change

While the oil, housing, and investment bubbles have burst, the health insurance and healthcare bubbles have not. Managed and orderly improvements appear to be in everyone's best interest. Health insurance and healthcare will continue to evolve and change.

What is NOT Broken (3/07 #16) highlights the fact that Arizona has a strong base to start from. The recent articles of Unemployment and Health Insurance (7/08 #24), Navigating the Maze (9/08 #25), and Dual Option Health Plans and Save (11/08 #26) have additional suggestions for short-term improvements. Again, long-term improvements will require the bipartisan and patient work from political and industry leaders.

Please visit [www.HealthQuoteAZ.com/articles](http://www.HealthQuoteAZ.com/articles) for our library of articles referenced above.

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