

As seen in:

Airpark News

Department

Insurance & Benefits

What is **NOT** Broken

Health insurance is not broken in Arizona. Contrary to the frequent messages that some leading newspapers and politicians convey, Arizona has thriving private and public health insurance markets.

Aetna, Assurant, Best Life, BlueCross, Celtic, CIGNA, Golden Rule, Health Net, Humana, IHC, LifeWise, NASE, Principal, Starmark, UnitedHealthcare, and others offer a competitive array of health insurance policies to individuals, families, small businesses, and large employer groups. If you need help there are thousands and thousands of Arizona licensed health insurance agents to help you. If you prefer to do it yourself, please call the just mentioned companies directly. A self-insurance program for your employees is possible. You are even free to not have insurance.

Very low income residents have the Arizona Health Care Cost Containment System. Children in lower income families use Arizona KidsCare. If you are 65+ Medicare programs are for you. A small businesses option is Health Care Group of Arizona. There is a new Arizona tax credit program for uninsured individuals and small businesses. Am I forgetting health insurance programs from Veterans Administration and the Bureau of Indian Affairs?

There are frustrations, aggravations, and injustices in dealing with health insurance including ever increasing rates. However, let's have a positive starting point for improvement; Arizona health insurance markets are healthy.

You don't insure ice cream, do you?

Certain items are not meant to be insured because there is limited risk. Ice

cream, MP3s and shoes are examples. If we all started insuring ice cream for \$20 per month, human nature would have us buying Ben & Jerry's and consuming more to get our money's worth. We would exceed \$20 per month and we would complain about year after year rate increases. However, if we lose these items, a sudden and unforeseen financial tragedy has not occurred. Over long periods of time, insurance can be successfully used for sudden and unforeseen tragedy resulting in financial catastrophe like a ship sinking or a plane crashing. The personal list includes a home burning, a serious car accident, death and serious illness. No one should ever want to use insurance.

For complicated reasons in the 1940s employers started using health insurance in place of additional wages. Over the decades, insurance rate increases for doctor's visits and prescriptions and other first dollar care became unbearable, like it would for the ice cream. In the late 1970s, to control costs, health insurance started morphing into managed care. HMOs would control first dollar costs by directing you to contracted doctors who would be gatekeepers for your care. We are Americans and we rejected this control to our personal freedoms.

Right or Privilege?

According to Ives Machiz, MBA, CFP, President of Ives Asset Management, we in America have a confused view on whether health insurance is a "right" or a "privilege." A "right" implies universal care coverage for all. New York, Canada and Europe have shown this will result in a combination of high rates, rationing and high taxes. If it is a "privilege" then each person takes care of themselves and the gov-



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ernment only helps those with the greatest need. Ives continues to say that human nature frequently causes us to consider health care a "right" for ourselves but a "privilege" for everyone else. Did we become enamored with the first dollar benefits of the HMOs and Managed Care?

The Solutions

Improving health insurance in Arizona is a priority that ranks with vexing transportation, water, immigration and clean air issues. There are no silver bullet fixes. In my opinion for health insurance, the first step is to recognize that the system is not broken. Our government programs insure over one million in Arizona. We need to make sure we can fund the government programs over the decades ahead. Our commercial markets are resilient and competitive and better solutions will thrive. For example, financial incentives for Health Savings Accounts continue to improve. My family finally made the switch to a Health Savings Account this year when we discovered there is no downside. Each year consider discussing Health Savings Accounts with your health insurance agent. **SN**

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