

# America's Health Insurance Crisis

Unintended Consequences

# WWII

- FDR/War Labor Board – Wage and Price controls
- War Labor Board – W/P controls N/A to employee benefits
- 1954 – IRS exempted employer-paid health insurance premiums

# Health Insurance Rate Regulation

- Largely exempt until 1980s
- Loss ratios by renewal terms: Optional, Guaranteed, Noncan
- BC/BS and HMOs

# Health Care Cost Growth

- Inflation vs \$250 deductible
- Increased utilization
- Expensive treatment
- Medical school monopoly
- Drug development
- Medical malpractice, torts, trial lawyers

# Health Care Reform

- Vermont 1992: Guaranteed Issue, 1-life group, Community Rating
- Maine, NY, Massachusetts
- ACA aka ObamaCare
- Vermont Single-Payer 2011

# Possible Remedies

- Tax credits for high-deductible individual premium
- Lower loss ratios for individual policies
- Higher penalty for uninsured
- Tort reform: no punitive damages to attorney
- Expand medical school availability, authorize LPN treatment
- Political hurdles, cultural obstacles, Medicare, Medicaid