

Private Insurance Is Not the Answer It's part of the problem!

by Oscar H. Gandy, Jr.

How to solve the crisis in health care is certain to be one of the most hotly debated issues in the presidential electoral campaigns. It will contend for the top spot alongside concerns about the crisis in financial markets linked to an explosion in mortgage foreclosures.

What we need to understand is that both crises share common origins: an actuarial logic that facilitates discriminatory pricing and exclusion. This rapidly spreading virus has invaded the national culture and private insurance is its most effective carrier.

Private insurance is a rather special kind of consumer product. Most businesses realize profits by seeking out the people who need their services. The private insurance industry makes its mark by avoiding the consumers who have the greatest need for their products. Insurance companies don't compete with each other on the basis of product quality or service, instead they compete on the basis of risk classification. Risk classification involves the identification and exclusion, within the limits of the law, of clients who represent marginally higher risks and lower profits. Insurance companies not only engage in a kind of "arms race" to develop the most sophisticated techniques for risk classification, they also spend millions of dollars each year in an effort to defeat legislation that would make discrimination on the basis of gender, race, or "genetic predisposition" against the law.

When private insurers are not able to exclude customers on the basis of health status, or ability to pay, they focus their expertise in finding ways to deny claims for coverage or compensation. None of these efforts are directed toward improving the quality of life.

Recent assessments of the declining quality and rising disparities in health care status cite the lack of insurance as a primary cause of differential access to and use of health care. People who are young, minority or poor are most likely to find themselves without affordable insurance, because group health insurance, the most common insurance, is primarily linked to employment and the quality of those plans vary by social class. In addition, as the cost of health care has risen, employers have reduced or eliminated the amount of health insurance they once provided.

As job-related group coverage shrinks, the private insurance market has become the only alterna-

ACCESS HEALTH CARE
Child Health Plus / Family Health Plus / Medicaid / PCAP / WIC

PLEASE READ the entire application and INSTRUCTIONS before you fill it out. Print clearly in blue or black ink. If you need more room for any section, attach the Additional Information page. An incomplete application cannot be processed and will result in a delay of coverage.

Section A Contact Information Please tell us who you are and how to contact you.

First Name _____ Middle Initial _____ Last Name _____
 Phone # _____ Another Phone # _____ Primary Language Spoken _____

HOME ADDRESS of the persons applying for health insurance
 Street _____ Apt# _____
 City _____ State _____ Zip Code _____ County _____

MAILING ADDRESS of Contact Person, if different
 Street _____ Apt# _____
 City _____ State _____ Zip Code _____ County _____

Household Information List the head of household on line 1. List the names of the persons applying for Child Health Plus, Family Health Plus, Medicaid, or PCAP. You must also list the name of any dependent child under the age of 19 who lives in the household, even if the person is not applying for coverage at your option (for example, a dependent child under the age of 19 who is not applying for coverage at your option). List the names of all persons living in the household at your option (for example, a dependent child under the age of 19 who is not applying for coverage at your option). This information will be used to determine your eligibility level.

Line #	Last Name	First Name	Relationship	Age	Sex	Race/Ethnic
01			Head of Household			
02			Spouse			
03			Child			
04			Child			
05			Child			
06			Child			
07			Child			
08			Child			
09			Child			

Is anyone in the household a veteran? Yes No If Yes, Name: _____

Race/Ethnic Affiliation Codes: (optional)
 A = Asian B = Black or African American H = Hispanic or Latino
 I = Native American or Alaskan Native P = Native Hawaiian or other Pacific Islander W = White U = Unknown

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tive. Unfortunately, its offerings are either too limited, or too expensive for most Americans to afford. As a result, families are forced to spend a greater proportion of their limited funds on medical expenses. For many of us, stories about people who used up all their savings, took out second mortgages, and maxed-out their credit cards in an attempt to pay their steadily rising health-care bills begin to sound all too familiar.

The fact that per capita health-care expenditures in the United States are twice the median level for industrial nations doesn't mean that the quality of life, or other measures of health status, reflect a good return on those investments. A recent survey of citizens in seven industrial nations by the Commonwealth Fund (www.cmwf.org) found that more people in the US than in any other nation:

- did not fill prescriptions or skipped doses;
- failed to visit a doctor when they were ill; or
- delayed tests, treatments or follow up visits because they faced costs they could not bear.

Greater reliance on the private insurance market will not solve the health care crisis in the United States; it will only make it worse. It may take a global epidemic to bring us to our senses. We have to understand that the road to health must begin with our rediscovery that the goal of insurance should be the sharing, rather than the avoiding of risk.

Dr. Oscar Gandy is an emeritus professor of communication at University of Pennsylvania living in Tucson, AZ.

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