Members of our ‘ohana who live in the United States are watching another example of “political kabuki” – the “Shibai” I wrote about two weeks ago – as our politicians and talking heads are sparring around the clock in the media and on the Internet while the implementation of the so-called “Obamacare” legislation crashes onto the stage. Once again, it is important to watch what is going on in the background to understand what is really happening not only to your pocketbook but also to one of the world’s greatest health care systems.

Some may argue with my admiration of U.S. medicine, but I was part of the U.S. health care system for close to 20 years, studying and working in Boston, San Francisco and Honolulu. I was involved with the care of people from all walks of life and from many countries. I was particularly impressed that leaders in business, science, education and government from all over the world – even royalty – routinely come to our country for treatment when disease or other impairments put their health in danger. Our physicians, hospitals, researchers, pharmaceutical companies and medical equipment manufacturers must have been doing something better than their counterparts in other countries.

Now, just 40 years later, I watch in dismay as our country turns essentially the same fine system over to our federal government to run under the vast and complex rules and regulations of the Patient Protection and Affordable Care Act (ACA), signed into law by President Obama on March 23, 2010.

The American public got its first good look at ACA on October 1, when eligible citizens and residents were urged to begin shopping for and enrolling in a variety of health care plans available through government-run “exchanges” in each state. It has been a disaster!

Telephone lines to the exchanges were jammed and estimated wait times were given not in minutes, but hours. The ACA website, www.healthcare.gov, crashed and was unavailable most of the month. The image above right shows what I found when I tried to access that website.

At the same time, private insurance companies are canceling the health care insurance of millions of citizens, because, even though President Obama repeatedly promised that people could keep their existing insurance coverage if they liked it, in reality, the ACA’s thousands of pages of rules, regulations and penalties made that impossible. As a result, millions of citizens might be without health care insurance just 60 days from now.

Fellow physician and writer Dr. Ben Carson says, “Rather than complain about Obamacare, it might be useful to discuss some enhancements or future alterations that can make it work effectively or provide an alternative if it fails. The first question is what do you need for good health care in America?”

Again, I am old enough to have known health care in a different era. The father of my late wife, Jane, was a general practitioner in the Northern California town of Santa Rosa. Dr. Lee Zieber had a direct, one-to-one relationship with his patients, many of whom were Sonoma County farmers. He made house calls and was often paid with a chicken or a bag of plums from a farmer’s orchard. There was no middleman standing between patient and physician.

Dr. Carson feels that a good, direct relationship between patient and physician is the first thing you need for good health care in America. I agree. I have seen it work!
Since Dr. Zieber retired, health care insurance companies inserted themselves as middlemen between patients and physicians, and dictated many of the terms and conditions of the delivery of health care services. Even so, people still had a choice because they could change their physician or insurance company if they were not satisfied.

However, as of January 1, 2014, just two months from now, if you do not have health care insurance through your employer, you are probably going to have to try to access www.healthcare.gov to sign up for an expensive, government-approved individual health care plan. Many of the quotes for these new policies are coming in as much as 200 to 300 percent higher than what people have been paying for their existing policies, many of which are being cancelled because they fail to meet ACA requirements – contrary to the president’s repeated promise that “if you like your health insurance you can keep it.” Failure to sign up for one of the new ACA-approved plans will result in a substantial fine enforced by everybody’s favorite government agency, the Internal Revenue Service (i.e., the tax collector).

According to the Kaiser Family Foundation, if your annual income is less than four times the poverty line (about $46,000 for individuals or $94,000 for a family of four), you may receive a subsidy to help pay those higher insurance premiums. Subsidies are projected to be worth an average of $5,548 per household, which would effectively discount the price of insurance by two-thirds, on average.

Those subsidies are paid for by taxes on the individuals and families whose incomes exceed $46,000 and $94,000 respectively. Also, they are paid for by the young people in your insurance pool whose premiums are nearly as high as those of much older people who are more likely to incur significant health care costs. (I told you in the first paragraph to watch your pocketbook!)

Aside from increased costs, under ACA, you will also have a more limited relationship with your physician. His/her payment for services provided to you will come from your insurance carrier, Medicare, Medicaid, Workers’ Compensation or one of many other government programs.

I believe it is time to again seriously offer a better way to get health care insurance – through Health Savings Accounts (HSAs).

Government-approved Health Savings Accounts allow you, your employer or your government to put the pre-tax income that you might otherwise have paid (or which your employer might have paid on your behalf) to a health care insurance company as premiums instead into a designated HSA account to buy (1) low-cost, high-deductible “catastrophic” health care insurance that would cover surgery and hospitalization, and (2) routine physician services, most lab tests, x-rays and prescription drugs. If you are careful with your health care purchases and maintain a healthy lifestyle, there is a significant chance you will have a surplus in your HSA account, which may be returned to you under defined conditions, perhaps to supplement retirement, pay off a mortgage, etc.

If you have an HSA you can compare prices on services, lab work, x-rays, etc. and get the best price from competing labs, clinics and pharmacies. Health care providers are grateful to receive cash on delivery of services (much preferable to reams of paperwork from insurance companies and government) and will cut prices even more, just as gas stations, supermarkets and even hotels do for cash.

You can use some of your HSA funds to assist in the care of a child or an aging parent. There would be no middlemen!

If you receive federal or state subsidies for your health care insurance premiums, they could be paid into your HSA account.

In short, HSAs would re-establish the direct physician-patient relationship! What a concept!

If there are enough HSAs in our health care system, the benefit of the free market system will return to health care and costs will come down as surely as if they are pulled by gravity.

Health Savings Accounts are permitted under the ACA – but, unfortunately, not in Hawai‘i, where they are forbidden by state law. If this strikes you as crazy, I suggest you contact your state senator and representative. If HSAs are ever allowed in Hawai‘i, Outrigger will be one of the first companies to offer this great health insurance option to our ‘ohana.

There are many other things that can be done to improve the delivery and cut the cost of health care, which I have often addressed in Saturday Briefing. Now is the time to push that agenda forward because right now, under Obamacare, “the flaw is in the law!”

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1 Representative Ken Brady (R-Texas) during this week’s Congressional hearings on ACA implementation.
4 Saturday Briefing – “Rx For Health Care” by Dr. Richard Kelley, July 11, 2009.