

COMMENTARY

Commentary - Health Care Armageddon Has Arrived

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Health Care Armageddon has finally arrived. Thank you, Washington.

Insurance companies and the government regulators who supervise them have come up with an ingenious scheme. It is really a perfect storm of goodies if you're an insurance company: high premiums, high deductibles, and high copays, all of which equal nearly infinite profit. Brokers love it, too, as they are making more money than ever. But what about consumers and patients? They can't afford to use the insurance that they can't afford to buy in the first place – and forget about paying for prescription medications.



By Dr. Neil S. Goldberg

This is not one of those complaints about how expensive health insurance has become. It's not news that rate increases in New York are expected to range from 10% to an unbelievable 56%. It's not news that these are among the highest rates in the country and are double what they were just 10 years ago. It's not news that these hikes have averaged 14% per year from 2000 through 2008. Instead, this is all about excessively high copays and deductibles, coupled with those enormous rate increases.

Just as gasoline prices of \$10 per gallon will put the brakes on driving, \$75 copays now keep people out of the doctor's office. Am I exaggerating? One of the latest plan offerings from United/Oxford in New York really does have \$75 copays, which is more than double what they pay me for a level 2 follow-up visit. The patient portion is 100%; the insurance portion, 0%; the deductible, \$6,000 –

and all this with a \$24,000 per year premium for a family of four. Insurance companies used to take some risk; now they can't lose unless the patient needs a new kidney or a heart. This is a formula for pure profit.

In theory, I am a fan of high copays. Unlike low copays, they put up a reasonable hurdle to keep patients from abusing the system and overusing services. But the once-reliable tradeoff – high copays balanced by low premiums – has been replaced by the insurance companies' new formula of high premiums and high copays.

Insurance companies blame the upcoming "Obamacare" rules and regulations for huge increases in premiums, but this tells only half the story. In reality, the 30% premium increases have been coupled with 30% increases in day-of-service, out-of-pocket expenses. Both contribute to the huge increase in total out-of-pocket costs for health care. This means that even people with name-brand, high-cost insurance are at risk for financial ruin and bankruptcy. This is a huge hit for everyone. Isn't anyone watching these guys? Sounds like gouging to me.

How do insurance companies justify these increases? Doctors haven't gotten a raise in years; in fact, we are paid less in many instances for the same care. So why is health care more expensive? New drugs and new technology play a part, but so do lawyers advertising for "victims" on TV, and pandering politicians who want to give everything to everybody for free. For instance, I have nothing against chiropractors, but in New York I have to pay extra so that everyone with insurance has access to one. Visiting a chiropractor should be my option.

A 2,300-page health care reform bill and no reform; thanks again, Washington. It's all more complicated, more expensive, and less available. If we want to fix health care, we need a free-market approach with transparent pricing, more insurance choices, and tort reform. More than that, we need a connection between the patient who gets the service and the people who pay for the service. There should be a balance between copays and premiums. High premiums should be coupled with low copays, just as low premiums should be coupled with higher copays. Going forward, it's important to remember that it's not enough for us to protect our patients; someone has to protect us, too. Insurance companies and the government are doing a bad job all the way around.

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