Healthcare Reform: An opinion piece

For the past several decades, our healthcare system in the united states has steadily complexified. The common refrain, as with many other institutions, is that the healthcare system is broken. This cry comes from several corners of the country, both upper and middle class, as well as the lower classes. The common complaint of course is one concerning vested interests. For most of the working age population in the labor force, their insurance comes through their employer.

While third party health insurance providers may be obtained directly, it is rarely the case that they are – partly because they are exorbitant, and not worth the premium, and partly because they screen for preexisting conditions, or what economists call adverse selection. In the same vein, health insurance companies may avoid providing coverage to independent customers due to the risk of their acting more riskily. This risky behavior may be avoided or less likely when the covered party has their employer footing the bill of their premiums.

When people who are not employed by a company wish to obtain heath insurance coverage, often, they will turn to the government. For those who had been previously employed, there is the option of extending their insurance policy from the time when they were working, into the current period for a fraction of the cost. This is called COBRA and is offered for a limited time only.

This is a 10,000-foot overview of what generally comes to mind when people consider how they can be covered or obtain health insurance policies. Drilling down, there is always the option to customize your plan to suit your needs, and to pay in to it accordingly. This may determine how your medical consultation fees from doctors’ visits, or your prescription costs are paid during a visit.

One important metric to pay attention to when making this decision is whether a plan has a high deductible and low premiums, or vice versa. This out-of-pocket expense is ultimately what customers optimize for. In doing so, they factor in foreseeable health needs, and those of loved ones as well. One additional aggregate metric to pay attention to when bemoaning or lamenting the state of healthcare in our country, is the cross-country comparison figures for amount spent on healthcare as a proportion of GDP.

For most developed countries, this is a sizeable proportion. As our governments realize that herd immunity, and an able body with a will to work is critical to promoting self-sufficiency. Yet, a lack of health care, and health promoting behaviors is crucially lacking in many pockets of our society. Unhealthy behaviors, and clustered peers lead to unmet psychological needs, and to the poorly fulfilled physical needs of man. As a result, we find ourselves reverting to the basics – and examining the changes in vital statistics over the years, or in nutrition over the years. While measures such as nutrition are intrinsically tied to education, viewing these measures as standalone measure produces a comprehensible picture of the need for healthcare across society today.