Imagine there were no health insurance. When you went to a doctor, it would be like going to the mechanic to have your car looked at. Checkups would be like oil changes, for which you pay a small amount of money, for a needed service. Periodically, he would suggest some preventive maintenance, that you would either decide to do, or not, depending on the cost, and your perception of the need to do it. Sometimes, work would be forced on you due to the car malfunctioning, and you would perhaps get estimates from multiple vendors, but be forced to buy from one of them.

Likewise, with doctors, for preventive maintenance, they might suggest a colonoscopy or pap smear. Most of the time, they would find nothing. Most of the time, it would have been wasted money. But some of the time, it would save your life. They only do a fraction of the amount of "preventive maintenance" in countries with socialized medicine we do here, and their rates of death from things like colon cancer are much higher.

And if you had an actual illness, doctors are no different, in principle, from skilled mechanics. You only attract and keep talented people by paying them well. You can get things cheap, but you get what you pay for. This obvious fact is obscured by how most insurance is structured in this country.

There are and can be only two basic forms of health insurance: catastrophic insurance, and prepaid insurance. In catastrophic insurance, your rates are low because it is true insurance. This means that you assume—because for healthy people it is accurate--that in most years nothing major will happen to you. Things like check-ups are covered—so health maintenance is not compromised-- but you carry a high deductible, like $5,000 or $7,500. This deductible shelters the insurance companies from the many minor events (ear aches, bronchitis) that happen often, but for which they would otherwise have to pay. They know that some people will have heart attacks, or get cancer, and they cover everything (depending on the plan) after the deductible is met. This means that no one winds up carrying the essentially infinite costs of sustained diseases, but that the costs of insuring oneself remains low. It also encourages people to take responsibility for their own health.

In prepaid insurance, your monthly cost is MUCH higher, perhaps 5 or even 10 times higher. Since your employer often pays this, and it isn't taxable, you don't see this. This is, however, where the concept of the "high cost of health insurance" comes from. For this, you are insulated from the true costs of your healthcare. If the doctor suggests an MRI, which is 90% likely to yield no information you didn't already have, you say OK, since that is "paid" by your insurance company. **In reality, you are simply buying a Catastrophic policy, and prepaying the deductible.** Since your company is paying that deductible for you, **you use much more "healthcare" than you otherwise would have.** Any test, any prophylactic measure—however unlikely to yield positive benefit—you accept, since you pay nothing (that you can see) out of your own pocket.

But of course you ARE paying for these things. They are covered in insurance premiums. The primary reason health costs are so high, is very simply that more healthcare is being consumed. Tests that were not available 30 years ago (MRI's, CAT scans, PET scans, various atheroscopic surgeries, etc.) are now routine. However, they are expensive, and most of the time they add nothing. This means that we SPEND more, and see little added benefit. There is no evidence—none—that health providers (hospitals, doctors, pharmaceutical companies) are making record profits. The problem is not profiteering, and the solution is not to put cost caps on things, or ration service.

**The problem truly is a lack of competition, but only because the ability for individuals to buy their OWN Catastrophic Insurance is not available in every State.** In fact, it is not available at all—for any price--in many States, and ESPECIALLY Blue states, whose representatives are the ones doing the most to push Federal health insurance down our throats. In those States, if you lose your job, you have to either pick up VERY expensive COBRA insurance, which forces you to pay what you were paying, plus what your employer was paying, or go without. If competition were truly in place, then that same person could pick up a policy for $100/month, be incented to take care of themselves, and not run the same risk of bankrupcy from a catastrophic health problem.

The reason that Catastrophic insurance is not legal in most Blue states has to do with the history of insurance. As has been shown, if you don't pay for most of the care you receive out of your own pocket, then your employer is paying it in insurance premiums. Somebody has to pay. There is no other way, if we are going to keep talented people going into the medical profession. Now, if you are being paid, in effect, income for use with health issues, then you are earning more money than is obvious on your check stub. This income is not taxable.

This income—and it IS income—is typically a bargaining chip for Unions in their negotiations with employers. If individuals could buy their own insurance directly from the insurers, this would reduce and likely eliminate the power of the Unions to use this to increase their own power. Keep in mind that Health insurance was the primary reason that GM and Chrysler went bankrupt. If you now consider that what the Union wanted was INCOME, not actual insurance, you see that the solution to the problem of costs is not to create a massive, new, Federal bureaucracy, but rather to require all States to legalize one-on-one, individual purchases of health insurace. This will increase competition, decrease costs, and maintain the quality and freedom Americans expect.

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