

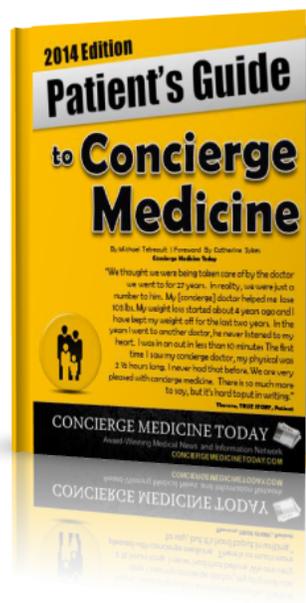
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Why more health insurance isn't necessarily better

BY [CMTDPCJOURNAL](#) on [APRIL 15, 2014](#) • (0)

[Luis Collar, MD](#) | [Policy](#) | April 14, 2014

Whenever a discussion of health care policy is initiated, the importance of health insurance, of extending coverage, takes center stage. The need for insurance quickly becomes an undeniable truth, a universal imperative. And no one ever seems to question this subtle premise before getting more patients fitted with shiny, new policies. This was precisely the case with the Affordable Care Act.



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My question, however, is simple. Where is the evidence that insurance plays any role in improving anyone's health? Why is it assumed that more coverage is always the answer? I would argue it is little more than a myth, one found nowhere else in our collective understanding of insurance.

First, let's take a look at our experience with insurance in other

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areas of our lives. In most states, it is mandatory for drivers to carry automobile insurance. To the extent they protect one's financial interests from being threatened by an uninsured individual, these mandates probably make sense. But car insurance doesn't reduce the incidence of accidents or extend the life of a vehicle, nor does it cover oil changes, car washes, flat tires, oil leaks, or any other form of maintenance or unfortunate mechanical reality.

Homeowners insurance is another example many of us are familiar with. It, once again, helps protect our financial interests in the event of uncommon occurrences, things like fire, theft, liability to third parties, or, depending on the nature of the policy, natural disasters. But it generally doesn't cover any maintenance, either. It doesn't cover dry wall repairs when your kids put a hole in the wall, the price of engineering services when your foundation cracks due to age, or, in most cases, even the removal of mold due to leaky pipes or unsealed windows.

Why, then, do we expect health insurance to function any differently? There is no evidence that simply having health insurance improves patients' health. Access to health care improves outcomes; the problem is we always assume the best route to greater access is health insurance. We seem to believe coverage for routine medical care, for everything from checkups to preventive care procedures, makes any difference whatsoever in our collective health. It does not; it only appears to because of numerous confounding variables.

What is known, however, is the total amount of money available for health care, generally some large percentage of our GDP. That number is static at any given point in time and cannot be magically increased. In fact, by definition, insurance companies decrease the total amount of capital available for actual medical care. Relegating any aspect of health care to their control necessarily decreases the funds available at the bedside; these companies must extract a profit. That's how capitalism works. Moreover, by forcing the insurance industry to increase the scope of coverage, patients and physicians give up more control as to the nature, timing, and extent of the



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routine care that can be provided.

All insurance, even health insurance, should be procured to protect one's financial interests in the event of unusual or unforeseen events. Engaging it for routine activities, including all but the most costly drug therapies and procedures, serves only to dilute valuable resources and relinquish essential control. Some argue that health care is too expensive for patients to handle without insurance. But the truth is insurance increases costs. It raises physician and hospital administrative overhead and artificially inflates prices in several other ways, not to mention the aforementioned profit reality. More importantly, focusing exclusively on insurance ignores the importance of other factors that actually do affect health.

Improving access to education, reducing unemployment, increasing wages and household income by stimulating business and innovation, safeguarding the food supply, limiting environmental hazards, reducing poor health behaviors, and increasing the number of primary care physicians available, to name only a few, would have a greater impact on health and outcomes than more coverage. These are some of the confounding variables that lead us to believe insurance is always the answer. And focusing directly on these true determinants of health status, which can be achieved through better policy or, in some cases, less, does not force patients to relinquish control or artificially drive up the price of health care goods and services. Increased reliance on insurance paradoxically does both.

For the last several decades, we have increasingly relied on insurance (public or private) as an intermediary between patients and doctors. The results have been perpetually increasing health care costs, increased infringement on physicians' independence, and an ever growing psychological barrier that prevents patients from understanding the true costs of, or seeing the real value in, health care services. We have conditioned patients to believe that a long visit with their physician is worth about twenty dollars. Meanwhile, most Americans recognize and accept that a similar session with any

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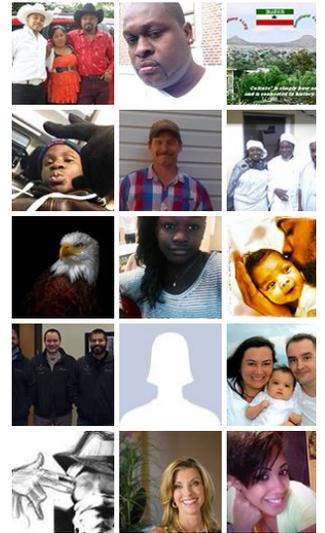
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We need to move to a system where health insurance is procured only to protect patients' financial interests in the event of catastrophic injury or illness, and routine, less expensive health care services are paid for entirely and exclusively by patients. Patients will be better served, having greater control over their health, seeing any doctor they wish, and purchasing competitively priced services from independent physicians free of unnecessary administrative burdens. The transition would, of course, be difficult, but it would be no more difficult than any other transition we attempt.

I tend to believe in people, in the individual. And I think a well-educated, fully employed individual, in consultation with easily accessible, well-trained, independent physicians, will generally make the right choice. In a free society, however, it is their right to make the wrong choice; no insurance policy will change that reality. Unless we limit our reliance on insurance, costs will continue rising, physician reimbursement and therapeutic autonomy will continue declining, and patients' understanding of, and control over, their own health will continue to wane. Insurance is great if used judiciously, but let's not continue to assume that more of it is always better; it isn't.

Luis Collar is a physician who blogs at [Sapphire Equinox](#). He is the author of [A Quiet Death](#).

Source: <http://www.kevinmd.com/blog/2014/04/health-insurance-necessarily.html>

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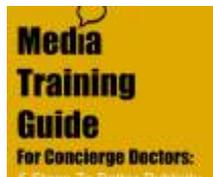
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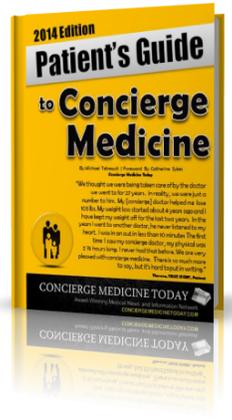
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