

Thank God It's Friday!

July 17, 2009



"If I had a million dollars" is an upbeat song playing daily on our office HOLD MUSIC. But think: What if you had a TRILLION dollars? Would that be enough to reform our nation's healthcare ills???

Sorta. If you take one Trillion dollars and double it with the help of Harry Potter's wizardry, you'd almost be there. But before you reach for the smelling salts worrying about spending 2 Trillion greenbacks, let us tap our analytical skills to break-down the numbers that are being debated currently in Washington, DC. Republicans and Democrats alike are being pressured from Obama's bully pulpit to collaborate on legislation to change the landscape of health care insurance and services and do it now. Some seriously well-financed grass-roots organizations are demanding change whilst certain healthcare industry lobbyists are pleading for status quo. With US costs for healthcare skyrocketing, something's gotta give..but it's more about how to finance the change than whether we need change. Any of us would favor better healthcare services if we weren't stick paying for it.

In order to fund two trillion dollars, one source won't hack it. Many participants will have to give up some serious greenies to amass the money. Theoretically, reforms now should save consumers for generations to come. Theoretically!?! The devil is always in the details which both houses of Congress are debating, negotiating and cajoling at a feverish pace. Hopefully, a compromise bill should be ready in two weeks..or at least by Summer's end.

The obvious places to find the necessary money to fund the eventual health care plan would be fourfold: (1) The Pharmaceutical industry (2) Hospitals, (3) Medicare abuse/greed savings (4) Surtax on high-income earners and small businesses.

DRUG COSTS must be contained and towards that end, the pharmaceutical industry has agreed to pay their fair share by DISCOUNTING branded prescription drugs for Medicare patients. This plan alone should contribute about \$30 Billion over 10 years. This is one small step closer to the to the \$2 Trillion target.

HOSPITALS should contribute at least \$100 Billion and counting. Eventually, the co-op format a la Kaiser Foundation could save billions more.

MEDICARE abuses are rampant but can be reformed to contribute \$500 to \$999 Billion. There is a great article in the June 1st edition of The New Yorker magazine which chronicles this obvious source of funds. If you'd like a copy, just let us know. MDs will be invited to the dance too, as the House bill includes a fix to the Medicare physician reimbursement formula (SGR) that costs \$229 billion over 10 years (the Senate bill does not).

SURTAXES on the wealthy and certain businesses is heavily contested from both sides of the aisle. This might merely be a bargaining chip but we will certainly keep you posted. One bill calls for married couples to pay a surcharge starting at 1% for incomes above \$350,000; at \$550,000 the rate increases to 1.5%. The employer mandate exempts employers with payrolls of less than \$250,000 annually. For those above \$250,000 and below \$300,000 the rate is 2%. For businesses with payrolls over \$400,000 the rate is 8%. You get the point! Again, these surtaxes have not passed and probably will get surgically removed in the compromise bill that survives the political debate.

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