

Health care fairness doctrine

Is it fair that young people should pay health insurance cost of older people?

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The fairness doctrine promotes equality and fairness within a community. It protects various groups of people from being unfairly burdened with cost that should be paid by others.

With car insurance, fairness means that older, more responsible drivers pay less premium than younger, less responsible drivers. Why? If a younger driver has five times as many accidents as an older driver, it seems fair that the younger driver should pay five times more for car insurance.

With health insurance, fairness means that younger, healthier people pay less premium than older, less healthy people. Why? Because older people have five times more medical costs than younger people. This is why older people pay five times more than younger people for their health insurance.

Unfortunately, legislators are about to redefine fairness, using an idea they call “community rating.” They twist the meaning of fairness to make you believe it is right for *everyone* to pay the same premium for health insurance, but curiously, not for auto insurance.

If *auto* insurance rates were based on the new idea of community rating, then older drivers would pay the same insurance rates as younger drivers. *Everyone* would pay the same rate. Driving records would be ignored, including DWIs, accidents, and speeding tickets. Good driving habits would be replaced with bad driving habits.

Using community rating for auto insurance would mean that older drivers, and younger responsible drivers, would be penalized by paying higher premiums to make insurance more affordable for less responsible drivers.

Reckless drivers would love it if car insurance premium were based on community rating: Their auto insurance rates would drop by two-thirds. Older drivers would scream “unfair” as they saw their insurance rates triple. Legislators would argue this is fair because everyone should share equally. That is what community rating requires.

If *health* insurance rates were based on the new idea of community rating, then younger people would pay the same insurance rates as older people. *Everyone* would pay the same rate. Younger people would share the cost of an older person’s lifetime abuse of alcohol, tobacco, stress, and overeating.

Under this new, twisted idea of community rating, people who make unhealthy lifestyle choices – i.e., smoking, drinking to excess, abusing drugs, overeating – would pay the same premium as those who take care of themselves. What is fair about forcing people who watch their weight, exercise regularly, drink responsibly, and avoid tobacco and drugs, to subsidize the high insurance cost of those who abuse their bodies? Healthy habits would be replaced with unhealthy habits.

Older people, as a result of being older, spend more on health care than younger people. Under community rating, age makes no difference: Younger people would pay three to five times more for insurance than they do now to help pay the insurance premiums of older people. Older people would see their premiums drop in half, and would love it.

Younger people are just getting started in life. Many earn entry-level, or at best, modest incomes. They could not afford a steep increase in their cost of health insurance. It would be unfair for them to pay increased insurance rates to subsidize the health insurance cost of older people. But this is what community rating would require.

On the other hand, older people are in their peak earning years. They generally have greater income than younger people. They should be able to afford their own health insurance and not have to rely on young people to subsidize them. But this is what community rating would require.

If older people insist on using community rating to force younger people to help subsidize their health insurance, then, perhaps, older people should be forced to help younger people by subsidizing their auto insurance. Wouldn't that seem fair?

Legislators who promote community rating for health insurance, believing it is fair, should rethink the financial burden it places on younger people. And they need to take responsibility for increasing the uninsured rate among younger people, because that is what will happen as a result of the spike in health insurance cost.

Community rating is not fair. It is grossly unfair.

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