

A Better Alternative: Moving Away From the Broken Health Insurance Industry

The insurance industry doesn't know there is a better way.

Nearly 30 years in the insurance industry led me to the conclusion that there is a superior approach to health care.

I first learned about health care sharing during a health care conference about a decade ago and eventually reached out to leadership and became a member. I was intrigued because it is very much unlike insurance, but it immediately struck at the heart of the matter: it enables Christian love through direct support for one another during times of need.

And the programs don't simply borrow fundamentally flawed approaches that I witnessed in the insurance industry. The programs were designed from the ground up for a positive, direct doctor-patient relationship, a Christian-to-Christian human connection, and a straightforward, practical way for members to pay their medical bills.

As a college student, I lived close to Hartford, Connecticut, which has long been known as the insurance capital of the world. Insurance companies were eager to pursue University of Connecticut students, whom they believed would be good recruits. Being open to the possibilities, I engaged in a cooperative work program with one large insurance company a full semester prior to graduation.

But why would anyone be interested in working in insurance? I wasn't sure myself until I was placed in the health division of one of the larger insurance companies. What intrigued me as an economics major was that health insurance product designs were fundamentally flawed.

Economics is all about incentives. It became clear to me that the incentives model for patient decision-making in health insurance was not aligned to the interests of patients and consumers. For example, patients have little financial incentive to consider cost and quality in their health care choices. The model certainly did not foster the market competition that would drive improvements in efficiency or quality in health care.

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Heart of the Matter

After graduating from the University of Connecticut in 1993, I returned to the company as an employee, bringing my economics perspective and desire to make a difference. Later, I also worked for the two largest operators of the most widely known name in health insurance.

My message to the teams I was involved with was that we should go to the heart of the matter and resolve core problems in the design of insurance products. What I believe to this day is that many insiders were interested, particularly my final employer before I started with the health care sharing ministry I now work for, but external industry and public policy constraints were enormous obstacles to the major value creation breakthroughs we strived for.

Some recent insurance innovations have shown promise, including paying members or lowering their out-of-pocket amount as they chose providers carefully based on price and quality.

Another interesting concept was reference pricing, which was used by some large employers as a non-network insurance offering to their employees. This approach determines a fair price, so it limits payment for care to a maximum. However,

because in health care it is very difficult to get prices up front and to know what an acceptable price is, this approach often causes major friction between patients and providers.

By and large, insurance has been using the same approach to manage health care costs for decades. This includes:

- High deductibles.
- Restricting the choice of providers with narrow networks.
- Utilization review to challenge doctor-patient care decisions
- Health and wellness programs focused on disease management, vaccinations and health screenings.

These approaches have some impact, but not all positive. In fact, I would argue some do more harm than good.

A Better Model

Buckminster Fuller once said, “You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete.”

Today, health care sharing ministries have built a better model that makes health insurance obsolete for many people of faith.

With the conviction that health care sharing has a better approach, and that the insurance industry was not going to be able to solve its core problems, I joined a health care sharing ministry staff last year eager to further strengthen our programs, which are built on a rock-solid foundation.

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