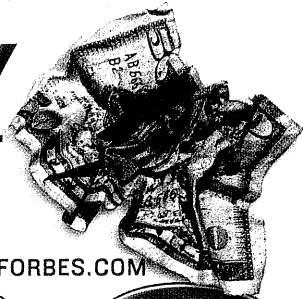


MUTUAL FUNDS
BEST BUYS | THE HONOR ROLL

DIRTY MONEY
The Class-Action Racket



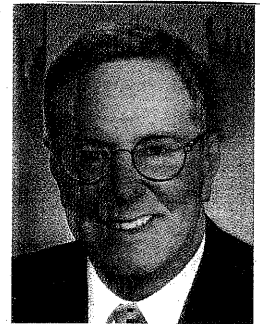
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Forbes

FACT AND COMMENT

By Steve Forbes, EDITOR-IN-CHIEF

"With all thy getting get understanding"



Insuring Health Care Coverage

THE U.S. CENSUS BUREAU HAS ANNOUNCED THAT THE NUMBER of people who don't have health insurance went up again in 2003, 45 million versus the 43.6 million estimated in 2002. While most of the uninsured are between jobs—with the gap lasting an average of seven months—these still-too-high numbers underscore the need for fundamental changes in the way health insurance is provided.

Most people who have medical insurance get it from their employers or the government. But thanks to a changing economy, millions now work for themselves or for small businesses that can ill afford coverage at today's prices.

What's to be done? There are several steps we could take that would go a long way toward alleviating the problem.

- Allow individuals to fully deduct health insurance premiums, just as companies do.
- Enact Representative John Shadegg's (R-Ariz.) proposal, which would permit consumers to

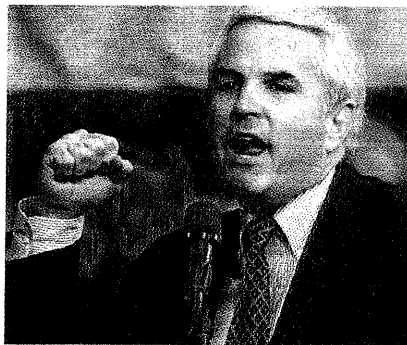
buy health insurance policies offered anywhere in the country. Currently, you, as an individual, can purchase insurance only from companies whose policies are approved for sale in the state in which you reside. Thus, a resident of New Jersey can't buy a policy that's offered in Connecticut. Shadegg's bill would let people compare insurance plans across the country and pick the one that's right for them.

In this way residents would be able to get around excessive

state regulations that enormously increase premiums. A typical family policy in New Jersey, for example, costs about \$1,250 a month, compared with \$450 in Oklahoma.

Most business-provided insurance plans are already free from state restrictions and mandates. A company policy does not have to provide acupuncture services, even if certain states require individual policies to do so. Shadegg's Health Care Choice Act would give buyers a wide range of options from around the country from which to choose. As the congressman points out, "This bill will allow an insurance company to go through one process and sell to people in all 50 states." There'd be incentive for insurers to offer innovative and customized policies. And if health insurance were more affordable, fewer people would go without it. Consumers, not politicians, would decide what policy benefits they wished to have.

- Employers should also move to offer tax-free Health Savings Accounts—money for medical purposes can be deposited by employers and/or employees free of tax, it can grow tax free, and it can be spent for medical care, tax free. HSAs allow employers to offer employees health insurance with high deductibles, making health insurance policies infinitely cheaper. HSAs permit portability. Workers own their policies, not employers, so if you leave a company, you take your policy with you.



John Shadegg's bill would make medical insurance more available, more affordable.