

Existing Industries — Proposal 22

National Health Care Insurance for ALL Americans

“The End of the For-Profit Health Care Insurance Industry”

Issue/Problem

Simply stated, the absolute folly of “For-Profit” Health Care Insurance (HCI) in America can no longer be afforded by America’s National System.

From the individual that needs HCI to the small and large corporations that struggle with the growing costs and shrinking benefits — we can no longer justify this avoidable and counter-productive strain upon America’s social and economic systems.

Why is that? The most talked about issue is the pain and suffering of some 47-million ‘citizens’ without HCI coverage should be enough of a justification for the U.S. Congress to act in defense of the Common Good, but thus far it obviously has not. Next, the fact that those with HCI are paying more for less coverage each year thanks to the annual re-enrollment “ritual” put on the National System by the HCI corporations.

And finally there is the Plain Truth, that this critical and currently dysfunctional part of the National System is literally causing the *avoidable death* of some of our fellow Americans everyday. Any questions?

Highly Recommended Viewing

Even if you do not like the film maker Michael Moore, see “*Sicko*” the film is about the dynamic duo of the Medical and Pharmaceutical industries and their blatant control over both parties in Congress and so, our overall National Health Care Policy. It is excellent to the point that many Republicans even gave him credit for the film’s content. They don’t all have HCI, either!

In the film, it is noted that approximately 18,000 Americans die each year because they do not have HCI coverage. And even if that number is 50% over stated, it is still one (1) avoidable death of a real American every hour — do the math. This is a prime example of what I refer to as the acceptable Legislative Kill Factor (LKF) that has been lobbied into parts of our national, domestic policies.

Every American needs to see that film as soon as possible in 2008 — it is at Blockbuster on DVD.

A Origin of a Practical Economic Model

The AIR Program's Re-structuring and De-Profittization models were originally developed to address the nation's HCI Industry problem. The model was expanded upon and modified for use in practically addressing the nation's problems with the five (5) other industries in this set.

The HCI Industry easily falls under what was previously described as a *national infrastructure industry*. In keeping with the spirit of productive, people-oriented Changes to the National System the HCI Industry will be restructured — under the provisions of the AIR Program — to best serve the Common Good of all American citizens, as well as to help American business to be more competitive (instead of less so) in the world market. The American public needs to demand action on this proposal during the 2008 Presidential and Congressional campaign season and beyond, until it is accomplished to our satisfaction.

The issue of health insurance for ALL American citizens is a national problem and will require the restructuring of the entire HCI Industry. In the mid-1990's the Clintons and Hillary in particular, at least tried to do something to help the masses in President Clinton's first term and basically got cut off at the ankles by the entrenched Medical and Pharmaceutical industry lobbies (see *Sicko* for the details). More than 12 years later and we are still begging (like peasants) for Congress to grow some guts, correct this situation, and provide ALL Americans with reasonable cradle to grave HCI.

The on-going delay in finally doing what needs to be done continues mainly for the following reasons:

- The Medical and Pharmaceutical Industry lobbyists in Congress were too strong, both overtly and covertly.
- The Medical *Insurance* Industry (a subset of the overall Medical Industry) lobbyists in Congress were too strong, both overtly and covertly.
- The Baby Boomer generation was not yet old enough in the early nineties. We are now with leading edge turning "61" in 2008!
- Medical insurance premiums, co-payments, and the overall cost of health care had not yet reached their currently abusive levels.
- American business while already struggling with HCI costs and the negative effects on their competitive edge in the world market, had not yet reached the critical mass in employee health benefit costs they have faced increasingly since 2001.

- Federal and state budgets were not facing the magnitude of medical and other social service costs forced upon them the explosion of Illegal Occupants (IOs) that they are now facing. A situation made even worse since 2001 by the Bush II, Open Southern Door Immigration Policy.
- Budgets intended to help provide a safety net for our people are being taken by IOs.
- The number of Americans without health insurance had not reached the 47-plus million where it is now and only continues to increase. Almost one in six of the 300 million Americans without HCI.

And in recent years, those Americans with HCI are being hit annually with higher premiums, deductibles, co-pays, and too often for less coverage.

The Law of the Jungle in corporate America — profits over people, and avoidable deaths on top of that. These industries are collectively getting away with murder.

That is **until now**...

This Challenge is Hereby Issued to the U.S. Congress

On the behalf of my fellow American citizens, I do bluntly challenge the entire 535 members of the U.S. Congress to answer the following — Yes or No — question:

Will the Congress once and for all, provide ALL American men, women, and children with basic cradle to grave health insurance – with the target date for said national coverage to take effect no later than 7-1-2009, if not retro-actively to 1-1-2009?

A simple question requiring exactly 535, **Yes or No**, one (1) word answers.

It is time for Congress to come clean with the American public. And we will not accept a voice vote – it will be 535 individually cast and recorded responses (It will make it even easier to know why they will be fired in November of 2008 when we vote).

After all, working out this type of common public problem is exactly what the U.S. Congress was originally created and chartered to do. They are responsible to solve our common problems — issues that cannot be resolved at the local, county, city or state levels. It is their job....

And Their “Final” Answer Is

If their answer is NO, we can all simply quit wasting public resources perpetually studying and discussing it, and move on other issues. The growing number of unfortunate Americans without HCI can just accept living without it and **stop their constant whining and complaining!** (And so can those that are paying more for less HCI each year. I guess that pretty well ‘covers’ everybody doesn’t it!).

Because obviously for some decades now the Congress of the United States of America and whoever the president happened to be, have been controlled by various Medical and Pharmaceutical Industry lobbyists and obviously **do not care** about *them*. The lobbyists have won the war! We the People have lost...

Face it that **is** where we are today! The truth is still the truth even if it is being blatantly ignored. And that scenario applies in more than one public problem we will be reviewing.

However, if their answer is YES, and I could not imagine any other response **IF** the electorate really presses the issue in 2008 — than what possible forms could the new National HCI entity take?

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Let’s take a look!

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The People's Sense – Part 1 of 2

What to Do About It?

The real question to be resolved is how we will go about insuring ALL American citizens with “reasonable” cradle-to-grave health insurance? And we are talking about medical, dental, vision, and long term care for the aged as the baseline to be addressed.

A secondary issue is how we provide medical services to **legal visitors** from other countries just as other “developed and lesser developed” countries have done for years. We have many operational models to choose from.

And finally, how will we strictly control any services to IOs – during the process of their repatriation of the vast majority of them over the next several years.

National Health Care Insurance (HCI)

Implementing the Inevitable

With the direct challenge made on behalf of 300 million Americans to the Congress, we will now overview the four (4) HCI options. The pure intent is to orchestrate the open debate of those options primarily between the American public and the American business community — and to a far lesser extent with the existing management of the HCI industry or any other business entity.

The absolute goal is the resolution of this medically dysfunctional, nationally embarrassing condition once and for all. Most Americans see this action as practical and inevitable, and the cost of finally doing it only increases every year. We will act to implement national HCI for ALL Americans. It is only a matter of which of four (4) options will be selected and how soon it is effective. The hard target date will be 7-1-2009, if not 1-1-2009.

Frankly, when the four are laid out side-by-side for review, the only prudent and publicly practical choice to be made is quite obvious. And right up front I am recommending that We the People go with Option 4.

Years ago, a government contracting officer shared with me the Contractors are brought in to do what they are assigned to do, while Consultants are brought in to help determine and recommend what needs to be done. In CS2 I am serving as a Consultant and the Common Good of my 300 million Fellow Americans are the client being served.

As a side note, from 1998 until 12-12-2002 I worked first as a consultant and then as an employee of a major (non-profit) health care insurer in the Maryland

and DC region, which does not make me an expert in the field, but does provide me with some first-hand perspective on the HCI Industry.

The Heart of the Matter

Until now HCI has been one of the un-holy grails within America's National System. Countless books, studies, and articles have been written on the failure of our government and the American Healthcare Industry to provide "ALL" American citizens with reasonable healthcare coverage.

A classic case of something being studied and restudied *to death* with no practical solution delivered. This is a negative, day-to-day example of how self-interested lobbies within the National System have worked and managed the Congress to prevent the implementation of such *common sense* programs that would protect the basic needs and welfare of our citizens. Those lobbyists have been doing their jobs very well. They will be among the first to go!

The proposals herein provide the basic set of options to be considered for the creation of a national HCI program to cover ALL Americans.

Insurance versus Providers

There are two basic functions that make-up the overall American Medical Industry in ours or any other country. One is the Health Care Insurance (HCI) function and the other is the Health Provider Network (HPN).

Health Care Insurance is a purely **administrative** function and has to do with enrollment, claims processing, control over coverage and cost of services, payment for products and services rendered, and identifying fraud. It is a *completely redundant* process currently being carried out by multiple companies performing the same routine procedures.

The Health Provider Network is comprised of doctors, nurses, hospitals, various laboratories, etc., those trained and charged with the **delivery** of health care services to the patient – you, hopefully.

The vast majority of people that I have spoken with on this issue believe that national HCI is a forgone conclusion. Their primary concerns are how much more or less will it cost me, what coverage would I have, what organizational form will it take, and when (how soon) will it finally happen? Not that a national HCI system is an exciting prospect to the public, but with insurance costs climbing every year and more people un-insured or less insured all the time, it is seen as a log overdue, practical necessity.

Do Health Care Insurance First

This proposal's approach is to address the HCI function first. The Provider function could be addressed at some later time after the practical improvements are made in administrative function and the resulting sharp reduction in overhead is being realized. It is certain that addressing the HCI function first is the logical approach. And it will certainly have publicly beneficial side effects on the Provider function as well. Follow the money!

The intent herein is to provide a very brief presentation on what are believed to be our only four (4) real options relative to national HCI. The four options are:

1. Continue the Status Quo
2. Government Managed Health Care Insurance
3. Total Privatization of Health Care Insurance
4. The U.S. Health Insurance Group

A brief overview each option is as follows:

Continue the Status Quo

The first option in any problem-solving exercise in your life, or in business, or in government is to determine to do absolutely **nothing** — to take no action!

This option would continue the Status Quo of the HCI system exactly as it is today. The 47-plus million Americans would continue being uninsured. Not counting the several decades prior, that has been the deliberate option taken by Congress for the last 12 plus years since the last real attempt (made by the Clinton Administration) and through six (6) Congressional elections. That may sound a bit sarcastic to some, but it is still the Plain Truth.

Of course this is the option favored by the Medical Industry and related Special Interest forces that have been controlling National Health Care Policy and the Congress. And until we determine to Change things that is exactly what will happen. We will continue to lose.

Government Managed Health Care Insurance

Granted this option does make many of us nervous whenever it is mentioned. It would have the Federal government takeover all insurance processing. In general this would require the government to assume the insurance processing now being performed by all for-profit (public stock) and non-profit insurance corporations.

Whether it is or is not a viable option remains to be seen. It may work very well

since it does work in other countries despite on-going industry propaganda to the contrary. Of course they do currently manage Medicare, Medicaid, and Veterans Health Care Systems!

It will be interesting to see the real (non-doctored) numbers and review how this would be implemented. It may not be as bad as we generally fear, and that the lobbyist's predictable screams are always warning us about (domestic and corporate propaganda). It would be better than what we have now because everyone would be covered!

Total Privatization of Health Care Insurance

Under this option, all insurance processing would be turned over to (forced upon) the for-profit and non-profit insurance corporations, including functions that are now operated by the government!

The existing HCI Industry has been steadily merging into fewer and fewer corporate entities. Many of the remaining non-profit insurance corporations, such as those remaining from the original BlueCross BlueShield nationwide network, are either being absorbed into for-profit corporations or are working hard to convert to that status.

The biggest hole to point out in this approach, as well as a major obstacle to HCI for ALL Americans — is the Plain Truth that these are stock held corporations! It means that their management is expected to generate (one way or another) x% of stockholder dividends on an annual basis – desirably from 5 to 10% or more every year. After all these are stock-held corporations and senior management's real job is creating stock dividends. There is of course nothing wrong with that role in general, since that is the fundamental purpose of publicly held enterprises.

That said, the We the Masses must then frankly acknowledge that with regard today's Medical Insurance Industry their job is all about making profits and not about providing HCI for everyone. It never has been. Providing everyone with HCI would hurt their profitability and that is why they fight it.

Consider — if we were to project that requirement for stock dividends over the next 5, 10, 20 years and beyond, you can imagine what the cumulative affect (5 to 10% or more every year) it alone will have on increasing our insurance costs. And again that annual increase does not include the underlying and real cost increases of the Provider Network services — paying those that are actually performing the work of health care.

You can probably sense where this is going. Obviously, part of the reason our costs are high now is because they have been adding the HCI administrative overhead, profit percentage on for decades. Maybe not 5 or 10% a year, but

added all the same. The entire Medical Industry's lobbyists can get away with this in a growing economy with "creative" lobbying to control congressional policymakers while more and more people have no or less coverage annually, but not when the economy is steadily contracting and the Baby Boomer generation — my generation — is reaching critical mass.

The Health Care Insurance Industry is the first of six industries in this set that, to the greatest extent their self-serving corporate lobbying could make possible, has blatantly demonstrated the Dark Side of Capitalism. Each has ignored the needs and well-being of the People and of the Nation to satisfy their annual desire for profits, stock dividends, and excessive executive compensation.

We, and every business in America absolutely can no longer afford this overtly redundant, HCI administrative function to continue its destructive, dictatorial, and on top of everything else its medically dysfunctional operation within the National System. Any questions?

So much for Option Number 3! Now let's fix it!

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U.S. Health Insurance Group (HIG)

Finally, I offer the fourth option that will be something new in the HCI debate. And frankly, I believe to be our only viable, "final answer".

The basic concept is that the American business community will work together to assume control and management of the nation's HCI system. This approach would involve the following considerations:

- Creation of a fully, non-profit corporate entity administered by those selected from members of the American business community.
- The American business community would directly oversee the HCI system.
- The creation of this entity would be a joint venture between the federal government (We the taxpayers) and the American business community, including Wendy's, Ford, Starbucks, Sears, Home Depot, Hallmark — virtually every grocery store, every other small and large business in the country.
- The existing for-profit and non-profit HCI corporations would systematically and involuntarily be merged into this new entity.
- ALL Americans would be enrolled into the existing HCI entities during the

transition process.

- The existing stockholders would be bought out over a period of years at a 'reasonable' stock price. Some corporate assets could be sold off (to American buyers) to expedite the buy-out.
- All existing government operated health insurance functions, would also be systematically merged into this entity.
- There would be operating units in every state, major city, etc., as required to support the enrollment, claims processing, and fraud prevention.
- The existing senior management and Board of Directors of these corporations would be involuntarily retired. No more Golden Parachutes will be issued, ever!
- The new management of these companies would be compensated with 'reasonable' high six-figure or so incomes, not the mega-million dollar compensation packages executives now receive. There will be no shortage of qualified people seeking those positions. I'm sorry, but running an HCI company in 2008 is not rocket science. Working to keep the Congress from doing the right thing for multiple decades has been management's mission, but no more.
- This new insurance entity's mission will be to provide the American public with a centralized and efficient HCI processing system.
- It would not be a government agency or a stock held corporation.
- Employment in this entity would follow a corporate rather than a civil service model.

I have reviewed this concept with numerous people of varying social backgrounds and political persuasion, and it has been very well received.

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The People's Sense – Part 2 of 2

Those are the four (4) options that face the American public. I personally recommend that the only viable option for the short and long-term “health” of the American public — and to control the HCI costs to business, government and individuals — is the U.S. Health Insurance Group option.

The HCI Industry and their own entrenched Congressional lobbyists will be turned away from the halls of Congress.

Again, there is no easy way to make this point, but the existing structure of the HCI Industry and their successful lobbying against any form of National HCI causes the physical death of American citizens. Further, it often causes the financial destruction of families due to medical costs and bankruptcy every day. And under Bush II, the Bank Industry successfully pushed through legislation virtually killing a person's, a family's ability to file for bankruptcy. On April 20, 2005 Bush II signed the Bankruptcy Abuse Prevention and Consumer Protection Act — delivering the goods on that one to the Banking Industry — demonstrating the true “compassion” of his Conservatism.

American lives in this and other broken portions of the National System have somehow come to be considered cheap and throw away over the years! We the People will bring this legislative abuse to an end, and now. Enough is enough.

To be clear, our message to the U.S. Congress is that they will need to pass laws that will implement HCI coverage for all American citizens — with a hard effective date of 7-1-2009, if not sooner. Or they should not bother to run for re-election, because We will fire all 468 of them at the polls in November 2008.

This will be a most interesting struggle for the American electorate not only to observe, but to participate in, as well. The battle lines are thus drawn! And, We the People will surely win this war and see the desired results starting in 2009.

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The AIR Program Re-Structuring

The Health Care Insurance (HCI) Industry

Overall Re-Structuring Approach

The American Health Care Insurance Industry will experience the full force of the AIR Program Re-Structuring process. Again, HCI is the industry for which the Air Program model was originally developed to practically confront — and finally deal with for the Common Good. And deal with it We will.

The U.S. Health Insurance Group (HIG) Implementation

All HCI corporate entities doing business in the U.S. will comply with this involuntary industry re-organization. This will not be a negotiation.

The remainder of this piece overviews the AIR Program's implementation and provides enough detail so that those involved in the HCI industry will know what is coming at them. We are coming. And the other details will be worked out in public during the 2008 campaign and early in 2009.

Initial List of Industry Entities

This is the initial and partial list of primary Health Care Insurance (HCI) corporations and companies to be included in the AIR Program Re-Structuring of the HCI Industry:

UnitedHealth Group
BlueCross BlueShield For-Profits
BlueCross BlueShield Non-Profits
Wellpoint
Aetna
Humana
Cigna
Health Net
Coventry Health Care
WellCare Health Plans
Amerigroup
Centene
Medical Mutual of Ohio
Molina Healthcare
Sierra Health Services

This initial, working list of corporate entities may very well be refined as 2008

progresses and the November 2008 National Election draws near.

By deliberate, united vote on that historic day, *We the People* can freely declare that such practical and prudent Change to the National System for the Common Good of us all — will be made.

AIR Program – The Entity Re-Structuring Levels (ERL) Overview

The Health Care Insurance (HCI) Industry

ERL 1 – Operational Reorganization

All existing HCI corporations both For-profit and Non-profit will become operating Divisions of the newly formed, Non-Profit Healthcare Insurance Group (HIG) – the Industry Management Consortium established for the restructured HCI Industry. A newly formed Board of Directors will comprise the first level of the new HIG Organization Chart.

Further any existing HCI corporation that is currently part of a larger (parent) non-HCI corporate entity will be transferred from that organization also to become an operating Division of the HIG. Such transfers under the AIR Program would not involve a purchase or a buy-out of stock as would be seen in a typical corporate merger, since this would not be a corporate merger in that the HCI business function is not the former parent organization's primary line of business. It would be a direct corporate transfer. In all, those Divisions will form the second level of the HIG Organization. Again, this corporate reorganization will not be optional.

Some will *scream* that this is nationalization of the HCI industry. They may call the AIR Program restructuring of the HCI Industry and the others to be presented whatever they care to. We do not care! In such situations, it will be interesting to hear how much revenue/profit those corporations announce they could lose in the transfer! I acknowledge that in some ways it is the 'hostile takeover' — of an industry that is making some people a lot of money, while in this case the nation suffers with a HCI System that is clearly dysfunctional to the Common Good. I call it bringing order to chaos.

Over the next few years the operational and administrative offices of the former corporations, now HIG Divisions would be systematically and efficiently consolidated into a network of regional HIG Operations facilities. This process always happens when companies merge, with an appropriate amount of operational consolidation, we have all seen it. However, as exists today there would be an on-going need for regional HCI facilities (in each state and major cities), so while some reduction in employment would occur, there will be an on-going requirement for nationwide service offices.

Note: Although the Consortiums are set-up as Non-Profit corporations, these HIG organizations will initially pay taxes. In the case of the medical insurance function, We may very well determine that the HIG paying taxes only increases their cost doing business and therefore our insurance costs, as well. Thus, they could be relieved of that obligation in the future.

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There are non-profit HCI Corporations in the mix that of course do not have stockholders to pay, which will make them far easier and less costly to reorganize into the HIG. However, do not assume for a minute that they don't make profits! They pay-out those dollars within their organization instead – that is where the money goes — always to the Board and management, and sometimes to the employees. They will pay out based on 2008 year-end numbers. Calendar year 2009 will be the end of that money train at least at the executive level. Of course, many of those executives will be gone in 2009.

ERL 2 – Existing Management Retirement

Existing Senior Management

- Any member of senior management with a Golden Parachute will be retired by May 30, 2009. Any and all stock options in their exit package will be eliminated.
- No Golden Parachutes will be offered to future management, ever.
- Any remaining member of management with a base salary in excess of one (1) million dollars per year will have it cut to that amount as of July 1, 2009.
- All stock options for 2009 will be eliminated.
- All bonuses for 2009 will be reviewed by the HIG group and may be reduced.

And if a given person does not like those Changes – they know where the door is...

Remember: The one-time offer to hold current and prior management and employees harmless from lawsuit will be presented and I believe will be accepted. This offer will be made to the current and prior members of the Board of Directors, as well.

Existing Boards of Directors (BOD)

The existing BOD would be relieved of their positions by May 30, 2009. By law most, if not all corporations are required to have some form of BOD whether it is actually functional to the operation or simply ornamental! The future form and function of the new BOD established for the aforementioned HIG Consortium will be reviewed.

ERL 3 – New Management Structure and Charter

The Industry Management Consortium Requirement

Again, with the consolidation of the existing HCI For-profit and Non-profit corporate entities, we are merging a group of businesses that are pretty much doing the same thing – pure operational redundancy. Each of these entities will become operating Divisions in the HIG Non-Profit organizational structure.

Therefore, a single Board of Directors “entity” is all that will be needed and they will not be simply ornamental. The costs that were associated with all of the former Boards are eliminated and will go back into the operation.

The HIG’s Board will be responsible to the American public for implementing, administering, strictly overseeing, and refining the new Charter of Operations. They will not manage the day-to-day operation within the Divisions. The management that remains after the existing senior people are retired will be given an opportunity to take charge of the day-to-day operation, but working under a new charter.

Some of the management and other employees from the Divisions will be transferred into first level HIG organization that will centralize certain key administrative functions such as insurance premium rates, coverage types, and the negotiation of pricing for goods and services from the Provider Network. With the number of qualified people in Divisions there will be little if any need to hire from outside staff for key positions – promotion from within will be the rule.

Recommended HIG Charter of Operations

The first level of the HIG will provide oversight and administrative control over the entire operation. While the majority of the HCI function will be performed in the Operating Divisions, the HIG Board of Directors and staff will facilitate and control HCI policy and act as the contact point for all vendors, other industries, state-level agencies, and the Congress. It will be a working Board of Directors.

Simply stated the HIG’s Inaugural Operational Charter will include:

1. Oversight of the consolidation of all existing HCIs into the new HIG organizational structure.
2. Enrollment of the currently uninsured American citizens.
3. Facilitate and expedite the full implementation and simplification of cradle-to-grave Health Care Insurance for all American citizens. This will include medical coverage, prescriptions, hospital, vision, dental, long term care, etc.
4. Oversight of the conversion Health Services for the U.S. Congress into the HIG system!
5. Oversight of the HCI coverage for all legal visitors. They will be required

- to pay for such coverage as is done by Americans in other countries.
6. The HIG will be concerned with retaining and/or transferring current employees within Divisions as the restructuring takes progresses.
 7. The HIG will end out-sourcing (off-shore) activities and work to reclaim positions previously lost in that manner.
 8. The HIG will be the interface control point with the U.S. Congress in any issues regarding policy, dollars, and pricing. And will delegate as much day-to-day responsibilities to the Division level as they deem most efficient, but no policy decision authority outside of their day-to-day operation.
 9. The HIG will be the interface control-point for the American Pharmaceutical Group (APG) the Industry Management Consortium being created to manage the restructured Pharmaceutical Industry.

And the Big One

Since the former individual HCI corporations are now Divisions within the new organization, the HIG will be the control point for with all other Medical Industry vendors seeking payment for their products and services.

This is where We will begin to publicly analyze and control the costs of medical products and services. The HIG will serve as Medical Industry's arbitration entity. It will insure that fair pricing policy is applied across the board and the games that "may have" been played in the past will come under prudent control.

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This charter will be amended with full public disclosure as the AIR Program progresses.

We will also need to have a public dialogue regarding what to do with the Medicare and Medicaid Services, i.e., merging them into the HIG System or not?

And lastly the Veterans Administration Health Care function will be reviewed against the HIG structure and services. We will have an open debate on the most operationally and cost efficient way to cover our active military and veterans over the long haul, but will not diminish VA coverage. That is our responsibility to them.

Again, the only way to straighten everything out is to put "everything on the table."

ERL 4 – Stock, Profitability, and Pricing Controls

As is repeated in these six proposals — the following scenarios will begin taking effect as soon as possible in 2009 and will likely be applied retro-actively when

the required legislation is passed by the **new** U.S. Congress.

While We can always hope, there is probably little chance that the existing Congress and White House will move on this proposal before the November Election. These six Industry proposals need to be the **hottest topics** in the country during 2008. The electorate must bring these and the other American Agenda Proposals to the campaigns! We can do this.

Stock Control

Stock trading in the involved former HCI corporations (now Divisions of the HIG) will be suspended at some point in 2009. They will be moving to Non-profit status under the HIG. The initial list of the involved corporate entities was presented above and will probably be added to as the AIR Program develops.

The stock markets will be intensely watched (by the SEC and others) in the run-up during 2009 AIR Program Effective Date for any questionable stock trading or other game playing. Violators will be severely dealt with including fines and prison time in a State run facility. No Federal playpens for the rich and famous anymore.

Profitability Control

Going forward the Health Care Insurance function under the HIG's management will convert the former publicly held corporations to the pure IGE's or Income Generating Entity model previously reviewed. Minimum profitability will be required to cover reasonable operating expenses, including payroll, facilities, taxes, enrollment, claims processing, fraud prevention, etc.

The costs related to the annual Re-enrollment "ritual" will be all but eliminated, as will most of the lobbying budget and the lobbyists! The only remaining item is how to deal with over the first years of the HIG Operation being the buy-out of existing stockholders.

Profitability requirements under the IGE model will be based on those cost of doing business. The profits in excess of that in the first years will be put to practical uses such as:

- signing up and covering at least part of the costs of the currently uninsured
- internal operational spending
- operational consolidation expenses
- elimination of any out-sourcing activities
- "fixed" stock dividends pay-outs in future years until the buy-back process is complete

- set aside for the future stock buy-back process

Starting in 2009 the stock dividend pay-outs to former HCI corporate stockholders will be capped and frozen. The analysis of the annual stock dividends paid out since 1999 will be published. The dividend pay-out for 2009 and beyond until all stock is bought back will not be generous. People will moan, but another choice is to say that their stock is worthless and will not be bought back. They could all find themselves “Enron’d”. Now that would be pure nationalization!

Not that We would want to do such a thing, but remember that investing in stocks is free will risk, is organized gambling, whether by individual or money market funds managers. A full buy-out of existing stockholders in a situation like We are addressing is optional, and everyone needs to approach it in that manner. These corporations have been sticking it to the National System for decades and killing people! It could all be righteously wiped clean, but that would hurt the people and the economy other ways. This is hard compromise and We need to resolve to do the best possible for all parties. *“We do these things, because they are hard.”*

Pricing Control

In the best case scenario, all HCI premiums and coverage plan options for individuals and companies will be frozen at their 2008 plan schedules. The wasteful, annual ritual of “**plan re-enrollment**” will come to an abrupt end. The reduced demand for stockholder-profitability starting in 2009 as noted above will be accompanied with the dropping of the plan re-enrollment process and the associated (and now avoidable) expenses. The vast majority of the cost to the HCIs of the plan re-enrollment process will be eliminated, as well the loss of productivity the annual plan re-enrollment process forces on companies large and small across the nation.

And think of the trees it will save! In an example of how things are connected, the lumber and especially the printing business will take a bit of a hit due to this change. They will need to adjust their 2009 budget projections accordingly.

In **Stage One** of the restructuring, people may continue with their current plans and coverage levels. Or they will be allowed to simply change their current plans and coverage levels. There would be a one percent (1%) premium, only rate increase for 2009 – with no reductions in coverage. All other deductible amounts, co-pays, etc., will be un-changed. That will suffice while the transition begins and the new HIG management is sorting things out in 2009 and planning for 2010.

The currently uninsured American citizens will be picked up by the existing HCIs within their geographic region. Thus, during the HCIs consolidation, all American citizens will be picked up by existing HCI corporations, thus finally attaining full national coverage.

It might be good to utilize the nationwide BlueCross BlueShield network of HCIs for this purpose. I believe they still cover all 50 states and DC, although many are now for-profit. That original nationwide network of HCIs could form the backbone of the new HIG structure. And it would only need a tune-up!

In **Stage Two** by the 2010 plan year the multitude of plans and options will be aggressively reduced to a very small and practical set. Simplicity will be applied across the board. Then, each of the insured people will have their existing plans and related coverage options converted to the new and much simplified plan and pricing structure.

How is all this sounding so far? Certainly not everything is worked out yet, but we will clearly be headed down the prudent and practical path. We can do this!

ERL 5 – Conversion of IGE Model

The AIR Re-structuring of the Health Care Insurance Industry offers the primary example and opportunity to transition a National Infrastructure Industry into an Income Generating Entity (IGE).

Consolidation of existing HCI corporations into the non-profit Healthcare Insurance Group (HIG) will lead the way to their being converted to a pure IGE within the National System.

Over a period of years to be determined, the existing stockholders will be bought out. The stock amounts involved and how the stockholders will be compensated for their share value will be worked by the HIG as part of the AIR Program implementation.

And no, that is not avoiding discussing the hard dollars involved. The numbers are what the numbers are, and they will only continue to grow worse the longer We delay this Change of necessity to our National System. Therefore, I deliberately would not take the time extract and present that data on this or the others in this infamous group of six Existing Industries. Further, I predict those numbers will be one of the first things that the Special Interest lobbyists for that group throw out to scare the public.

The man said, “The only thing We have to fear, is fear itself.”

But, We will not be afraid or deterred from our Common Goal – Health Care

Insurance for ALL American citizens starting in 2009.

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That is all.

Next the legal, hard drug pushers.

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