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Testimony prepared for the Colorado House Business Affairs and Labor Committee
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My name is Ivan Miller, and I am here to support of HB-1273 and to provide input about market forces, competition, and health care insurance. I represent a group of consumers and health care providers who are promoting and educating people about a hybrid health care financing proposal that we call Balanced Choice. The Balanced Choice proposal has a cost sharing design that introduces market forces into a single payer system. If the authority created by HB-1273 decides that these Balanced Choice cost sharing ideas are useful and market forces are helpful, the authority can put the Balanced choice ideas into the system that it designs and brings back to the legislature.

Some of the opponents to HB-1273 say that their opposition is based on a desire for competition, and market forces. The Balanced Choice ideas about cost sharing bring market forces into a single payer system. However, with the Balanced Choice ideas, it is providers, the people who add value to health care, who compete. This is where the competition should be. In Balanced Choice, insurance companies and their inherent inefficiency are unnecessary, which creates substantial cost savings. The only thing that HB-1273 would end is the support of an inefficient health insurance industry; it would not end the possibility of competition and market forces. For more information about Balanced Choice, we have a website and a book.

The second point that I would like to make is that the reason that we need a single payer model is that health insurance just does not work as a model for providing a whole society's health care. It is not as some have said that health insurers or the profit motive is at fault, it is only because the economic model of health insurance does not accomplish the goals that society wants for the following reasons.

1. Creating a multitude of risk pools and administering multiple insurance plans always consumes too much money—probably 20% of the health care dollar.
2. The multiple risk pools do not create healthy competition but have fragmented health care delivery in a way that is directionless and has created the least efficient health care system in the world
3. Health care insurance does not come out ahead by providing better health care, but instead, out of necessity, competes to figure out how to avoid the seriously ill and avoid paying bills. This is not the competition we want.

I urge you to vote in favor of 1273 and give the Authority a chance to develop the best possible proposal for guaranteed health care, a proposal that may include market forces and competition. It only makes sense that Colorado should have a chance to develop and look at the system that HB-1273 will design. If the proponents of insurance truly believe in competition, then they can propose an alternative to the system designed by the Authority create by HB-1273 and have a competition.

Thank you

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serves consumers, benefits providers, and relieves employers

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