

VIEWPOINTS

THINKING ABOUT HEALTH

The Cadillac Tax Brings More Costs, Less Value To Your Health Insurance

BY TRUDY LIEBERMAN
Rural Health News Service

More health insurance upheaval is coming your way. The value of your health insurance is shrinking, and you may be paying more for less this year and in years to come.

Perhaps your employer has taken away the choice of plans with large provider networks and instead is offering those with a much narrower selection of doctors and hospitals. Some companies are enticing workers with lower premiums if they leave preferred provider organizations (PPOs), which let them use any provider, and choose health savings accounts. These are tax-advantaged savings arrangements coupled with catastrophic coverage and high deductibles. Others require employees to pay higher premiums for the plans they have.

Blame those changes on the Cadillac tax, a provision in the Affordable Care Act, which calls for a 40 percent excise tax on employer-provided health insurance. Employers pay the tax, but ultimately it's passed on to some 60 million workers who have employer coverage.

The tax will be levied on the portion of health insurance premiums that exceed \$10,200 for single and \$27,500 for family coverage. Because premiums continue to rise (this year the average family premium from employers is about \$17,500), they have a strong incentive to lower the cost of coverage to avoid paying the tax. Many have begun making changes this year, and experts believe there will be more adjustments as 2018 approaches when the tax takes effect.

About four million people and about one-quarter of all employer plans will be touched by the tax the first year. However, Steve Wojcik, vice president of the National Business Group on Health, told me, "It's going to affect almost every plan as the years go on."

Wojcik explained the thresholds for determining the tax are indexed to the Consumer Price Index, but the price of healthcare grows faster than the CPI and will continue to rise. As that happens, more employer plans will bump into those thresholds and trigger the tax.

Framers of the Affordable Care Act, urged on by economists, needed a way to pay for subsidies intended to help the uninsured buy coverage, and they argued the tax could bring in some \$150 billion to help the cause.

But there was another reason, too. Supporters of the law and others wanted the tax to deter workers from going to the doctor too much. In other words, make them have "more skin in the game." The thinking goes like this: If they use healthcare services more wisely like saying "no" to your doctor's advice and avoiding care you don't need, the price of medical care in the U.S. will drop.

That, of course, assumes doctors and hospitals won't raise prices. Since there's almost nothing to prevent them from doing that, they could respond by simply offering more services, procedures and tests to keep their incomes up. History has shown they've done that when cost containment measures were imposed.

History has also shown that people do cut back on medical services when they have to pay more. But they often can't discriminate between what care they need and what they don't. The result, of course, is that serious conditions may go untreated.

The tax had another big selling point. MIT economist Jonathan Gruber argued that as the tax began to keep costs down, employers would return the savings to workers in their paychecks. Most of those gains would go to those with incomes under \$200,000.

Few people expect those savings to materialize or that employers will share any if they do. Any "theoretical" savings is a "pipe dream," U.S. Rep. Joe Courtney, a Democrat from Connecticut, wrote in a letter to the editor of the New York Times in early October. Who really believes employers are going to give broad wage increases to compensate workers for lower health benefits?

It's not just high-wage workers who will be affected by the tax even though it's thought they are the ones with generous insurance. It will hit middle-income workers, those in unionized industries, government employees and others in manufacturing jobs.

A broad group of employers and unions are fighting to repeal the tax, but say realistically that won't happen until after the presidential election next year if it happens at all.

There's really not much you can do except complain to your elected representatives and try to choose your insurance plan carefully this year. But remember, in order to keep premiums low you'll most likely have to pay higher deductibles and high coinsurance. That's a trade-off everyone faces whether or not there's a Cadillac tax.

What changes do you see in your insurance this year? Write to Trudy at trudy.lieberman@gmail.com

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Rethinking Corruption In Southern Hemisphere

GUEST EDITORIAL BY
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Indonesia as the great country has established Corruption Eradication Commission to wipe out the corruption from the Indonesia soil. Also, in reformation era, Republic of Indonesia as democratic country has done significant effort to develop West Papua through Special Autonomy Package. Trillion of rupiah and development programs are designed to West Papua.

However, the development in West Papua is less significant and it might be related to the high rate of corruption. As illustration, based on BPK-RI audit, the Special Autonomy Fund (for 2002-2010 term) that cannot be accounted for is IDR 19.113.680.046.146,00 from the total IDR 28.842.036.297.420,00 (Kompas, 2012). That fund is applied to West Papua and Papua Province. Therefore, the next big question is why does corruption still exist in Indonesia, especially West Papua Indonesia where Special Autonomy is implemented? There are two tools to analyze it called strategic culture and cultural values.

The simple answers for the question above are 1) the strategic culture nurtures ethno-centrism; 2) the culture values (leader as the provider of the community) are in conflict with good administration values to prevent corruption; 3) the development alienates the West Papuans from their culture. Point 3 is pointed out clearly by Rantetana et al. (2012) in its published research named "Nilai-Nilai Dasar Orang Papua dalam Mengelola Tata Pemerintahan" (The West Papuan Values in Governing and Governance).

In contrast to Vermillion, West Papua Indonesia has different strategic

culture. Its strategic culture is heavily influenced by the colonization of the Dutch, geographic location, the integration to Indonesia, and "memoria passionis" (communal memory related to abuse and oppress due to military operation in West Papua).

The relation with the Dutch in colonial era might significantly shape the perception of the current generation due to some bias and misconception regarding the Dutch treatment to Papuans and history of integration. This is exacerbated with experience with military operation. Accordingly, the bond between the people and the government might be less strong. However, the bond between the natives and the customary institution might be stronger; this leads to ethnocentrism. In this case, the conflict and segregation between natives and the non natives might be quite obvious especially under the special autonomy implementation.

The Special Autonomy Law is designed to give affirmation, priority, and empowerment to the natives by providing wide access to fill top management position at the local government. In addition, Special Autonomy coupled with law regarding proliferation of new administrative region might strengthen the role of local elites and customary institution and they give incentive to establish new province, districts and villages.

Apart from the strategic culture as the motor to nurture ethno-centrism, the cultural values that are conflicting with the good administration and accountability are likely to be the main reason why the "Devil" called corruption is still there in West Papua, Indonesia. The leader as provider, protector and law marker is one of the cultural values embraced by Papuans.

The leader at local government plays dual-role: the agent of government that should erect governance rule of conduct and the leader of community that should be provider. This clash of values put the leader in difficult situation especially if the community asks the leader for support in cash.

Most of the time, the leader might give from their own income to help the community. This ranges from school fee, cost related to rituals of conflict resolution and land acquisition and other necessities that community ask. However, at certain level, they probably can take the money from the government fund which is later labeled as corruption since it cannot be accounted for.

Another value is capital and property accumulation. Rantetana et al. (2012) mentioned that capital and property accumulation play a key role in social sphere but not in economic term and functionality. This means that the capital and property accumulation for West Papuans is more onto social status and relationship such as marriage, dowry, rituals and solution of "adat" problem; the capital and property accumulation are not for trade commodity but for symbolical social entities such as land and pig (Rantetana et al. 2012).

In conclusion, the corruption in the light of good administration and good governance cannot be always considered as corruption from local perspective. The difference in cultural values and strategic culture between Vermillion and West Papua, Indonesia portray significant lesson that good governance that is able to eradicate the corruption is governance that embraces the cultural perspective.

That's What My Momma Said

BY PAULA DAMON

Author Agatha Christie once said, "A mother's love for her child is like nothing else in the world. It knows no law, no pity, it dares all things and crushes down remorselessly all that stands in its path."

Within the complexities of a mother's love resides a ton of advice, a topic that eternally intrigues and inspires me. So, I invited my Facebook friends to share wise sayings from their mothers. Here are some of their posts....

Carolyn's mom has always been "a salty old gal," whose sayings were many, like this reference to how Carolyn swung her hips when she walked: "I'd had a swing like that, I'd hang it on our porch."

Quite often in life our expectations are too high for our own good. It was Linda's mom, who reminds of this with her adage: Those who expect nothing, are never disappointed.

To keep Sue on track, her mother's reminder If you are somewhere questionable and Jesus would come back...was all she needed to make the right choices.

Nicole's mom had a way of lifting her daughter's spirits with this little rhyme when she struggled with friendships: Let them talk about you as much as they please, you talk about them down on your knees.

A thousand years ago when we were young, being ladylike was a requirement. Apparently, acting like a lady had something in common with chickens, according to Diane's mother: Whistling girls and crowing hens always come to some bad end.

Donnelle's mother said this Irish blessing when someone sneezed. God Bless You. God Bless You. Your soul and your liver. If I had you in my mouth, I'd spit you in the river. "There is absolutely no meaning to it," Donelle noted, "but I still say it in my head whenever I or someone near me sneezes."

Leslie knew something was up, when her mother shouted her name. Like the time her mom was the Girl Scout's Cookie Chairperson and all cookie orders were shipped to their house for distribution to the troop. When a number of boxes of thin mint cookies were

missing, her mom discovered the empty boxes under Leslie's bed. "That was the last year Mom ever volunteered to be the cookie chairperson!"

Until Smucker's began selling crust-less peanut butter and jelly sandwiches, getting kids to eat their bread crusts was an age-old dilemma. Thank goodness for clever moms, like Randy Tramp's, who got her kids to eat the crusts by telling them that's where all the vitamins were. The mother of Shelley another Facebook friend promised if she ate the crusts her hair would curl.

Advice is like castor oil, comedian Josh Billings quipped, easy to give, but dreadful to take. So true. Check out Sandy's reaction to this proverb her mother would spout: If a task is once begun, never leave it till it's done. If the task be great or small, do it well or not at all. "Under my breath," Sandy recalled, "I was thinking I never wanted to do the task in the first place!"

Sometimes, a mother's wisdom makes us cringe, like Will Rogers' axiom Always drink upstream from

the herd. Oh, yuck! Connie had a similar reaction when her mom would say: Want in one hand, spit in the other and see which gets the fullest. "Any time we kids whined she'd tell us this and my response was UGH!"

My own mother wasn't very proverbial for her sage advice. What she did share usually bewildered me. Like the time I asked her how babies were made she said: If girls drink beer and run around with boys, they'll get pregnant. That was extent of her facts of life talk with me.

At the end of the day, it all boils down to this conclusion by newspaper columnist Erma Bombeck: When your mother asks if you want a piece of advice, it's a mere formality. It doesn't matter if you answer yes or no. You're going to get it anyway.

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