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Clarifying the big picture

By **Carter Bundy** • 3/10/10, 2:43 pm



Carter Bundy

Following the health-care debate is nearly a full-time job. The minutiae of health-care policy is overwhelming.

Lost in the whole health-care debate, though, are simple questions, like what kind of system creates the best incentives for people to stay healthy.

The answer to that question was made clear to me this week by **CIGNA**. I'm lucky enough that my mom is taking our whole family on a trip to the Dominican Republic, but part of that kind of travel involves precautions against malaria.

I was stunned when CIGNA emphatically and repeatedly denied a claim for relatively inexpensive anti-malaria pills -classic preventative medicine.

Bending the cost curve – up

The **CATO Institute** and **Sarah Palin** will tell you that having the consumer pay for medicine, even preventative medicine, "bends the cost curve." No es verdad. Only one of three things happens when insurance denies coverage for preventative care:

- I buy the medication anyhow, which is still a systemic health-care cost, and probably more expensive because it's not covered in a group plan.
- I don't buy the medication, I get malaria, it's covered, and the insurance company (read: other premium payers and myself) pay much, much more to treat me for the rest of my life (oh, and by the way, I would have malaria and be less productive, further hurting the economy).
- I don't buy the medication, I get malaria, it's not covered, and I end up sticking the taxpayer with a big bill for treatment in emergency

rooms the rest of my life (oh, and by the way, I would still have malaria, miss work and hurt the economy).

Fortunately, I'm pretty responsible and I can afford the \$72, so I'm going to pay and hopefully not get malaria.

But I guarantee you that there's some young college student who is going to skip out on the \$72 expense, thinking "I'm healthy, I have mosquito repellent, and I can't really afford \$72 right now." Or, human nature being what it is, "I might be able to afford the \$72, but I'd rather spend it on something else."

I know what some curmudgeons are thinking right now: "Then it serves them right if they get malaria." Well, that's a shoddy response when you've just given a healthy young person an expensive disease for the rest of his or her life – that we'll all end up paying for one way or another – simply because no one at the insurance company gives a damn about the actual health of their customers.

Even if only one in 100 people is irresponsible – and we all know that number is higher in real life – to have that one person get malaria is going to be far more expensive than covering preventative medication. The current system bends the cost curve, but in the wrong direction – up.

Even they know

It's certainly not the fault of the nice woman at the CIGNA call center who could only say, "Sorry, it's not covered," so I politely asked to speak with a manager. When I finally talked to a manager, he agreed that it would make sense to have preventative medicine covered, but that "travel medication" wasn't covered.

OK, I understand I'm not going to the Dominican for work, but if I snap my Achilles tendon playing hoops, it probably wasn't for work, either. The point of health coverage isn't just to keep people healthy on the job, it's to keep people healthy regardless of where they are and to treat them if they become ill. And to incent good behavior like taking preventative medicine.

Refreshingly, the manager agreed with me, and said he'd already sent dozens of e-mails to "the powers that be" asking them to cover preventative medicines. But, he said, there was nothing he could do because it wasn't covered and "the powers that be" weren't going to change.

Which got me to thinking: If the insurance company had any interest in my health, or in the health of any of its customers, or in long-term health costs, it would have gladly covered preventative care, and it would be a basic part of every plan.

Different, in a bad way

In any other developed country in the world, and even some less-developed countries, plans would have covered preventative medicine because it helps keep citizens healthier and keeps long-term costs down.

The people who run the health systems in other countries actually have an incentive to have their people be healthy and to bend the long-term cost curve downward. That's because, ultimately, the people elect the leaders of those health-care systems.

When you put the bulk of the power and decision-making in the hands of for-profit insurance companies that don't care a whit about the health of their customers or about long-term financial health of the entire system (beyond their next quarterly reports), you get a sicker population and higher costs. That's exactly what for-profit insurance has given America. Talking to CIGNA this week, that big picture has never been clearer.

I just hope Representatives Teague, Heinrich and Luján decide to stand for smart, cost-effective, commonsense health care instead of propping up the current, broken system.

Bundy is the political and legislative director for AFSCME in New Mexico. The opinions in his column are personal and do not necessarily reflect any official AFSCME position. You can learn more about him by clicking [here](#). Contact him at carterbundy@yahoo.com.

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4 Comments

1. *new_direction_2010*

March 10, 2010 • 7:37 pm

Cigna refusing to pay for “travel medication”...hmmm...sounds like the result of a class action lawsuit brought on by the trial lawyers. Yet another unintended argument for tort reform. Otherwise, nicely written piece Mr. Bundy. You almost had me agreeing with you.

2. *NMCPA*

March 10, 2010 • 5:46 pm

... Or you could just not go on your trip – no one would be required to pay for your medicine, you wouldn’t get malaria and you would have to find some other unsupportable excuse for a take over of 1/6th of the economy.

Liberal ideology – I want to do what I want to do regardless of how much it is going to cost YOU.

3. *Bilbo Baggins*

March 10, 2010 • 4:11 pm

You had three options when “when insurance denies coverage for preventative care.” But I think there’s a fourth. I don’t buy the medication; it’s not covered; I still have to pay for it myself and NOT charge the taxpayer. That would be an incentive to buy the medication, right? If someone still doesn’t buy it then yes, I give the shoddy response, “...it serves them right if they get malaria.” (By the way, nobody would have given me malaria, the way you infer someone did in your column after the last quote.)

When I went overseas I could not afford all the shots that were recommended so I took the ones I felt were necessary. If I had gotten a disease I would not have tried to get someone else to pay for it or sobbed about the “broken health care system.” I would have thought, “Dang it! Oh well. I gambled and lost.” At least it would have been my choice and I would have faced the consequences like a man. As it turned out I won. The only thing I got was as simple cold and I beat that with a bunch of Vitamin C.

I am not nearly as interested in the economics discussion of the whole thing as I am about the moral aspects. It is right to give the individual the choice to make his or her own decisions. It is wrong to make everyone else pay for other people’s bad mistakes.

4. *Ben*

March 10, 2010 • 4:07 pm

Another nice article, Carter.

My question is not what failing to cover an item with insurance, but what covering it does. If malaria pills cost \$72 when insurance ain’t paying for it, how much will the pill-maker charge if it knows insurance is going to (or has to) pick up the bill? Whenever I see the actual costs behind my \$15 doctor visits or my \$10 bloodwork, I’m appalled. If I had to pay \$1000 for bloodwork, I’d just never get routine bloodwork, and the routine bloodwork people would never get my money. But since my insurance covers it, and the