

**Expert: Rita Numerof, PhD**  
**President and Founder**  
**Numerof & Associates**

**Rita Numerof, PhD** - The distinction is not being made clear between saying that Americans have *no health care* vs. saying they have *no health insurance*. The need for insurance is obvious. It protects us from catastrophic financial hits. Health insurance has become different from other types of insurance. This is what we need to reform. We are using health insurance to pay for almost all expenses, not just the catastrophic expenses.

**Rita Numerof, PhD** - In the process of creating the real change we all desire from healthcare reform, we need to be *really clear* about *what* we're changing and *why* ... and what the impacts are likely to be, both intended and unintended. Successful reform will require a planned and coordinated creation of a fundamentally new business model for healthcare ... that aligns the financing mechanisms of the industry with the goals of prevention, improved quality, and reduced costs. There is an important role for government in this new business model creation, but it isn't legislating the new model. We need to change legislation to enable more healthcare insurance competition.

**Rita Numerof, PhD** - Unfortunately, insurance is one of the most complex and costly ways to pay for something. If we use health insurance like every other type of insurance, we can eliminate enormous cost that has resulted from our perverted use of insurance.

**Rita Numerof, PhD** - We need to make certain that consumers are at the center of our new business model. They need to have real economic and clinical value and meaningful outcome information in order to make good cost/benefit choices. And they shouldn't have to be dependent on their employers for insurance if we eliminate barriers in healthcare insurance and create a truly competitive market space.

**Rita Numerof, PhD** - Ending discrimination on the basis of pre-existing conditions as Speaker Pelosi states is absolutely appropriate. *How* it gets done and the *extent* of coverage for legitimate use of insurance is the real issue. Ensuring *universal* coverage and enabling choice of what would be in a package is critically important. The "baseline" that President Obama wants to include is so broad-based that it would include *all* health related expenses, thus driving up utilization and costs. We must return to the intent of insurance. Using an analogy, you wouldn't buy gasoline with your car insurance....