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RE: Public Hearing on Healthcare
New York, NY

My name is Craig Lordigyan. I'm a Managing Partner with The Lordigyan Insurance Agency, and I would like to thank you all for allowing me to speak today.

There is a huge need to fix the healthcare problem in the US and later; I have a few suggestions to share with you.

I would like to begin my testimony by separating the issues of health care costs and health care coverage. The distinction is important because increasing the tax bite to create a social system of medicine, such as expanding Medicare, doesn't stabilize the cost of health care. Costs and taxes will continue to rise to pay for the coverage.

If we can replace, "Universal Healthcare System" with, "Access for all", I believe that it would be more accurate of what we are trying to accomplish. We need everyone to have access to quality health care, but we cannot afford to have a government-operated system that offers unlimited care without regard to the cost of health care's rising costs. One of our more serious problems is lifestyle choice. Obesity leads to many complications, chronic conditions and providing unlimited free care to those who make their own situation worse avoids the real problem. We must encourage Americans to live and maintain a healthier lifestyle. What's to prevent us from not helping ourselves, if their government has an open checkbook on healthcare?

I would expect that any government run program might have the same characteristics of an HMO. Consumers frown at having an HMO as their health insurance product, because they feel that they have little or no control over their healthcare. Additionally, our Medicare and Medicaid programs are losing doctors due to the amounts that are paid under their contracts. What incentive would they have to work for the government? Additionally, if physicians aren't paid what they are worth, they may decide not to accept the government paid programs and waiting lists would become reality as they do in other countries where government is the sole provider of healthcare. I also believe that a government-operated program would decrease the amount of new drugs that would become available, further reducing the chances of surviving severe medical conditions.

As an initial proposal, I believe in combining some of the ideas that have come forth so far and then tweak them as we learn from our mistakes. As an agent providing insurance to my clients on a daily basis, I have first hand experience as to the difficulties that individuals of New

York experience when trying buy insurance on their own. These people have choices, but because insurance agents do not get paid to help these people, many agents will not spend time with them to get them covered. These consumers are forced to find their coverage on their own. If we are going to have choices, and I believe this is necessary to spur innovation, we need to have help in making those decisions. Agents also act as an intermediary when things go wrong and people need help with claims issues. An incentive to keep agents in the game produces better results than having people simply signing up for the only plan available.

We also need to reduce the cost of insuring the public by giving people the choice of having varying levels of coverage. In my home state of New Jersey, some of the most widely sold individual plans are those that have limitations in coverage. It allows those who are in between jobs get coverage at an affordable price. State mandates are important in every way that they have been introduced, but they also increase the cost of insurance, because everyone has to pay for those mandates. We need to allow people to choose whether or not they want that type of coverage by allowing riders to be attached to their policies.

Creating more competition by providing incentives for carriers to enter the market would also benefit the market.

An alternative would be to maintain the free enterprise system, but with subsidies for those who live at specific levels of poverty and who do not have employment. I would propose tax breaks for those who buy their own coverage and further tax breaks for those who practice good health regimens. I would also recommend tax credits for companies who cover low wage earners, since a large number of the uninsured are employed. Incentives to stay healthy may be put in place to add even more assistance to those employees so that their contributions are held to a minimum.

Medical facilities and providers across the nation need to maintain a national database where treatment is recorded for everyone to avoid physician errors and redundancies in treatment. The government can and should get involved in creating and maintaining this database as a start. This alone will have a positive impact on the cost of health care in America and it doesn't require a universal system.

Physicians need to be able to act on their own without excessive interference from third parties who are trying to control costs. Alternatively, physicians should be monitored of their successes and efficiencies and this information needs to be available for the consumer.

Patients also need to have access to procedural costs in order to be better consumers. Recently, one of my clients told me that upon a visit to his doctor he was warned that anything that the insurance company would not pay for would be charged to him. He then asked what the doctor typically charged for this particular procedure and his doctor said that it depended on the type of insurance that he had. In this case the doctor was politically correct, but he also should have known what the retail value might have been for someone without insurance, then my client would have been able to figure the worse case scenario. In many cases, medical procedures are not cut and dry and doctors should get paid for the time they spend on a particular procedure, but there's got to be some kind of transparent pricing as a patient right. This will create a positive

competitive environment and those who provide the best care at a reasonable price will be rewarded with more business. This is the American way.

One of my clients told me that there should be some kind of way to track what people experience when they use a physician. A database collection of positive exposure when a doctor does the right thing would also benefit consumerism. My client's Gastroenterologist advised him to either quit drinking so much coffee or use a \$90 prescription every month to resolve his problem. My client chose the coffee reduction and it worked. But if the prescription was free, he might have made a different decision. A database that would provide positive stories like this would provide consumers with valuable insight as to the quality and efficiency of care provided from their physicians.

In the US the oil companies make a profit to heat our homes and apartments, and Americans still freeze to death. The electric companies profit by selling us electricity and Americans still suffer from heat exhaustion. The farmers, food distributors, and retail stores all profit from the sale of food, and we have a portion of our population that is starving. Homebuilders and their suppliers make profits putting people into their own homes and too many are left homeless. People need to understand that this is a free country with free enterprise and we can assist those who have fallen on bad times, but we need to create a need for them to get back on their feet without starving, freezing or dying.

In summary, we need to implement a national medical database to reduce the cost of administering health care and reducing the possibilities of error. We need to reward those who take care of their health, because this will reduce the cost of health care in the future. In any combination of HC solutions, we must change the way people behave in order to keep serious illness to a minimum. We need to offer tax breaks to those who buy insurance on their own and also to companies who employ low paid workers. Government employees may want to reduce their extremely rich plans to emulate what the general public typically buys, and that savings can be used to pay for some of the tax subsidies that I mentioned earlier. We need to keep as many insurers in the game so that competition will flourish and increases will be kept to a minimum.

Thank you,

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