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Salient Points

The Health Insurance Revenue Bonds® or HIRB® program

The HIRB program is a fundamentally new way to finance health care, using principles well-established in other industries. As a result, it is easy for health specialists to misunderstand its broader purpose and its core elements. The HIRB program is strictly a financing program; it need not affect health policy in any way. The following salient points clarify what HIRB is, and is not.

- One's political philosophy has absolutely no relevance toward solving the problem(s) with health care.
- A ratable base consisted of governments, households and businesses.
- There is nothing about the HIRB program model that relates to taxation.
- The HIRB program is quite counter-intuitive and initially may seem to not make any sense. The reason: The model demonstrates the ability to borrow vast sums of money, repay the debt principal with interest, paid all health care costs, add new revenue and in the end, spending less in total without accruing a deficit.
- The Health Insurance Revenue Bonds may be issued as either tax-exempt or taxable bonds.
- The HIRB program *does not* define a schedule of benefits (e.g. coverage, exclusions, deductibles, co-pays, co-insurance; stop- loss limits, etc.).
- The incoming cash flows illustrated in the HIRB Program model are the premiums paid by the demographic ratable base. The outgoing cash flows may be viewed as premiums paid to a commercial health insurer or claims paid directly to providers.
- Fundamental health policy has been defined under the provisions of the ACA. Thus, the primary focus is on the financing of the 10 essential benefits as defined under the ACA. There is nothing about the HIRB program that hinders expanding beyond these core essentials benefits.
- Higher interest rates are more favorable than lower interest rates;
- The higher that rate of medical inflation, the lower the cost of funding.
- The HIRB program model *is not* predicated upon taking any existing benefits away from anyone. In other words, whatever the present benefit obligation is the liability.
- Within certain parameters, premium contributions may be guaranteed.
- Under the HIRB program, employer-sponsorship of health insurance as an employee benefit may be continued or not. If health financing is structured to operate independent of any employer sponsorship, then ERISA, the body of federal tax law governing employer sponsored benefit plans, is no longer relevant.
- There is no deficit spending; no mortgaging the future; no kicking the can down the road or otherwise passing our present health care socio-economic mess onto next generations.

The Health Insurance Revenue Bond® / HIRB® Program

If you can't bend the curve on health care cost, then bend the curve on the cost of funding®

- The HIRB program has long-term sustainability.