Articles appearing in International publications on relevant topics:

a. On Reinsurance

Reinsurance is no different to any other form of insurance. It is simply buying insurance on insurance. Like all forms of insurance, one can select a deductible. The **higher** the deductible the **lower** the reinsurance premium. In the reinsurance world, while there is no difference to the basic concept of insurance, some of the terminology changes. For example, instead of using the word "deductible", this gets replaced with a much fancier word, referred to as a "retention".

The primary carriers' anxiety escalates with the escalating costs of an evolving bill, and peaks a short while before the monetary level of the reinsurance retention level is reached. Once the retention (i.e. deductible) amount is reached, the primary carrier breathes a huge sigh of relief, comforted by the false premise that their (the primary insurers') exposure is now maxed, and anything above the retention (deductible) is no longer their (the primary carriers') concern.

Then reality sets in, as the bill evolves to even greater heights. A second wave of anxiety gets rekindled with the primary carrier, with the realization that their reinsurance premiums for subsequent years' will mirror the extent of the loss suffered by the insurer. The intervening period of relative complacency between the two peaks of anxiety by the primary carrier, has occasioned reinsurers to play a more active role in limiting their exposure.

Increasingly, re-insurers are including language in their re-insurance treaties, (the word *"treaty"* being just another fancy word in the reinsurance world for "insurance contract) which enables the reinsurer to themselves manage the case, once the retention threshold has been reached. Added to this recent change in mindset by reinsurers, is the often present conflict of interests, perceived or real, that exists between the primary insurer and it's cost containment company, since cost containment companies are increasingly owned by the primary insurer. Even more significant, is the primary insurers' distinct reluctance to engage the services of a competitor cost containment company, who could yield better results and outcomes. And which is of no concern to a reinsurer.

Given all this, one can only wonder what took so long for reinsurers to realize that they were not always getting the best deal, and to change their policies and practices.

b. On Payers and Providers cost shifting from one to another …….

A lot of this is based on uniqueness of medical insurance, as opposed to any other form of insurance. In other words the consumer (ie. The patient) of the medical service, is **NOT** the purchaser of the product, and therefore has no motive to determine value for money. Put another way, how many of us, when admitted to hospital or attending at a doctor's office, would ask: "how much does it cost," and then compare the price with another

equivalent supplier??

A second very interesting nuance with medical insurance is that the **supplier** of the medical product, determines the need for the product, and gets paid more for producing more of it!!! This is the complete converse to any other commercial transaction, where the consumer retains control. Consequently, the producer or supplier has no incentive to reduce costs …… the more they produce at their own discretion, the more money they make!!!

c. On the difference between billed charges and actual payments……. Payer and Provider working together.

The answer lies in what is fair for a provider of medical service to charge and expect as payment for that service, and what is fair for the payer to pay for that service. This fine balancing act is best performed by industry experts, versed in the complex ingredients that comprise the uniqueness contained in the explosive toxic, mixture created by the combination of money and health.