The Health Legacy Coin

A nonprofit, inheritable health-savings instrument for the care insurance denies

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This document describes a concept under development. It is not an offer to sell anything, not insurance, and not financial or legal advice. Nothing described here is available for purchase.

Abstract

American health insurance is built on a bargain nobody would choose freely: pay premiums for decades, and whatever you do not use is gone. Meanwhile, some of the care that most changes a life -- a dental implant that lets you eat and work normally, hearing aids, fertility treatment, therapy beyond an arbitrary session cap -- is routinely excluded or formally denied.

This paper proposes a simple correction: a dollar-backed health coin, issued only by a nonprofit, that **supplements** insurance by paying for the care insurance refuses. Members can never sell it or cash it out while alive; they can only spend it on eligible care, paid directly to verified providers. Whatever a member does not use is **inherited** -- a named beneficiary can keep the balance for their own care or sell it back once, receiving 75% in cash while 25% returns to a pool that funds care for members who could not save enough.

It is, in one sentence, a family health endowment: premiums evaporate, but this doesn't.

1. The problem

Two failures compound each other.

Denied and excluded care is normal, not exceptional. Insurers cover the surgery and refuse the implant that completes it. A $10,000 operation is paid; the $7,000 dental implant it necessitates is "cosmetic." Hearing aids, LASIK, fertility care, physical therapy beyond a cap, prescriptions off formulary -- the list of standard exclusions is long, predictable, and lands hardest on people who did everything right.

Health money is use-it-or-lose-it. Premiums buy a year of coverage and nothing else. Even the best existing tool, the health savings account, is tied to specific plan types, is little known, and was never designed as a family legacy. A worker can pay into the health system for forty years and leave their children nothing but stories.

The predictable result: people pre-save for denied care informally -- a savings account with no provider network, no negotiated prices, no structure, and no help for families who can't save enough.

2. What this is -- and what it is not

- **It is** a restricted, fully backed health savings balance with inheritance built in.
- **It is not insurance.** It does not pool risk, underwrite anyone, or promise to pay unpredictable

bills. A member's balance is their own money, saved in advance -- and every statement about the product must keep that line bright.

- **It is not a speculative token.** The price never floats: 1 coin = $1 of eligible care, always, backed 1:1 by reserves. Nobody buys it hoping it goes up. That is a deliberate repudiation of earlier "health coins" -- Solve.Care's SOLVE and Dentacoin both lost roughly 99% or more of their value because their worth was market speculation detached from medical purchasing power. A health instrument families hold for decades must be boring.

3. The instrument: core rules

1. **Issued only by the nonprofit**, at par ($1 -> 1 coin). No exchanges, no trading, no listing anywhere.
2. **Non-transferable between living people.** It cannot be sold, gifted, or sent to another wallet. The only transfer event in the system's life is inheritance.
3. **Spendable only on eligible care** (Section 4), and only by **direct payment to a verified provider**. The member never touches cash; the nonprofit pays the provider in dollars as the coin is burned.
4. **Fully backed.** Every coin in circulation is matched by $1 in a segregated reserve of bank deposits, Treasury bills, or money-market funds, with monthly public attestation and a live reserve dashboard.
5. **Beneficiaries are named in advance**, in the manner of a transfer-on-death designation, so inheritance depends neither on probate nor on anyone finding a seed phrase. Accounts are custodial, with ordinary account recovery -- a family endowment cannot hinge on a password in a drawer.

4. Eligible care: two doors

Door 1 -- the catalog (no denial needed). Predictable, commonly excluded care:

- Dental implants, crowns, and oral surgery
- Hearing aids and audiology
- Vision care beyond basic coverage, including LASIK
- Mental health care beyond plan session limits
- Fertility treatment
- Physical therapy beyond plan caps
- Prescriptions not on the member's formulary
- Deductibles, copays, and coinsurance on covered care

Door 2 -- the denial rule (the flagship). *If your insurer formally denied it, it is eligible* -- provided a licensed provider performs it and it is a recognized medical or dental service. The member submits the denial letter; the nonprofit verifies and pays the provider directly. This rule makes the product self-defining: the coin exists precisely for the gap the denial letter proves.

Excluded: purely cosmetic procedures, unlicensed providers, experimental treatments outside recognized care, and anything illegal. A small clinical review board maintains the catalog and hears appeals.

Providers are paid at **negotiated or reference prices** -- a regional price band for an implant, not whatever a provider chooses to charge a "coin patient." Over time this reference-pricing network becomes a discount network: a second reason to hold the coin, beyond one's own balance.

5. Money flow, and the worked example

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Member (or family/employer) pays $200
        -> nonprofit reserve (segregated trust, T-bills/deposits)
        -> 200 coins credited to member's account

Member needs a $7,000 implant; insurer denied it
        -> member submits denial + provider quote in the app
        -> nonprofit verifies provider + reference price
        -> 7,000 coins burned; provider paid $7,000 in dollars directly

Member dies with a 4,300-coin balance
        -> beneficiary chooses: keep 4,300 for their own care
          OR sell back once -> $3,225 cash to heir,
          $1,075 (25%) to the assistance pool
```

The scenario this was designed around:

- Surgery: $10,000 -- **insurance pays.**
- Dental implant: $7,000 -- **insurance refuses.**
- The member has contributed $200/month for 3 years = $7,200 in coin.
- Denial letter submitted -> the nonprofit pays the dentist $7,000 directly -> implant done, $200 balance remains.
- Had the member instead died before using it: the heir keeps the $7,200 for their own future care, or sells back and receives **$5,400 cash**, with **$1,800** going to the assistance pool.

6. Inheritance mechanics

- **Named beneficiary** -- one or several, with percentage splits -- recorded in the account and changeable at any time while the member lives.
- **Trigger:** death-certificate verification through a standard verification partner. No court involvement for the coin itself.
- **The heir's window:** 12 months to choose *keep* versus *sell back*. The default is keep -- the money stays health money unless the heir actively chooses cash.
- **Sell-back:** paid at par from a buyback reserve funded by new issuance and recycled inheritance shares. The heir's coins are burned, never resold person-to-person.
- **No beneficiary, or no claim within 24 months:** the balance passes to the assistance pool, disclosed plainly in the terms from day one.

The inheritance design is the heart of the proposal. Insurance converts a lifetime of payments into nothing at death. This instrument converts them into the one thing every parent actually wants to leave: their family's ability to get care.

7. How the nonprofit sustains itself

1. **Reserve yield.** Reserves sit in Treasury bills and money-market funds. The interest -- never the principal -- funds operations. This aligns incentives in a way insurance never achieves: the

nonprofit grows by growing balances held, not by denying care.

2. **The recycled 25%.** Every inheritance sell-back returns a quarter of the balance to the assistance pool.
3. **The assistance pool.** Funded by surplus yield and recycled inheritance shares, it pays for eligible care for members who cannot save enough. This is the charitable heart that justifies both the nonprofit form and the 25%: *your family's unused health money helps the next family*.
4. **Employer and family contributions** cost nothing to accept and grow reserves.
5. **No fees on members** for buying or spending. Charging people to access their own health money would kill the trust the whole design runs on.

8. Integrity by design

- **Direct-to-provider payment only**; members never receive cash, so there is nothing to cash out with a fake invoice.
- **Providers are verified** (license, tax ID) and paid at reference rates, limiting provider-side fraud and price inflation.
- **Denial letters are verifiable documents** tied to a real claim; Door 2 cannot be gamed without an actual denial.
- **Non-transferability** kills speculation, scalping, and any secondary market before they start.
- Per-member annual purchase soft caps can be added if regulators or abuse patterns require them.

9. Why a token at all -- honestly

A conventional database could run most of this. The token earns its place for three things: **public, verifiable proof of reserves** (anyone can check the backing at any time), **programmable rules** (non-transferability and the inheritance split enforced by the instrument itself, not by policy), and **cheap issuance and settlement**. But the product is the trust, the provider network, and the inheritance design -- the token is plumbing. A pragmatic launch could begin as account credits on an existing dollar rail, with public reserve proof from day one.

10. Pilot path

- **Phase 0 -- two categories, one city.** Dental implants and hearing aids, through a small negotiated network of dentists, oral surgeons, and audiologists in New York City. Custodial accounts, manual verification. The pairing is deliberate: implants are the flagship denial but expensive -- years of saving at typical contribution rates -- while hearing aids at reference prices are reachable in months. A pilot needs completed purchases, not just growing balances: hearing aids give members an early, full trip through the loop (save, spend, provider paid directly), while implants prove the model against the hardest case. The question to prove: will people pre-save for denied care when the unspent money is inheritable?
- **Phase 1 -- the denial rule.** Open Door 2 to any formally denied service from a licensed provider. This is the moment the concept becomes general-purpose.
- **Phase 2 -- family and employer contributions.** Gifting *into* accounts (grandparents funding a grandchild's future care), and employer contributions as a benefit.
- **Phase 3 -- inheritance at scale.** Beneficiary designations, buyback, and assistance-pool

payouts, activated once balances and reserves are large enough that the first inheritances are real events rather than edge cases.

11. Open regulatory questions

These are stated openly because a concept in this space that hides them is not credible. They are questions for a fintech and health-law review before any issuance -- not conclusions.

- **Insurance law.** The model avoids pooling and guarantees; all communication must avoid the word "insurance" and any promise to pay future bills beyond the member's own balance.
- **Money transmission / stored value.** Holding customer dollar balances is regulated state by state. The realistic route is launching under a partner bank or licensed administrator's umbrella rather than seeking fifty licenses.
- **Securities law.** Sold at par, non-transferable, carrying no expectation of profit, redeemable only for care -- the design aims to sit outside investment-contract territory, but a formal legal opinion is required before any sale.
- **Tax.** Unlike an HSA, contributions carry no tax advantage unless a later version pairs with one; contributions are after-tax. Employer contributions have their own treatment to explore.
- **Health data.** The system touches denial letters and provider invoices -- enough to require HIPAA-grade handling and strict data minimization: store the proof, not the medical record.
- **Estates.** Transfer-on-death treatment of stored value varies by state; beneficiary designations must be drafted per state.
- **Nonprofit law.** The assistance pool and recycled inheritance share support a charitable mission, but the nonprofit also sells a product -- expect scrutiny of unrelated business income and charitable-solicitation registration.

12. Risks, stated plainly

1. **Saving is slow.** A $7,000 implant takes years at $200 a month. Mitigations: family pooling of contributions, employer money, the assistance pool for urgent cases -- and a faster-cycle category in the pilot (hearing aids, Section 10) so members complete real purchases early instead of only watching a balance grow.
2. **Buyback liquidity.** If many heirs sell at once, buybacks must be paced -- a monthly buyback budget with a disclosed queue -- written into the terms from day one.
3. **Provider adoption.** Dentists must accept reference pricing and direct-payment terms. The opening is mutual pain: practices lose implant patients every day to "insurance won't cover it."
4. **Trust.** A nonprofit holding families' health savings for decades must be boringly transparent -- segregated reserves, independent audits, published attestations. One scandal ends it.
5. **Regulatory drag.** This is a lawyer-heavy build. The concept is simple; the permissions are the moat.

13. What this project needs next

This paper is an invitation as much as a design. The concept advances through people, in roughly this order:

- A **health-law / fintech attorney** willing to pressure-test Section 11.

- A **nonprofit partner or fiscal sponsor** whose mission fits the assistance pool.
- **Dentists and oral surgeons** in New York City willing to discuss reference pricing for implants.
- **Builders and reviewers** who find the flaws this draft hasn't.

Critique is welcome and specifically requested: the fastest way to kill a bad version of this idea is to argue with this paper.

Working name: "Health Legacy Coin" (alternatives considered: PassDown, Heirloom Health, The Denial Fund). Design decisions made in this draft, all open to revision: dollar-pegged and fully backed rather than floating; custodial accounts rather than self-custody; the 25% inheritance share funds an assistance pool rather than operations; eligibility runs on a catalog plus the denial rule. *© 2026 Adrian Szczechura.* *Concept paper v0.1 -- comments invited, nothing herein is an offer, a product, or advice.*