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Healthcare Policy Myths
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Healthcare-cost myths include at least these four:

- Insurance Companies are driving healthcare costs up
- Healthcare-cost crisis will be solved by tort reform
- Expanding healthcare access will solve healthcare-cost crisis
- Decreasing healthcare provider reimbursement or insurance premiums will control the cost of healthcare

> **March, 2010 -- *Dateline Washington D C*: A Federal task force has uncovered a plot by automobile insurance companies to raise the cost of automobile repairs. In a bizarre, self-destructive plot, automobile insurers have been found to be conspiring with body shops and parts suppliers to increase the cost of collision repairs. In addition, casualty insurance companies have been found to refuse to insure automobiles which have already been wrecked and have raised the insurance premiums of drivers who have repeated accidents. These same companies have been found to be dropping the coverage of drivers who exceed certain loss standards.**

Myth Number One

Who would believe such a report? Why would automobile insurers want to drive up their own costs? Why would automobile insurers sell coverage to people who have a car which has already been wrecked?

Mechanical metaphors are inadequate to explain human actions or circumstances. Human beings are not machines. Human beings have intrinsic value beyond how pretty, fast, attractive or desirable they are. Yet, as quickly as people would see through the above press report, they have been quick to believe that somehow and for some reasons, health insurance companies have conspired to raise the cost of healthcare cost to such an extent that if we just punish the health insurance companies we can drive down the cost of healthcare.

Insurance companies do not order tests or perform procedures. Insurance companies are motivated to control and/or to decrease the cost of healthcare not increase it. This is not to say that health insurance companies should not have rate-increase requests examined by a regulatory agency. But, it is to say that the cost of healthcare is not being increased by insurance companies with one exception: Medicare. When passed in 1965, the Medicare bill had a cost analysis attached to it. Twenty years later, it was recognized that

the actual cost was 10 times the expected cost. The same will be the case with any national healthcare insurance plan or program in the future.

Why is Medicare, a government-funded health insurance company, which is in fact, the largest health insurance company in the world, a major driver of healthcare cost increases? Principally, it is because it is the first and only healthcare insurance company which is attached to a public-policy, decision-making body. Traditionally, insurance companies addressed "risk," that is the potential for future healthcare needs. Medicare, being an extension of public policy, accepted "liability," that is it accepted for coverage people with known serious and expensive healthcare needs. Traditionally, insurance companies' risk was limited by an insurance contract; Medicare's risk is limited only by a "social contract" which is continually redefined by public-policy advocates.

The only reason Medicare could accepted "liability," i.e., pre-existing conditions, is that, unlike traditional insurance which is dependent upon contractually agreed upon premiums, there is no relationship between Medicare premiums and Medicare benefits, as the government-sponsored insurance company's costs and liabilities are guaranteed by the United States treasury which can print money.

Additionally, Medicare continues to drive up the cost of healthcare by adding benefits on a regular basis without any actuarial accounting for the cost of those benefits. Because Medicare benefits are driven by public-policy employees of the Federal government who have no personal financial responsibility for the solvency of the program, they can endorse any and all new technologies, or social-policy-driven benefits without regard to the cost. These "unfunded mandates" – that is, benefits which are mandated by the government without any funds being appropriated to pay for them – continue to drive up the cost of care.

Advances in technology continue to be the principle driver of healthcare cost. The adjusted average per capita cost of Medicare-insured healthcare cost varies dramatically from county to county but those costs are approximately $4,000 to $6,000 a year for Medicare beneficiaries. In this fact, lies the answer to the myth that being able to buy insurance across state lines will decrease insurance premiums. Except for Medicare, insurance premiums reflect the cost of doing business. That is why a county across a state line may have lower insurance premiums than another county a hundred feet away. Removing the barrier to buying insurance across the state line does not lower cost.

Is it any surprise that the cost of Medicare services escalate dramatically when, after the cost analysis is done, public policy dictates that we are now not only going to pay for motorized scooters for people with quadriplegia but also for anyone who tells their doctor that they want one and who also attest to the fact that they are falling a great deal. Because of the cost of these machines, this one benefit, which has been greatly expanded to cover tens of thousands of previously unqualified Medicare beneficiaries, can double the annual cost of Medicare benefits.

Medical and surgical specialty societies continue to endorse new technologies, some of them without random-controlled, evidence-based support, which can also, with one test, or one procedure, more than double the annual, total healthcare cost to Medicare for the beneficiaries receiving those services. While some of these technologies are life-saving, they are not inexpensive. And, the long-term benefit of many of them as far as quality and quantity of life are not known. In America, there must never be a distinction made between the services offered to one citizen and denied to another, but it is not contrary to our social philosophy to refuse to fund certain procedures to all.

A rational, national healthcare policy will have to "tell the truth" about healthcare cost. There are many drivers of healthcare cost-of-care but insurance premiums respond to healthcare cost drivers; those premiums do not drive the up cost-of-care unless benefits are increased after the actuarial calculations have been made.

It can be a successful political strategy to demonize insurance companies. Everyone hates insurance companies, except of course those whose lives, homes or livelihood have been saved, or replaced by insurance benefits. No rational person and particularly no rational person who believes in capitalism want to destroy insurance companies. And, for those who are opposed to anyone "making a profit," the confiscation of all health-insurance-company profits would pay for only two days of healthcare cost in the United States, leaving 263 days of cost of care unpaid.

Myth Number Two

Just as one national party has successfully demonized insurance companies to their constituency, another party has successfully demonized a patient's right to redress their grievances in a court of law as being the cause of healthcare cost escalation. Personally, after practicing medicine for 37 years, I cannot recall ever, once, consciously ordering a test or a procedure with the thought in mind that its result would protect me against a possible lawsuit. I have, however, been aware my entire medical career that my compensation is tied to procedures and tests. I have consistently refused to enter into business relationships where I would be tempted to order a test in order to pay off a debt, or to "make a profit."

I don't like being sued and it is doubly offensive when I worked very hard to take good care of the people who entrust me with their care. But, one of the cornerstones of the American jurisprudence system is the right to redress grievances, no matter how insignificant a role one plays in society. That right was at the very heart of this country's founding philosophy. When does "lawsuit abuse" occur? When any impediment, any obstacle, is placed in the way of the least citizen having access to the halls of justice for the redress of their grievances, no matter how another may judge the merit or lack of merit of their cause.

The least person in our society has the right – and must have the right -- of "going to court" to argue their cause before the justices of this land. Sadly, a generation has arisen, which has no personal recollection of the events which led to the laying of the

cornerstone, which supports our building of justice. That cornerstone was laid as men of honor and vision interpreted God's Law into human affairs. It is a cornerstone described in 1594 in the monograph Laws of Ecclesiastical Polity, in which Richard Hooker said:

> "Of Law there can be no less acknowledged than that her seat is the bosom of God, her voice the harmony of the world. All things in heaven and earth do her homage -- the very least as feeling her care, and the greatest not exempted from her power."

The least must be able to "feel the care" of the law, or it is not law, but the whim of men which governs human affairs. The greatest must not be exempt from the power of the law, or once again, whim, not law, governs men. Law rules when the least can meet the greatest upon relatively equal footing in a court of law. If and when that ability is removed or significantly impaired by so-called "tort reform," the journey toward tyranny has begun.

The stability of the United States government has partially been preserved by the poor not having to take up arms or to go into the streets to get justice; they have been able to do so in the courts. Thus far, the rich and powerful have not restricted the right of the not rich and the not powerful to redress of grievances. If, however, the rich and powerful restrict the rights of the not rich and the not powerful, they begin the destruction of the system of justice, which has made this nation great.

The demagoguery of demonizing insurance companies is no more offensive than the demonizing of our justice system. Just as there is healthcare fraud and abuse, there have been abusive insurance- company practices and there have been attorneys who abuse the tort system, but no one who treasures the liberties of this county wishes to cripple healthcare providers, insurance companies or plaintiff attorneys, as they play out their important roles in this great nation's healthcare system.

Myth Number Three

Somehow, it is believed, or at least asserted, that providing insurance coverage for 20 to 40 million more people will decrease the total cost of healthcare. If we simply take the lowest adjusted average per capita cost of healthcare cost for Medicare, the additional healthcare cost will be an annual increase of 240 billion dollars. Over ten years that will be 2.4 trillion dollars. If the error made in the estimated cost of Medicare in 1965 is any measure, the cost in twenty years could be 2.4 trillion dollars a year only for the care of the new beneficiaries.

More health would be provided for our nation with universal nutrition programs and with universal access to wellness centers than with universal health insurances. More health would be provided by shutting down all liquor stores and bringing back the Volstead Act, but even as a teetotaler I am against that.

The only way to decrease the total cost of healthcare while increasing the access to care for millions is to control the use of that care, which is what is called "rationing" of care. "Rational care" will include contractual limitations to the care which citizens can have paid for by others. It will include personal decision making that there comes a time when further care is not reasonable. "Rationed" healthcare however will be society saying, this person can have this for "this reason" – the reason is irrelevant – but another person cannot have that care for "that reason." "Rational healthcare" is consistent with our ethical principles; "Rationed healthcare" is not. A corollary to this myth is the imagination that any plan is in place in America to have a Federal committee make "end of life" decisions for citizens. No such committee exists and no such committee is planned.

Myth Number Four

Current policy proposals suggest that it is believed that decreasing healthcare provider reimbursement, insurance premiums, or access to the justice system will control the cost of healthcare. Nothing could be farther from reality. Healthcare cost will only be controlled by:

- The recipient being responsible for their own healthcare.
- The recipient's responsibility being increased by the making of bad healthcare choices.
- Healthcare provider incentives being tied to quality outcomes and to coordinated care particularly being tied to preventive care and screening testing
- A universal commitment to evidenced-based medicine rather than quackery whether practiced by quacks or by prestigious healthcare providers and healthcare centers.
- The universal guarantee of limited services to all with the availability of additional care by choice, or by charity.
- Rational use of healthcare at the end of life.

Finally, the only way to preserve individual liberty and to avoid a society structured on total government control is for people to have the "right" to make bad health choices and for those same people to have the responsibility to live with, or, if it be the case, to "die" by those choices. Make me the "health czar," with police powers and enforcement capabilities, and I can improve the physical health of our society. However, neither you nor I want to live in that society.

Illness and death are part of our life. It is unpopular to talk about and everyone wants to pretend that with the "right" public policy, we can eliminate both, but we can't. It is hard when illness and death has a name and a face and when that name and face is mine, or yours, or our father's, or our mother's, or our child's. It is here where our faith and our belief, unfettered by government interference must guide us. It is here where public-healthcare policy cannot intrude. It is here where science, society and finances must yield to the sacred. To pretend otherwise is to be worse than a demagogue.