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A Moral Question – or Two

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The debate over health care has become intense, with a great deal of distortion, mis-information and confusion. There are genuine concerns on all sides of this debate, and genuine problems to solve. But the facts are overwhelming: The United States spends twice as much for health care, yet we rank very close to the bottom in almost every category of health care measurement that is used.

There is an excellent new book, *The Healing of America* by T.R. Reid. If you are at all interested from any perspective concerning the current debate about health care, this book is a must read. Reid has reported fairly and accurately about the different systems of health care used by wealthy nations, and the difficulties with the health care system of the United States. Much of what I am discussing here is documented in Reid's book.

There is no doubt that the US leads in medical research and surgical innovation. It's no accident that American Universities are asked to set up medical centers all over the world, and wealthy individuals come to the US for medical treatment. If you are very wealthy, American medical service is among the very best. BUT..... when it comes to the general American public, we rank among the very worst. Just a few interesting statistics as reported in *The Healing of America* by Reid:

* Among 19 wealthy countries, the United States ranked nineteenth in curing people who could be cured with decent care. (We do better than most really poor countries.)

* For healthy life expectancy at age sixty, among 23 wealthy countries in a 2006

survey by the Commonwealth Fund, the United States was tied for last.

* Out of these 23 wealthy countries, the United States ranks dead last in infant mortality, more than twice as high as Sweden and Japan.

* Whether measured as a percentage of GDP or as per-capita spending, The United States pours roughly twice as much into medicine as other rich countries do.

* In the United States over 700,000 families file for bankruptcy because of medical costs. In Japan, France, Germany, the Netherlands, Canada, Switzerland, Britain – Zero!

Any realistic and fair assessment of our health care system shows us that we spend twice as much, are far more dissatisfied, and have far worse outcomes than any other wealthy nation. In fact, we rank among the poorest countries in that a high percentage of our fellow citizens can not afford health care at all.

There is little doubt that we have created a health care system that doesn't work! And there are many reasons for this, and there will be many debates on how to fix it. But before we can even address the difficult issues with health care, we must first decide on the morality of what we are doing.

The first question we must answer: Does every citizen have a right to adequate health care? Every wealthy nation except the United States has answered this in the affirmative. We are willing to allow 15% of our population to go without adequate coverage, and we are willing to allow insurance companies to deny coverage, deny claims, cap coverage, and eliminate those who do

not contribute to the bottom line of profit. As reported in *The Healing of America*, "When the world Health Organization rated the national health care systems of 191 countries in terms of 'fairness,' the United States ranked fifty-fourth. That put us slightly ahead of Chad and Rwanda, but just behind Bangladesh and the Maldives." This is, or at least should be, a cause for national shame.

The Moral Imperative

There is an important moral issue that is not part of the dialogue about health care. *Is it moral to profit off disease?* This is not about paying talented health professionals well for their skills; this is a question about profits. Do we have such an addiction to profit, to the economic model of free enterprise that literally everything must be for sale? Are there no values that trump the God of profit? It would seem that the health of the nation should not be for sale, nor should it be held captive to the demands of Wall Street or investors.

The argument that the for-profit health insurance industry is more efficient than any government or public option simply isn't true and could never be true. The for-profit health industry is necessarily more concerned with their standing on Wall Street than paying benefits to their insured. The industry is efficient, but their efficiency is directed towards making profit. Payments made to cover health care costs are considered as "medical loss". Consequently, these insurance companies work hard to minimize any payments out, even having whole departments dedicated to finding reasons to not pay outstanding claims. The national average of claim denial is 30%, and in California, a subsidiary of United Health runs nearly 40% denial of claims by those they insure.

Again from *The Healing of America*: “The most maddening of all the profit-maximizing mechanisms...is the practice of “rescission,” a legal term meaning ‘We’re cancelling your coverage.’ This occurs when an insured person who has been paying premiums for months or years has a serious accident or contracts a serious disease, which can mean serious bills for the insurance company to pay.”

Administrative costs (read: the need to show profit for Wall Street, stockholders, and support excessive executive pay and bonuses) is about 20%. Add to this the costs of paperwork in hospitals and clinics, where administrative costs can go as high as 50%. All this is money taken away providing health care, leaving far less available for paying the actual costs of health care.

On the other hand, the “wasteful,” “bureaucratic” government program called Medicare, spends only 3% on administrative costs. That allows a far greater percentage of each dollar - 97% - is put into the health care system. This fact is repeated over and over again in other countries which do not allow corporations to profit off disease. For example, Sweden and Germany, operating with non-profit, competitive companies spend 5% and 6% respectively on administrative costs, with the rest going into health care. How many elderly individuals do you find who want to give up their Medicare and want to start paying for-profit insurance company premiums?

As far as choice is concerned, it is well-known that the individuals who have the greatest choice are those on Medicare. Most physicians will tell you that what limits both the procedures they use as well as which medications they can prescribe, are private, for-profit insurance companies and lawyers. Based on estimates from the Institute of Medicine, a branch of the National Academy of Sciences, approximately 22,000 Americans are left to die each year because they can’t afford medical care.

This doesn’t take into account deaths occurring because insurance companies refuse to pay.

The Socialism Bugaboo

The cry against socialized medicine is nothing more than a straw-man used by industry and political hacks to galvanize a fearful public. We already have socialized medicine in the United States, and that is the VA system for our military vets. It seems that whenever profits are threatened in any industry, than the ogre of socialism is raised. Reid points out that there is very little socialized medicine anywhere, and summarizes clearly the four major systems of health care.

Not any of the single-payer systems used by other wealthy countries qualify as purely socialized medicine. Germany, Switzerland, Japan, France Belgium all operate with a competitive, private, non-profit insurance industry and a multi-payer model that covers everyone. This model is called the Bismarck Model. The United States did have non-profit companies; the Blue Cross and Blue Shield companies were all non-profit until brought out by the profit based insurance companies.

Great Britain, Spain, Italy and most of Scandinavia use the Beveridge model, or some variation of it. This single-payer model (government) covers everyone, but health providers are independent agents. This is closest to the pure socialized medicine systems of Cuba and the U.S. Department of Veterans Affairs. In both these systems, health professionals are government employees working in government-owned facilities.

The National Health Insurance model is a hybrid of the Bismarck and Beveridge models. The government runs the insurance, and the providers are independent. This is the Canadian system that is often used to scare Americans. It’s interesting to note that Canadians are far more satisfied with their system than Americans are with theirs.

The fourth system Reid describes is the out-of-pocket model. This is the system used by the poor countries of the world. As he points out, only the industrialized, developed nations have established health care payment systems. The range of out-of-pocket expenses are from 91% in Cambodia, 85% in India, and 73% in Egypt to England where the out-of-pocket expense is 3%, and in the United States, it is 17%. As Reid points out, for 45 million uninsured Americans, we are Cambodia, Burkino Faso or rural India.

Our government run health programs – Medicare, Medicaid, VA – are extremely popular, well managed (though not without problems), and certainly not programs that anyone (except some conservative ideologues) want to eliminate.

Our economic system for free enterprise is a powerful and useful system. But it is only a system, and should not be elevated at the cost of our moral and ethical beliefs, nor should we be so dogmatic as not to recognize when it simply isn’t appropriate. There are many things that should not be subject solely to the demands of the market place – our family relationships, our security, our vital needs, and our health. There is no reason to have socialized medicine where the government runs everything. Why not have competitive non-profits run our health insurance, and become as efficient as the Germans, French and Swiss? Why not put 95% of our insurance dollars to work for the national good instead of feeding the pockets of a few? We already know that unrestrained capitalism leads only to greed and financial hardships. How many times must we learn the lesson that human beings are more important than dollar bills?

Always do right. This will gratify some people and amaze the rest.
Mark Twain

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