First Do No Harm:
A Reasoned Approach to Health Care Reform

By

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Effective long-term health care requires a strong relationship between a practioner and a patient. It employs a method of cautious modifications in medications and life-style, rather than broad, sweeping changes, to achieve a balance in a patient's life. No prudent practioner would start a patient on 1000 milligrams of a medicine when 10 milligrams will suffice. It would seem logical that reforming America's health care system should also focus on smaller modifications targeting areas that impede the success of the provider/patient relationship.

Suggesting the ills of the American health care system can be solved by replacing the free-market plan with a government-funded plan (or vise versa) is as ridiculous a notion as attempting to fix problems of public safety by replacing the police department with the fire department. Although both are under the umbrella of "public safety," each plays a very different role. When responding to a house fire, police mark off the scene with yellow ribbon and control everything outside the taped-off "hot-zone." Firefighters attempt to gain control of the hot zone and focus on everything inside the yellow-tape perimeter. Allowing the two entities to function in this independent and collaborative manner has been a model for success for decades. The American health care system is no different.

The American medical system consists of two collaborative, but independent, segments: a government run and funded, single-payer system consisting of Medicaid, Medicare and the Veteran Affairs Hospitals and a free-market system, which has been so heavily manipulated it no longer reacts to natural market forces. Both of these systems suffer from the fact that modern medicine has evolved to treat chronic illness rather than prevent it. The result is a system that is no longer sustainable.

Frustration in Reform

Much of the current frustration felt by Americans regarding health care reform stems from their inability to articulate what they want in the way of reform. Although not well articulated, the desires of all Americans seem to fit into a wish list comprised of health care that is: patient centered, effective, efficient, safe, timely, equitable, and cost-effective. Further, the costs must be transparent.

Virtually every attempt at reform has led to disappointment and resulted in less care and greater cost for the patient. The corporate players in the health care industry are spending record amounts of money making sure new reforms will protect their interests,[1] but once again this reform will fail to foster the simple interaction between the patient and their

provider. In short, because patient care (more aptly "taxpayer care") is not the primary focus of reform, taxpayers can expect to be disappointed.

Americans already spend more than enough money to subsidize care for the uninsured, but the funds are squandered on a few rather than used appropriately on many. There are multiple solutions that will help bring better value to the majority of Americans who participate in the free-market system, and there are cost-saving measures that must be instituted in the governmentally funded system to spread taxpayer dollars more appropriately, allowing more people to receive the care they need. There is no need to complicate the process and combine the two segments of the health care system.

Truth in numbers

Exactly how many people need coverage? As always, statistics are fungible. In recent months, the number 45.7 million has prevailed as the number of Americans who are without insurance. But it has been pointed out that 10 million of those people are not U.S. citizens, another 14 million are eligible for existing benefits but are not enrolled, and another 9 million chose not to purchase insurance but could afford it.[2] All told, the amount of uninsured is about 12 million people (4% of the U.S. population). It is not necessary to reorganize our system of health care for Americans to achieve better health, value, access or coverage. It is only necessary to re-arrange our thinking.

Access and Coverage

Much of the health care reform debate has centered around providing coverage to Americans who cannot afford to pay insurance premiums on their own. Although important, insurance is of little value if Americans don't have access to a medical practioner with whom they can redeem that insurance. Health reform must address the shortage of practioners that America now faces. The shortage is estimated to reach 159,300 physicians by 2025 depending on a continued increase in the level of medical resources people consume and younger doctors working fewer hours.[3] Reform must address both the issues of access to providers and coverage to pay for their services.

Teaching Better Health: A School-Based Solution

Studies suggest it is especially vital to start early in teaching the important lessons concerning healthy living.[4] Schools all across the nation offer health classes, many of which have become little more than a second study hall. By re-evaluating the content of these courses, children can be educated in healthy life styles and on the appropriate reasons and means by which to access and utilize our 2.3 trillion dollar health care system. This beneficial step can be easily implemented and will help bring about long-term health benefits, and decrease over utilization of medical resources. Reform should re-emphasize the importance of physical activity in the day of our students and require

physical education to CDC recommended levels. Failure to do so will risk sending a mixed message to students: make time for exercise—even though your school is not able to do so.

Reformers must acknowledge, and students must understand, that health care is almost totally dependent on the individual. A recent study has again proven if people engage in regular activity, eat a healthy diet, do not smoke and avoid obesity, they reduce the risk of diabetes, heart disease, stroke and cancer by 80%.[5] Unfortunately, it relies on a society of people who want to take a pill, not responsibility, to achieve good health. Less than 10% of the participants in the study actually live their life in the manner outlined in the study.[6]

Attempting to make universal that which is almost totally individualized makes little sense. No amount of taxpayer funding can alter the simple fact that no one can exercise for you or compel patients to follow their practioner's advice.

I. Changes in the Single Payer-System

Many taxpayers will agree that finding ways to eliminate wasteful spending has never been a strength of state or federal government. It is far easier to increase a tax or develop a new one, than it is to pay for a project with recovered funds that would have been wasted. However, small changes can recover large amounts resources that can pay for needed care and substantially reduce costs for the long term by reducing expenses associated with treating chronic illness.

Stewardship and Common Sense

According to the Centers for Disease Control, smoking prevalence among Medicaid recipients is approximately 50% greater than that of the overall U.S. adult population. Persons receiving Medicaid are affected disproportionately by tobacco-related disease and disability,[7] which leads to greater health care costs paid for by taxpayers. Patients who receive government-funded health care (Medicare or Medicaid) must be required to help control the costs of their care. In short, we must not allow recipients to smoke and remain eligible for benefits.

A change in food stamp and WIC provisions is another modification that will have a great impact on long-term health. Because obesity tends to affect those in the lower socio-economic class the most,[8] we must insure that food stamps are used for nutritional food rather than allowing the purchase of unhealthy items like snack cakes and soda pop, which contribute to obesity. Annual medical expenditures attributable to obesity have doubled in less than a decade, and may be as high as $147 billion per year.[9]

II. Changes to the Free Market

In a 2006 hearing before the House Ways and Means Committee, hospital and insurance representatives testified that transparency in medical billing (up front pricing) would confuse the public—Congress agreed.[10] This makes it impossible to price compare and takes the market force of competition out of the equation. Imagine going to a grocery store where there were no prices on the products. Consumers would never stand for such an outrage, but it is standard practice in American health care.

Consumer Protection

Once an insurance card and co-payment have been presented, payment should no longer be the patient's concern—if premiums are paid and deductibles are met. Settlement should be the responsibility of the insurance company. Americans should not be forced to spend one more minute of "free time" on the phone with insurance companies shuffling EOBs and verifying payment. Medicaid recipients present their card at the hospital or clinic and never have to worry about the bills. Those who pay the premiums should have it as good.

Adjudication of Bills

Currently patients can be routinely held responsible for bills that are one-to-two years old and may have never been properly submitted to their insurance company in the first place. This practice is unfair and must be stopped. Proper reform will no longer allow patients and families to be held accountable for billing errors that are beyond their control, or bills that are not settled in 90 days.

Additionally, no business plan in America would allow delaying payment to a supplier for 90-180 days as it is in the case of medical reimbursement. Many clinics and smaller medical practices must take out loans to pay their staff while they wait for reimbursement from insurance companies and government payers. In an era where you can walk to your local bank, return home and see your deposit on your computer, there is no excuse for this unfair practice.

Legislation is needed to assure all medical bills are paid by private and governmental payers within 30 days of service, after which time the money the practice is owed will be subjected to accrued interest as well. Beyond 45 days delinquency, payers will be responsible for interest and penalties.

The Free Market must be allowed to Flourish

Good legislation will facilitate expansion of market forces, not stifle the market with laws that attempt to create a blanket of uniformity.

Although small in comparison to the general hospital sector, Congress created laws to run specialty hospitals out of business at the request of the larger sector.[11] Such measures are in direct contrast to free market principles and must be stopped. Specilaity hospitals are a seed of innovation and generally provide better and cheaper care than the everything-for-everyone general hospitals.[12]

The free market has proven it can decrease costs to a level more Americans will find affordable. Definity Health, a venture-capital-backed business designed a policy that offered insurance for catastrophic health care expenses. Their policies were linked to a health savings account that could be used to pay for uninsured needs and 100% of preventative care. The average savings: about 40% cheaper than traditional plans. They were so effective they sold over 9 million policies before being bought out by United Health Group for about $340 million in 2004.[13]

Another for-profit venture known as eHealthInsurance Services, Inc., offered more than 5,000 health plans underwritten by more than 140 leading health insurance companies. In 2005, 25% of its customers earned less than $35,000, and more than 40% of those who bought higher-deductible policies were uninsured previously.[14]

Health Savings or Flexible Spending Accounts

Currently, health savings accounts are generally tied to high deductible health plans only. They must be extended to all medical plans. Because monies placed in health savings accounts roll over and accumulate over time, they should be the vehicle of choice in any reform plan. Flexible accounts employ a "use it or loose it" tactic which does not allow people to accumulate unused funds. Rather, unused dollars are forfeited to the insurance company. When an unexpected health concern arises, there is no money left in the account to provide a financial cushion.

III. Changes in Governmental Involvement

Just as the SEC should regulate securities, it is reasonable to have a governmental regulatory body to provide oversight in health care by ensuring the integrity and solvency of participants. This would include prosecution of fraud by providers, enrollees and insurers. It should require and enforce the transparency laws needed for consumers to make the best decisions with their health care dollars.

Collaboration in Reform

It is important to note that Medicaid is a state-administered, federally subsidized system. In fiscal year 2007, the total outlay of taxpayer funding was 333.2 billion dollars.[15] It is imperative the Federal government work to develop legislation that will allow the states more freedom in reassessing their needs and allow them to restructure the benefits they give to their citizens. Appropriate reform must not attempt to supersede the state's constitutional right over health care as provided by the Tenth Amendment of the U.S. Constitution. It should work to facilitate an effective, efficient collaboration between the state and the Federal governments.

In testimony offered before the House Committee on Commerce, presenters stressed the importance of working closely with the states.[16] Because the health care system is simply too large to be efficiently monitored by the federal government, it must adhere to its regulatory capacity and leave the necessary implementation, management and monitoring of the systems to the individual states.

Consider the following scenario: A single-payer patient presents to the hospital with a minor complaint. If triaged into the ER, Medicaid will be forced to pay about $300 for the visit. If that same patient were directed to a resident-run clinic, the cost would be less than $30. The remaining $270 dollars could be used in 2 ways: First it could be used to provide visits for additional uninsured patients. Second it could be used to increase re-imbursement to practioners who see these patients, making them more financially attractive to care for in the first place. How much would this plan save? Numerous sources suggest 85% of the complaints presenting to every ER are non-emergent. Therefore, such measures would recover tens of millions of dollars per state which can be extended to those in need.

Legal Reform

Defensive medicine is not only costly, it is unsafe for patients and reduces access to care.[17] The debate surrounding the existence of such practices depends on whom you ask. Those in the legal field openly deny its existence, while practioners will openly affirm they order tests or may admit patients to cover their bases in the event of a lawsuit. Economists determined over a decade ago that liability reforms can reduce defensive medical practices and expenses.[18]

Recently, it was discovered that five out of six doctors admitted they ordered tests, procedures and referrals solely as protection from lawsuits. Further the Pacific Research Institute estimates such practices waste more than $200 billion a year.[19]

Further, the Emergency Medical Transportation and Active Labor Act (EMTALA) must be revised. Originally it was designed as a "no dumping" policy to prevent discrimination against patients without insurance, but in its current form it basically forbids hospitals or practioners from saying "no." Such a response, although perhaps

medically appropriate, can lead to an allegation of "dumping" a patient due to their uninsured status. This can rapidly lead to a $50,000 fine. Therefore, to avoid such allegations, practioners write for more admissions and increase the hospital workloads with no reimbursement. As a result, hospitals cut staff, rooms are not available, and capacity is reduced.

Ironically, "EMTALA , the Federal mandate to save the poor from sickness has begun to crumble at its foundations, and leave untold numbers of patients, poor and paying, without care."[20]

Making the Turn

Since its inception, the medical community has evolved to treat acute problems rather than focusing on preventative care. Americans know: when you get sick, you go to the doctor. The result is a financially non-sustainable system and an over-burdened workforce. The failure of the American health care industry to recognize the benefits of prevention has led to a nation of chronically ill patients. As of 2000, chronic illness accounted for 75% of all spending,[21] a number that is estimated to reach 80% by the end of the next decade.[22]

The heart attack of America's health system has now occurred, and it is time for us to get serious about making prudent changes to the system. Fortunately, this wake up call will not be fatal, if we make the needed adjustments.

The small changes described above are all modifications to help make the transition from caring for the chronically ill to avoiding chronic illness. They will enhance the provider/patient relationship and result in an overall reduction in illness and cost. They facilitate care, but do not dictate it.

The final product of the upcoming legislative efforts may be 1000 or more pages. However, it must consist of small, precise modifications that, like a surgeon's scalpel, will cut away what is non-functioning or detrimental, leaving all that is healthy and functional. We must be careful not to overdose on change--too much at one time can do more harm than good. Attempting to move American health care from crisis care to preventative care will also take time, education, and the will to achieve this goal.

Although this is not an exhaustive survey of reforms that can be considered, it can provide the coverage needed to millions of Americans, provide trillions of dollars of cost savings over the next decade, and create a healthier nation all at a pace Americans will be comfortable with, returning the American health care system to the pride of its participants and envy of the world.

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