Review of *Fixing American Healthcare*
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Retired Doctor Devises Plan to Cure Health Care

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A NEW ELECTION CYCLE is at hand, so we'll soon be hearing the same old song about spiraling health-care costs and the 46 million uninsured Americans. Private enterprise will be pitted against public thrift in snappy sound bites and soul-wearying debates. Estimates of fraud and waste will grow like malignant tumors, unchecked.

Casting aside the unfortunates forced to wait until their health problems warrant emergency-room care, how does our medical system work for the rest? Well, not so well that most Americans aren't in favor of a change. According to the Kaiser Health Tracking Poll[1], the public rates health care as the second "most important problem for the government to address," behind Iraq but well ahead of the economy. "In some ways, it may be *the* key domestic issue," concurs Gallup[2]. "Americans apparently have a great fear of being faced with huge medical bills they are unable to pay."

This fear has been fanned by the rapidly escalating direct medical costs to those lucky enough to have insurance through an employer. According to the Kaiser Family Foundation's annual benefits survey[3], the average employee premium contribution for a family coverage plan has risen to $273 a month from $129 in 1999. Add in the deductibles and co-pays, and the pocketbook drain looks even worse[4].

Fortunately, we've developed something of a national consensus on how to tackle such ills: We want the uninsured covered and for the rest of us to pay less while getting more. The government should engineer this miracle without taking over in the process. And businesses should pick up the tab without outsourcing our jobs.

The real problem is that we can't afford to give everyone the sort of care many of us would want, and can't admit to ourselves that we can't afford an unlimited supply of medical services. We are, after all, the richest, most blessed and most incurably optimistic nation on Earth. Our regard of individual worth is matched only by our faith in scientific progress. Even creationists insist on the latest scans for themselves and long-term life support for the brain dead, by God.

And yet available medical resources are sadly finite[5], despite the fact that health care already consumes an ungodly 16% of the U.S. gross domestic product. (Those pitiful Europeans pay less, often live longer and are no more dissatisfied with their system than we are with ours, but never mind.) Like any limited resource, medicine must be rationed by access or price. But since we tend to block out this painful fact, we've escaped the

uncomfortable choices by subcontracting the job to Medicare, emergency rooms and HMOs, on the condition that they ration covertly, out of sight.

Dr. Rich Is In

The nuts and bolts of this covert rationing are surgically exposed in a new book by a retired cardiologist. Richard N. Fogoros (aka Dr. Rich) has authored textbooks in his field, consults for companies developing new medical technologies and hosts the heart disease information site[6] at About.com. Now he's self-publishing a fine blueprint for radical health-care reform.

"Fixing American Healthcare — Wonkonians, Gekkonians, and the Grand Unification Theory of Healthcare[7]" is not the catchiest title in the world. Maybe the good doctor should have gone with "10 Reasons to Distrust Your Physician" or "Health Emergency: A Medical System on the Brink." Regardless, this is a survival guide every patient deserves. If you don't want to buy the book, a lot of the material is reprised on Dr. Rich's promotional site[8], which also links to his Covert Rationing blog[9].

Conspiracy theorists and ideologues might be disappointed. Dr. Rich doesn't believe that covert rationing is any kind of plot, nor does he deny the benefits of managed care or the necessity of policing fraud. He does have two big bones to pick with the current system. One is that it's less efficient than public decision-making would be, since covert limits rely on opaque regulations and bureaucracies motivated in reverse. Worse, Fogoros says, covert rationing corrodes the very foundation of medicine — the doctor-patient relationship — by turning the physician into an agent of the government or, increasingly, a business partner or employee of the HMO.

Many doctors are now subject to financial incentives (and disincentives) in conflict with their primary responsibility to the patient. It doesn't pay to go the extra mile with a marginal referral or to flout treatment flow charts devised by the suits. Many physicians are increasingly tasked like assembly line workers of yore, their brief patient encounters thoroughly scripted under the guise of "pay for performance." Fogoros points out that most patients don't buy their own insurance, and everything a doctor can do or dispense has a cost. So covert rationing depends on making the encounters between these two wasteful constituencies as perfunctory as possible. The meter's always running, chronically overscheduled doctors know.

"The basic endgame of covert rationing is that you've got to do it at the bedside, which means you've got to coerce doctors into making decisions that primarily benefit the payers rather than the patients," Fogoros says. "And that leaves the patients out in the cold — they've been totally marginalized by the system. It also destroys the medical profession. The medical profession is based on ethics, and the fundamental ethic of practicing medicine is you've got to put the patient first. Covert rationing fundamentally disallows it.... I believe that's the root of the utter frustration that doctors are experiencing these days."

No wonder, Fogoros says, that **Wal-Mart** (WMT[10]) sees a bright future for its walk-in health clinics. And no wonder some doctors are severing links with insurers altogether, instead direct-billing patients with the means to pay.

The rest of us are stuck with the petty indignities of the medical bureaucracy, which after all is just a low-level rationing tactic. So is some doctors' chronic impatience with chronic patients, and so is health insurers' self-serving[11] tendency to misinterpret, mislay or simply fail to pay more than their fair share of claims. (**UnitedHealth Group** (UNH[12]) has just been forced by a bunch of states to admit that it can do better in that regard, and to fork over up to $20 million if it can't deliver on its promises.) Despite this track record, a healthy majority of Americans is fairly satisfied with their health plan. They're the relatively healthy ones; the sick have most of the complaints, but then they see more of the system up close. And even a relatively healthy family can find the regular insurance claim hassles a grinding chore.

Prescription for Change

The latest target of covert rationing is the 85-year-old woman with dementia who cracks her hip in an emergency room overrun by the uninsured hordes. Under Medicare rules announced[13] last month, her injury was preventable, and so the hospital will get stuck with the treatment cost. The Bush administration won't be around by the time that fiddle gets passed on as an increase in hospital fees and insurance premiums. But in the meantime it's doing its part against waste and fraud. Meanwhile, private insurers get a taxpayer-financed bonus for skimming off the healthiest Medicare recipients, over and above what the government pays for the rest.

There's a better way, and Fogoros shows convincingly that it needn't involve a national health service, or eugenics boards deciding who's worth saving and who's not. It starts with a premise that everyone is entitled to share in a shared pool of rationed care: One way or another, we already pay for the uninsured, like it or not. Also, the system will work better when the purchasing decisions are made by consumers rather than their employers. For one thing, insurers would have to start treating patients as clients who can walk. At the same time, the consumer will need to pony up for less cost-effective treatments that strain the system's limited resources.

Fogoros serves up something like a layer cake: at the bottom, a sizable self-financed health savings account (with the government subsidizing the contribution on a sliding scale for the poor). Any money that's not used up could be saved toward retirement or allocated toward optional insurance.

Those who've exhausted their health account would be entitled to a share of the rationed health-care pool. Treatments would be covered or not based on a cost-benefit analysis treating each human being as equally valuable but seeking to equalize the opportunities for a healthy life over time. So a quadriplegic's life would be deemed no less valuable than anyone else's, but at the same time young patients would get some preference over the old who've already lived it up. Patients with greater odds of being helped would also

gain priority. This sounds like common sense, even if it's common sense we would prefer not to exercise at the moment.

Beyond rationed care, the rich would remain free to bankroll the many fanciful treatment alternatives, doubling as guinea pigs for the rationed system that would look to adopt the most cost-effective advances. Fogoros understands that the public debates about what to pay for could get quite awkward, and the system, any system, can and will be gamed. But he's right to argue that this will still improve on the mess we've got.

For a man without a publicity machine at his back, Dr. Rich is surprisingly optimistic, and I think rightly so: "Because patients have been totally marginalized in a systematic and purposeful way by the health-care system, they will respond to a message that explains to them why, and that helps them as individuals to start to protect themselves." He's been surprised to have received a similar response from many fed-up doctors.

The fact is, universal access to health care is incompatible with the principle of an unlimited entitlement to medical services. Since limits are already being set, it would be better if they were set by patients making pocketbook decisions where possible, and in public forums where fairness demands it, rather than by budget accountants. The current system rewards the powerful, the persistent and the hypochondriac. For the sake of public health and fundamental fairness, it must go.

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[1]http://www.kff.org/kaiserpolls/upload/7691.pdf
[2]http://www.galluppoll.com/content/default.aspx?ci=4708
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