

## **Partitioning the USA's Healthcare: A Patient's View**

In a few short days the Supreme Court will take up the case brought by 26 states against the Patient Protection and Affordable Healthcare Act aka Obamacare. You remember it don't you? You know, the massive 2,700 page piece of legislation passed in the dark of night by the slimmest of Senate majorities with no Republican votes that's supposed to cure the healthcare ills of all Americans? The one that Representative Nancy Pelosi said "We'd have to pass before we can know what's in it?" The one that over 60% of all Americans oppose and that's now projected to cost \$1.76 Trillion, double its original estimate?

Yes, that's the one.

As a patient and a taxpayer I find the whole thing incredible! It has caused a major rift in the entire country and served to drive us farther apart instead of bringing us closer together. We need to strike down this law and start afresh, using some good old fashioned commonsense, innovative thinking and a heaping helping of nationwide conversation. We could start by looking at other countries' systems.

I have experienced, firsthand, the healthcare systems of three European countries: Denmark, Germany and The Netherlands and one Asian country, Singapore. The Scandinavian countries are often trotted out as a superb example of how a healthcare system should be constructed and the Danish system works fairly well for a country of only 5 million plus people. Studies done by my office in the early nineties showed that the Danes pay about 20% of their gross earned income for healthcare.

They have both private and public hospitals. The private ones appeared in the 1990s because the Danes got tired of waiting for months, sometimes years, for elective (read: non life-threatening) surgery. The Mermaid Clinic was one of the first. It did a land office business handling the overflow from the government healthcare system. Many wealthier Danes also elected to come to the U.S. for diagnostic and specialized care. As a matter of fact, thousands of foreigners routinely seek out U.S. healthcare services, bringing in millions for the M.D. Anderson Clinic in Houston and the Mayo Clinic in Rochester, Minnesota.

### **Upsides downsides**

One of the first casualties in any government system is the 'bedside manner' as doctors have little time for chit chat with individual patients because of huge patient loads. In Denmark, doctors see private patients who reside outside the doctors' geographically-mandated area of coverage, and they see those assigned to them. Their offices, clinics and hospitals were oversubscribed when I lived there due to a low number of healthcare providers to handle the volume and a general patient entitlement mentality ("I paid for these services with my taxes, and by gosh I'm going to use them!").

I am willing to bet that hypochondriacs accounted for a fair number of visits to GPs though I have no proof of it. While I can't comment on the quality of the care others received, I can only say that the week I was hospitalized, I received efficient and professional treatment. One of the principal areas where the Danish healthcare system fell short was in pharmaceuticals. The drugstores (apoteks) were required to buy drugs from a government-owned and operated central pharmaceutical purchasing organization. This organization determined which drugs would be purchased, in which quantity and at what price. It negotiated with the pharmaceutical companies who were not enamored with the process as many of them had new drugs they were trying to get to market.

The government purchasing office refused to stock many of them despite the fact that they had gone through extensive FDA trials in the U.S., and thereby kept them out of doctors' and patients' hands. One of the real benefits of the Danish system, however, was the elimination of anxiety. Danes didn't worry about being able to afford their care as the costs were rolled into their income tax bill.

In Germany, private insurance companies cover the citizenry. Since the Germans are true believers in insurance, and are home to an impressive number of insurance companies, it took no leap of faith to build a system that relied on them. The quality of healthcare and ease of delivery correspond to that of their Scandinavian neighbors', but the major difference is the size of the populations: Germany has 80 million people, Denmark 5.5 million. In my four years in southern Germany, I observed that their operation runs smoothly.

In Singapore, medical care was excellent with many top-notch practitioners and great hospitals to serve a relatively small population of around 4 million. In fact, Singapore, a tiny nation-state that's only 21 miles by 19 miles also benefitted from foreign patients, principally from Malaysia which was a short drive across the causeway that connected the two countries. The Singaporeans are big on technology and had the latest and best diagnostic equipment and used it, liberally. Our embassy assessment was that the healthcare was uniform and good.

There were at least four things these countries had in common: 1.) a belief that healthcare is a right and not a privilege, 2.) a national health ID card, 3.) a national patient database and 4.) very high healthcare costs. That brings me to a CNN reportage done by Fareed Zakaria who is beating the drum for a single-payer system for the U.S.

Unfortunately, Mr. Zakaria used the tiny, wealthy nation of Switzerland to make his case for exporting the single-payer system to the USA. Last time I checked the State Department's statistics, Switzerland's population was only 8 million and the average income of the Swiss citizen was \$67,000 compared to the U.S. population of 320 million with \$31,000 per capita income.

While it was interesting to see Switzerland's system and hear their rationale for it, it was hardly a fair comparison to make with the U.S. demographics, infrastructure, history and geography.

### **A two-tiered system for the U.S.?**

Given the importance of this issue and the turmoil that has ensued since passage of Obamacare, we ought to be engaged in a *Manhattan Project*-like dialogue to bring all affected groups to the table and consider everybody's ideas.

There are plenty of them out there, like a possible two-tiered or *partitioned* system: one government-run and administered system for those who dearly want it (or can't afford anything else) and one that's private for the rest of Americans. Those who believe in the government system can pay the costs for running it out of their taxes for their coverage and the rest of us can continue buying our insurance to pay ours.

Admittedly, this is what Medicare and Medicaid was set up to do, but the math just doesn't work anymore which is why there must be a radical transformation in the way states are able to care for their own populations. Even the Europeans understand the principle of 'subsidiarity' (applying solutions locally), and they have enshrined that principle in their European Union laws. More individual state freedom with less federal intervention is necessary to make healthcare work, locally, taking advantage of user-based budgeting and a reordering of healthcare delivery that includes a number of new solutions like health exchanges.

## Risk-pool healthcare?

The new government system should not be, to borrow a transportation term, an FOB (free on board) system. Users should be means/income-tested and their *fair share* of the costs (or premium size) should be based on their ability to pay. Risk pools offering low monthly basic premiums could be set up alongside the full plan, financed with private and public funding. These would be offered to economically disadvantaged persons or those with debilitating illnesses in order to get them the care they need while shielding them from total financial ruin.

Similar pools could be created for those with better overall health. The pool principle is the same, however. The healthier the participants in the individual pools are, the fewer services they require. This would create the potential for profitability, and that profit would accrue the investors in the pools which would include government and the insured participants themselves. Being able to lower your premiums is also a powerful incentive for adopting healthier lifestyles.

This idea simply exempts those citizens who choose the private insurance solution from having to participate in the government system or paying for its operation, though I believe there should be an option for them to join the government system should their health or financial situations change, dramatically. That way nobody falls through the cracks. Participants in the government system would be required to have their medical records reside in a secure (hopefully) fire-walled government database.

They would be subject to government-mandated norms for all procedures and care and have to accept the rationing that would certainly accompany it. Private plan participants would not. That may sound grossly unfair to those wanting universal, *one-size-fits-all* healthcare, but there is a tradeoff to be made with participation in any government program.

There's no one, single, perfect solution to America's healthcare system, but one thing is for certain... it must be reformed. We must bring our costs down, provide better preventative care and eliminate unnecessary procedures, many of which are now ordered out of fear of lawsuits. We need tort reform, healthcare exchanges, insurance portability across state lines and more patient involvement in their own health.

While many suggestions like those I've presented above may be wishful thinking and not be financially viable, they need to be vetted in an open forum in the states where much of the responsibility to administer any government system we create must reside. We need flexibility and subsidiarity not rigidity to make it all work. If that dialogue is to take place, we will need the Supreme Court to strike down the Act so that we can start from scratch going about the business of reforming our healthcare system so that it is built on a public consensus around the kind of basic care Americans want, need and deserve and not on a single vote in the Senate at midnight.

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