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## Manufactured Healthcare Crisis

By [James Simpson](#)

These are perilous times. Last November's election of Barack Obama and a filibuster-proof majority of Democrats in both houses allowed a virulent [cabal](#) to capture our nation's seat of power. As with the Democrat takeover of Congress in 2006, it was a [disaster of epic proportions](#). With one shocking, enormous, blatantly partisan, self-serving and destructive proposal following on the heels of another, the sheer enormity of their power grab defies description. But as each new proposal moves forward, the hand of the [Crisis Strategy](#) becomes clear.

If there were ever any doubt that [Barack Obama personifies](#) the [Crisis Strategy](#), it should long since have been removed for anyone with a mind. Since so many Americans seem to have lost theirs, I address this to the rest of you. For with God's help, it is you and I, not our gutless, hapless, corrupt politicians, nor our sleeping populus that will save this country or allow it to fall.

For those of you who aren't familiar with it, the Crisis Strategy was the brainchild of two radical socialist college professors, Richard Cloward and Frances Fox Piven. The idea was to overwhelm government with demands for services to the point where the system would collapse and provide an opening for the socialists to take over. Their strategy was behind creation of the National Welfare Rights Organization in the 1960s and 1970s which dramatically increased the welfare roles and caused the near bankruptcy of New York City in 1975; creation of the Association of Community Organizations for Reform Now (ACORN), prime instigators of the mortgage meltdown; the national Motor Voter law signed by President Clinton in 1993, which opened the floodgates to vote fraud by ACORN and similar groups; and the illegal immigrant amnesty movement. As we all should know by now, Barack Obama worked with and trained ACORN workers for many years, and is known and supported by [all the major players in this movement](#).

Healthcare nationalization is a major component of this strategy. The Left has agitated almost since the turn of the last century for some kind of socialized healthcare system. In fact, from 1939 forward, practically every Congressional session proposed national healthcare legislation. As aptly described in an [incisive analysis of Medicare by the Cato Institute](#):

For more than 50 years before the 1965 enactment of Medicare, the American people repeatedly rejected the idea of government-mandated health insurance. Yet advocates of such federal power inside and outside of government did not take no for an answer. Year after year they kept coming back--pursuing incremental strategies, misrepresenting their proposals, even distributing propaganda paid for with government money in apparent violation of existing law.

Their dream was partially realized with creation of Medicare and Medicaid in 1965 as part of President Lyndon Johnson's "Great Society." The stated goal of these programs was to provide comprehensive healthcare for seniors and the poor. As the programs grew, the Left clamored for ever more benefits to these groups and ever expanding definitions of covered individuals. Illegal immigration, also encouraged by the Left, contributed to a rapidly growing pool of beneficiaries.

Like any free good, demand for services under these programs has skyrocketed. Spending levels were insignificant in the early years, but today [Medicare and Medicaid today comprise 36 percent of total US healthcare spending](#).

Medicare was originally to be funded with "Hospital Insurance" (HI) premiums tacked onto the Social Security FICA tax. No one seriously believed the HI tax would cover all costs. And [despite more than quadrupling the HI tax rate](#) from 0.7 percent to 2.9 percent, it hasn't. Today HI taxes cover a mere 40 percent of Medicare spending. About 21 percent comes

from premiums paid by beneficiaries and other sources. Fully 39 percent comes from general revenues (i.e. you and me, pal.) [Citation here](#).

Medicaid is funded roughly 50/50 by federal and state governments. As an essentially free benefit to the poor, Medicaid has no tax associated with it, so it is covered by state and federal income tax revenues -- that's you and me again, sucker. In 2006, [Medicaid spending alone totaled \\$314 billion](#). For perspective, this is roughly equivalent to the baseline defense budget (i.e. excluding war spending like for Iraq/Afghanistan). State Medicaid programs are the largest single recipient of all federal grants, comprising 43 percent of the total.

In 2008, federal Medicaid and Medicare spending totaled \$676 billion. Comprising only 2 percent of the federal budget in 1967, these two programs today consume 23 percent of total federal spending. This is the largest component of the federal budget, even exceeding total wartime outlays for national defense.

Corrected for inflation, total *federal and state government spending on healthcare has increased by 2,735 percent since funding began in 1967. That is a real annual growth rate of 8.5 percent, almost three times the annual rate of economic growth for the same period!*[1]

All these effects were predicted by economists, and we were repeatedly warned. The Left knew.

These spiraling costs have to be covered somehow. The Left knew this too. Besides raiding the General Fund, the federal government has used its [monopsony](#) power to strong arm ever greater price concessions from the healthcare industry. Medicare and Medicaid reimburse doctors a small and shrinking portion of the fees they charge. Private insurance on the other hand, provides a larger reimbursement, and uninsured individuals who do not qualify for the government programs pay full price. These prices are much higher than they would be in absence of the government programs because medical providers have to recoup their costs somehow. And because the pool of Medicare and Medicaid recipients continues to grow, prices keep going up.

For example, the American Academy of Orthopaedic Surgeons [recently responded](#) to President Obama's wildly false claim that Surgeons charge "[\\$30,000, \\$40,000 \[or\] \\$50,000](#)" for a foot amputation. Instead they say, "Medicare reimbursements to physicians for foot amputations range from approximately \$700 to \$1200 which includes the follow up care the surgeon provides to the patient up to 90 days after the operation." That is simply outrageous!

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So while private citizens pay the lion's share of taxes to fund Medicare and Medicaid, we are also cross-subsidizing these government programs through higher insurance premiums than we would otherwise pay. *This is a primary reason medical care has become more expensive.*

The left has attacked the private healthcare system from another angle as well: malpractice lawsuits. It has gone largely unreported in the mass media, but the dramatic expansion of all forms of liability lawsuits since the 1960s is the result of a [deliberate, organized effort by leftist law professors to turn civil courts into agents of income redistribution](#). By undermining contract law and expanding the definition of liability - ideas advocated at leading law schools -- legal precedents have allowed trial lawyers to pick the pockets of American business as never before. Liability costs have skyrocketed as a result.

We see the consequences of their handiwork directly in the increased cost of products, liability insurance of all kinds, and the decline or in some cases elimination of domestic industries. According to a [study performed by the Pacific Research Institute](#) (PRI), the United States pays out *\$589 billion per year in excessive tort litigation*. That is approximately 5 percent of GDP and costs a family of four on average about \$8,000 per year.

Glorified ambulance chaser and Democratic Presidential Candidate John Edwards made his millions [suing doctors](#) for procedures that are inherently risky, and greatly increased jury awards with a new innovation: suing nurses, anesthesiologists, hospitals and anyone else in his path. The following words are [from one doctor](#):

"The John Edwards we know crushed [obstetrics, gynecology] and neurosurgery in North Carolina," said Dr.

Craig VanDerVeer, a Charlotte neurosurgeon. "As a result, thousands of patients lost their health care."

Following are some statistics on medical malpractice liability from the PRI report:

- Approximately \$124 billion dollars is spent annually by the health care profession to avoid medical liability.
- About \$30 billion more is spent on direct liability lawsuit costs.
- Malpractice liability cost is 1 percent of GDP and *increases the cost of healthcare by approximately 7 percent*.
- These added costs *deny health insurance coverage to between 2.4 and 4.3 million people*, according to the Department of Health and Human Services.

The increasing costs of medical care resulting from Medicare, Medicaid and the dramatic growth of malpractice lawsuits have provided activists with the rationale they need to agitate for socialized medicine.

*This has been their strategy all along.*

Medicare and Medicaid were designed to undermine private healthcare, making it ever more expensive and unmanageable, until enough interest could be generated for systemic change. Similarly, changes in tort law aimed at turning our courts into vehicles for income redistribution have overburdened our legal system with massive caseloads and the highest liability costs in the world.

While doubtless many thought they were doing good, the ultimate goal, as elucidated by the Left, has everywhere and always been *Socialism*.

Furthermore, they [grossly overstate the problem](#). We hear constantly about the "47 million uninsured." These figures include 10 to 25 million illegal immigrants, 14 million people who are already eligible for medical benefits but haven't availed themselves, and 10 million people earning \$75,000 or more who could presumably afford their own insurance if they chose to. Even assuming the lowest estimate for illegal immigrants, the true number of uninsured would be only 13 million. Yet the Democrats want to nationalize the entire industry, currently 17 percent of GDP, to provide benefits to 4 percent of the U.S. population.

And while medical costs increase due largely to government manufactured problems, shrinking returns in the healthcare industry put doctors and hospitals out of business. Meanwhile, the astronomical cost of medical school plus this increasingly hostile atmosphere toward the private medical market is turning more and more qualified people away from the medical field entirely. Costs increase while supply decreases, the classic consequence of government intervention.

Yet Obama and the brain-dead Democrat Congress want to give us a government-run system that will *guarantee* magnitudes more of the same.

Can you see the Left laughing at you?

However, their true motives have finally been exposed. For seniors ObamaCare essentially advocates euthanasia. Benefits will be drastically cut, and in some cases will become completely unavailable. As [Obama said publicly](#): "Maybe you're better off not having the surgery, but taking the painkiller." In other words, if you think you are going to die anyway, why don't you just save us the money and go ahead...

For others it will mean a dramatic reduction in both the availability and quality of care. Obama's health policy advisor Ezekiel Emmanuel (brother of Rahm Emmanuel) admits as much. He even wants doctors to [reconsider the Hippocratic Oath](#):

Amazingly, Dr. Emanuel criticizes the Hippocratic Oath as partly to blame for the "overuse" of medical care: "Medical school education and post graduate education emphasize thoroughness," he wrote. Physicians take the "Hippocratic Oath's admonition to 'use my power to help the sick to the best of my ability and judgment' as an imperative to do everything for the patient regardless of the cost or effects on others." (*Journal of the American Medical Association*, June 18, 2008.) Of course that is what patients hope their doctors will do. But

Dr. Emanuel wants doctors to look beyond the needs of their own patient and consider *social justice* (emphasis mine.) They should think about whether the money being spent on their patient could be better spent elsewhere.

Who *are* these people?

The Left has relentlessly insisted for decades that we pay every penny for care of indigents, the poor, illegals and elderly to the point where [hospitals are closing their doors](#) because they can no longer afford it. But once given the opportunity to transfer this responsibility to the government, their message to the elderly and the rest of us is essentially: drop dead!

Let me put this as bluntly as possible. The Left has never cared about the elderly or the poor, but ruthlessly uses them as part of their long-term strategy to overburden private healthcare until it ultimately collapses. The same Leftists who so passionately demanded free healthcare for all now want euthanasia for seniors and dramatically lower services for the rest of us. It is a power grab, pure and simple. There is nothing more to it.

The Dems won't cut benefits to the poor just yet though, because they still need their votes. Later on they will need them as hired muscle. But once they secure unchallengeable power, do you think they'll care? They have willfully worked to destroy every beneficial thing in our society. These are vicious, selfish, utterly corrupt parasites. They have spent a lifetime abandoned to a philosophy that makes excuses for everything and anything in the service of one ultimate goal: absolute power.

These people *have* to be stopped.

I went to [Senator Ben Cardin's town hall meeting last Monday](#) and came across a woman who had worked as a nurse in Britain's public health system. She provided a personal anecdote that is little peek into what is to come should we adopt the Democrats' plan. Catherine Midkiff, RN RSN, has been a nurse since 1979 and lived in the UK in 1991 and 1992. She earned \$10 per hour there, compared to the \$22 per hour then being earned by nurses in the US. As an agency night-shift nurse she earned *more* than staff nurses. Those women had to live in a dormitory on site as their pay would not afford them private residences. She said at St. George's Hospital she worked on a seniors ward where 23 elderly men and women shared the same room. When she asked where the [code cart](#) was, her British counterparts laughed, saying, "Oh you must be from America..." For non-seniors, most British hospitals put six people in a room. Wait lists are extremely long. An elderly British citizen she knew came to the US to get heart surgery after waiting a full year in the UK system. Others weren't so lucky. She said for many years, British hospitals had no trauma centers and thousands died as a result.

For his part, Cardin simply [perpetuated the smear](#) against Obamacare protesters, claiming they were Republican stooges spreading disinformation. However, there were over 2,000 of us and only a handful of ACORN, union and party thugs. That we are no longer being fooled is becoming more and more apparent. The Dems control both houses of Congress so this remains an uphill battle, but if enough get the message that their careers are on the line, these utterly self-serving pols may actually come around to our point of view, simply for sheer survival purposes.

We cannot let up. Not for a minute.

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[1] Calculations based on Office of Management and Budget historical tables using OMB deflators, combined with state and local spending estimates provided by <http://www.usgovernmentspending.com/>.