

U.S., state officials need to stop micromanaging care

By Shirley Svorny

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ON Tuesday, stakeholders in the health care debate met at Northridge Hospital Medical Center to discuss the need for health care reform. Doctors lamented reduced Medicare and Medi-Cal payments.

Some said they were thinking about getting out of medicine. Primary care physicians noted that fewer and fewer doctors choose to specialize in primary care, preferring the more highly reimbursed medical specialties as career paths. Patients complained about reduced access to physicians.

Clearly, all were concerned about rising costs. Facey Medical Foundation President and CEO Bill Gill said the lack of efficiency is an "indictment on industry." He noted that the basics of health care delivery have not changed in 40 years; we still get care by going to see a physician for a one-on-one visit. He argued for more integrated care and expanded use of electronic medical records to achieve efficiencies.

The most vocal of those in attendance called for universal coverage. The Veterans' Administration was mentioned twice as a model for the provision of care.

Many misconceptions went unchallenged. Speakers said that government insurance programs are less expensive to administer, that adding a government-provided program would increase competition, and more than one speaker portrayed insurance and pharmaceutical company profits as a bad thing. Even Gill's perception that inefficiency in the provision of health care is the industry's fault is incorrect.

Government programs are not less expensive to administer if you include fraud as a cost. Fraud on the part of providers seeking government reimbursement, although hard to measure, is thought to dwarf administrative costs in private companies. Medicare and Medi-Cal have cut costs by limiting what physicians and other providers get paid, a poor long-run strategy for the country as a whole.

Adding a government program would not increase competition because the government program would be cheaper for employers to use. The most likely case is that private companies would get out of the business of insuring low income individuals.

The role of profits in motivating desirable outcomes has to be one of the most poorly understood concepts on the planet. Profits reward efficiency and innovation. Insurance and pharmaceutical companies only make profits if they produce something people want to buy.

Finally, Mr. Gill's willingness to put the blame on the health care industry for the inefficiencies in health care delivery is admirable but not

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Health care is delivered in much the same way it was delivered 40 years ago because that is how it is reimbursed. In addition, providers are constrained by state laws which dictate limited scope of practice and excessive education requirements for medical professionals.

This all but precludes significant innovation in how individuals are assigned to tasks and in how patient care is provided. Federal Medicare and state Medi-Cal reimbursements dictate the role that physicians must play in providing care, even in situations where other medical professionals are eminently qualified to handle care.

One doctor, who chairs the Northridge Hospital Ethics Committee, did raise the important and relevant issue of excessive, costly, end-of-life care that has no potential for significantly extending life. If consumers had to pay a significant copayment, they might not demand unreasonable or unadvisable care.

Those in attendance Tuesday night went though a long wish list that included longer doctor visits, more accessible health care and additional services (including interpreting) and higher rates of reimbursement for physicians. Union representatives encouraged everyone to call their legislators to demand universal coverage. But universal coverage would not lead to higher reimbursement rates for physicians, an extension of services, or longer doctor visits. Just the opposite, as health care dollars would be stretched even further.

Given budget constraints, the only route to even partially addressing the wish list of those in attendance would be to provide care more efficiently, at a lower cost. The key to the efficient provision of care is for the state and federal government to stop micromanaging the provision of health care - freeing providers to offer services in ways that are cheaper and offer more access - and to shift some financial responsibility to consumers so that they are more likely to make reasonable demands of the system.

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