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ObamaCare and our Debt Death Spiral

The first euthanasia patient under the new health care program is apt to be the federal government itself.



March 28, 2010 - by [Monty Pelerin](#)



In an article in the *Atlantic* entitled "[My Inflation Nightmare](#)," Michael Kinsley worries about the future of the economy. He fears that inflation, perhaps hyperinflation, is a likely next stage in the economic crisis. His fears contradict the respected liberal economists Paul Krugman and Larry Summers. They argue that deflation is the likely outcome.

Mr. Kinsley defers to their expertise and exhibits proper liberal loyalty by modulating his position. He apparently

trusts these economists more than his own intellect and instincts. He remembers being stigmatized as a “fiscal sado-conservative” (whatever that means) when he strayed from the liberal position once before.

Mr. Kinsley should realize that it was these and similar experts that got us into this mess. Neither of these experts ever saw it coming, despite their expertise and mathematical Keynesian models. One is an ideologue and the other an employee of the administration. Does Mr. Kinsley believe they could publicly speak out against inflation, even if they believed it to be a certainty?

Kinsley’s intuitive conclusion is grounded in “the realm of psychology.” If, by that, he means human behavior and motives, he is on sounder ground than most so-called economists. Proper economics always has been the study of human action. Abstract mathematical models, introduced in the “Keynesian revolution,” banished human and political motivations from consideration. Economics was then reduced to a sterile black-box contraption, at least in the minds of “sophisticated” Keynesians.

The key insight and worry in Kinsley’s article is that “no one in a position to act has proposed a realistic way out of this debt.” Is it possible no one understands the problem? Perhaps they have been too busy to deal with it. He muses about this issue in a way that suggests he may know the answer but not want to reveal it. Quite simply, the issue is ignored because there is no politically palatable solution! It is impossible for the U.S. government to honor its obligations.

To understand the predicament, numbers are necessary. The federal debt, approximately \$12.5 trillion, represents funded debt. The unfunded promises associated with Social Security, Medicare, and Medicaid represent an additional liability of \$106 trillion, according to trustee estimates.

A \$106 trillion cash infusion is required today to make these programs solvent. But the entire net worth of the entire country is only about \$55 trillion. If the U.S. government confiscated every single asset in this country, these programs would still be insolvent. And so would every citizen and corporation in the country. Quite simply, these programs promise twice what the country is worth!

In my post “[Spiraling to Bankruptcy](#),” various methodologies were used to illustrate federal insolvency. Because large numbers are incomprehensible, they were translated into everyday examples. One example used the analogy of a family:

The federal government collects about \$2.5 trillion in total revenues a year. That is from all sources of taxes and fees. Think of that as an individual’s annual gross salary. The debt owed by the government can be looked at as a great big mortgage. Thus, we have a family that has a mortgage 44.8 times greater than gross salary. That would be the equivalent of a man earning \$50,000 gross salary having a mortgage of \$2,240,000! An interest-only mortgage at 6% would require the family to pay annual interest of \$134,000 per year. A conventional mortgage would be much higher. The example becomes even more ludicrous when one recognizes that taxes, food, clothing, savings, etc. all have to be subtracted from gross pay to determine what is left for debt service.

When we shift back to the federal government, the family analogy becomes even more absurd. The federal government has nothing left from their “gross pay.” Their “living expenses” actually exceeded their gross pay by \$1.2 trillion last fiscal year. That is, they spent almost 50% more than they made. Comparable behavior is budgeted for the next ten years.

Mr. Kinsley’s formal training in economics may be limited, but his instincts are sound. None of the above is economics; it is simple math and the math is irrefutable. That is, the reason that “no one in a position to act has proposed a realistic way out of this debt ... ”

Other than default, there is no way out.

The government is in what is known as a “debt death spiral.” They are unable to pay the actual and implied interest on their debt. Each year the unpaid balance is added back to the amount owed, making the problem worse next year. This debt spiral grows exponentially. There is no way to escape the certain mathematical end.

[Jose Pinera](#) described the problem and the solution:

The welfare state has really become an arbitrary “entitlement state,” where everyone uses the state to rob someone else, and politicians from the right and the left play the transfer game to win elections. This crisis may serve to reveal the true nature and enormous flaws of the welfare state. Sooner or later, [states] will have to dismantle it and move toward a paradigm of personal responsibility — that is, a system of personal accounts for pensions, health and unemployment benefits.

The political class is unwilling to accept the Pinera solution. They consider the Ponzi-scheme social programs sacrosanct. “Vote for me and I will take benefits away from you” has never been a winning political strategy.

Mr. Kinsley’s fears that government will resort to inflation to mitigate the problem are correct. Bernanke must continue quantitative easing (“printing money”) because not doing so would [shut the government down](#). Inflation will occur, but it is no solution. It is merely a holding-action charade, a “pretend and extend” strategy that markets will eventually disrupt.

Ultimately Pinera’s solution will be imposed here and in Europe where conditions are just as perilous. It will be painful for Mr. Kinsley and those of the liberal persuasion. But unless someone repeals the laws of mathematics, it is the only solution. No sane economist can argue against mathematics.

While President Obama inherited a mess, he has done yeoman’s work in worsening matters. To think that we can add another massive entitlement on top of this situation is utter madness. [The first euthanasia patient](#) under the new health care program is apt to be the federal government itself.

When the history books are written a century or so from now, it is likely that the twentieth century will be referenced as “the myth of government.” Hopefully the Ponzi nature of government is understood in time to return government to the role intended by our Founding Fathers.

The fate of civilization depends upon such a correction.

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43 Comments

1. Ruvy:

This is a plain, clear and unblinking analysis of the situation the United States finds itself in. As it stands, the United States cannot meet its unfunded debt obligations. That is another word for “bankrupt”.

It is for this reason that hyper-inflation *will* strike the United States, and its money will be as valuable as reichsmarks were in 1923. I still have a 100,000 reichsmark note in my collection of coins and banknotes. I look at it every now and then to remind myself of just how easily money – and the corrupted culture it supports – can be and is debased.

A friend of mine writing from Virginia wrote me (in a letter intended for a newspaper in his area) that the passage of Obama-care is the end of your republic – that it will cause a revolt against the government. I suspect that he may be right. Then we will see the true nature of the dictatorship that Obama and his flunkies have prepared for you who live in what was once the “land of the free”.

I’m sorry if I seem more pessimistic than you, Mr. Pelerin. The fate of your civilization *has* been decided. You have been weighed and counted and found wanting. You will be separated from your prosperity and your civilization will be torn to bits.

Mar 28, 2010 - 2:36 am 2. The Great Fooeey:

No average person understands, believes in or gives a damn about all of this doomsday gobble-d-goop.

When the Republicans are in power they pump this crap out until people want to scream and attack their puppies.

When the Democrats are in power we get more of the same thing.

And the simple facts are that none of this Frankenstein fairy tale has ever been anything but so much political hot air.

In short, people do not and never will pay serious attention to the so-called problem(s) until...

Everything Mr. Pelerin explains and predicts explodes in the middle of the night and crushes the living sh*t out of the USA.

Then the people will believe.. maybe!

Mar 28, 2010 - 4:14 am 3. [JHM dba "Vienna Sausage"](#):

Begorrah, Dr. Bones, and 'tis a wise neocomradess who knows her own Foundin' Fathers! [*]

Healthy days.

—
[*] The sentimental/'ideological' genealogy of Monty Pythoness here seems to me to go back to the Mitteleuropa of about 1917-1923. Hath not Neocomrade Friedrich, Freiherr von Hayek, explained all these things? And would not Freddy's explanations be at least moderately satisfactory in a parallel universe where Chancellor Streseman was lacking?

Mais que çay-je_?

You might, sir, look at Tony Judt instead of me, <http://tinyurl.com/yzlte45> .

Mar 28, 2010 - 4:46 am [4](#). JL:

Liberals acts as Santa Clause giving away free presents. Conservatives then has the ungrateful job of being the responsible parents, telling the children that Santa Clause is actually a charlatan with a fake white beard and the "free" presents are in fact paid by the children themselves using credit cards created with forged signatures.

Mar 28, 2010 - 5:04 am [5](#). Pedro:

Well as Dandy Don Merideth would sing, "Turn out the lights the parties over". Very few empires or great civilizations were crushed from the outside, people decided to commit national suicide. Thanks 53% !

Mar 28, 2010 - 6:28 am [6](#). ricpic:

The government will inflate us out of debt. Hello Weimar. Apres Weimar le deluge.

Mar 28, 2010 - 7:00 am [7](#). David:

There are about 140 million taxpayers in the US now, and that number will be reduced as more "reforms" are introduced. But even if it stays at 140 million, that's over \$750,000 per taxpayer to cover \$106 trillion in entitlements. We are so screwed.

Mar 28, 2010 - 7:08 am [8](#). Poor Citizen:

Yeah, is this article really true? Folks said the government was going to take over health care and that they would creat death panels and that turned out to be false. The only increase was that insurance companies and drug companies got more business...

People do not understand why all the bad things said about Obamacare turned out to be false...I dont understand...

How are we to believe anything nowadays?

Mar 28, 2010 - 7:17 am [9](#). [Bill Perron](#):

#6POOR CITIZEN: Wait and see Poor Citizen, just you wait and see.

Mar 28, 2010 - 7:44 am [10](#). [Bent Notes](#) » "[A \\$106 trillion cash infusion is required today to make these programs solvent. But the net worth of the entire country is only about \\$55 trillion.](#)":

[...] Monty Pelerin at Pajamas Media on the hair-raising simple math of Social Security, Medicare and Medi...
[...]

Mar 28, 2010 - 8:10 am [11](#). WillDoMathForFood:

Poor Citizen @ 8: "I dont understand..."

Wow, that's like the first correct thing I've ever read from you, PC.

Mar 28, 2010 - 8:13 am [12](#). Mark64:

In order to sustain the projected level of federal government spending over the next ten years, federal tax receipts will need to increase to about 50% of GDP. (Using the Obama administration projections.) This is just to keep the government debt to GDP ratio constant. What are the other alternatives? We can depend on China and other foreign nations to continue to buy our Treasury bills, which is unlikely. We can monetize the debt, causing hyperinflation. Or, we can act responsibly and decrease the size, scope and power of the federal government. Since politicians do not like to make the hard choices to reduce government spending, my guess is that we will see a combination of higher taxes, more foreign purchases of our debt (with international political consequences) and some monetizing of the debt. The result will most likely be significant weakening of the United States as a world power, sustained high unemployment and a misery index far exceeding anything we saw under the Carter Administration.

Mar 28, 2010 - 8:17 am [13](#). qrstuv:

OT: I am trying to raise awareness of another set of intrusive laws and regulations headed our way.

These are my notes on a speech I heard recently at a conference. The speaker told a way that the government is going to "help" us.

HITECH is a provision of ARRA (the Porkulus bill) dedicated to increasing our use of EHRs. EHR means Electronic Health Record. In the context of this talk, EHR means both "individual medical record" as well as "software used to record this medical record."

[As background information here: there are a lot of software companies on the market providing EHRs or EMRs as they are also called (electronic medical records). These companies sell primarily to hospitals and other large organizations but also would like to sell into smaller practices. To date, the adoption rate is not high. The intentions are good: a good medical record can prevent the doctor from giving you drugs that have a bad effect with your other drugs, can give the doctor the complete picture of your health and history, and can eliminate duplicate tests.]

HITECH provides a "stronger and more effective set of incentives" for the adoption of EHRs.

Title 13 provides \$2 billion to develop foundations for EHRs.

Title 4 provides \$23 billion in incentives to Medicare/Medicaid providers who adopt "meaningful EHRs."

At some point in the future (couple years?), there will be financial penalties, and they'll be "much larger" than the incentives.

"We're here to stay."

They are working on rules for “meaningful use.” They’ve sent the proposed rules out for review (he didn’t specify who the reviewers are) and have received approx. 3000 comments. I think the final list is expected to be complete in 2012.

Currently on the list: At least 80% of the patients seen or admitted must have at least one entry in an EHR. At least 80% of patients 13 years old or older must have smoking/non-smoking status recorded. There were other items on the list, but I didn’t write them down.

There are plans to raise the bar in 2015, I think. Phrasing: we “plan to ratchet this up.”

ALSO, physicians must submit quality measures re smoking, blood pressure, and more. For hospitals, there is an even larger set of quality measures (more than 30).

EHRs must support standards when exchanging data.

[As more background here, there is a large set of standards related to medical data. Some of these pertain to data formats. Various states have privacy & security laws as well. Some EHR vendors and other players in the software industry have been working at mechanisms by which your doctor can get your medical records from other facilities, subject to patient consent. The intentions are good. But I hope I don’t have to remind anyone about 1) defects in software, 2) Joe the Plumber’s experiences with Ohio state employees.]

ALSO, EHRs must be certified by law. Politically it would not be feasible to simply mandate one particular vendor’s EHR, so we’re going with establishing a set of rules about what the EHR must do in order to be legally used by doctors who received Medicare/Medicaid \$.

HITECH (or maybe part of our recent “healthcare” bill) funds an extension center to provide EHR assistance. The speaker talked about some three-bed hospital in Alaska that doesn’t have the funding, the manpower, “or—frankly—the talent” to implement an EHR. This extension center will “help” that hospital. [I’m guessing that everyone knows each other in that town and that an EHR is monumental overkill, but hey that’s just me.]

The speaker talked about NHIN—the National Health Information Network. Again the government is working on defining “meaningful use” for data exchange. We will need 50,000 MORE people THIS year and next to develop certification programs in healthcare IT (information technology). [The speaker has a PhD in healthcare IT, by the way.] We might be able to fill this need partly by hiring some people who have been laid off.

The legislation (not sure which bit) provides \$20 million (I think) for “beacon communities.” The goal is to identify 15 communities, address a community health concern that can be addressed with interoperable EHRs. This is to be announced. The goal is to evaluate the impact of data exchange. [Odd this, because the speaker started out by telling us unequivocally that data exchange Is A Good Thing.]

The same legislation provides for Advanced Research Centers. To be announced soon. I didn’t write down a dollar figure.

This is all “purely voluntary,” said the speaker.

Also, the government “is adopting a free-market approach,” to pay for performance. [The speaker apparently doesn’t recognize that a free market requires multiple sellers acting freely, without rules established to eliminate all but one of the sellers.]

The tenor of the entire talk was about convincing doctors. I never once heard the speaker mention the notion that perhaps the PATIENTS would not care for all this.

BEWARE.

Mar 28, 2010 - 8:32 am [14](#). Annie B:

The greatest problem for the government in their desire to take over health care is that medicine takes place in real time. That is, the illness or discomfort is real and must be treated or non-treated in physical terms.

While the government held only ‘cash’ obligations to the populace (social security, etc) they could always ‘pay’ the obligations with printed paper cash. The petty detail that the promised thousand or two thousand that – at the time promised – might have been a decent income happened at the time of delivery to function only as pocket money? Not, in fact, the governments problem. They promised money, not wealth.

But now they are pretending to promise actual goods and services. Those can not be finessed when they are not there.

Mar 28, 2010 - 10:02 am [15](#). DaveT:

“Folks said the government was going to take over health care and that they would creat death panels and that turned out to be false.”

Poor citizen, you simply have no clue what your talking about. Nobody knows yet how bad and what the results of this blank check for bureaucrats is going to be. What we do know is that the ability to do massive harm without the prospect of doing much if any good this law has created. We also know the nature of Government and what history tells us happens when welfare states are created and expanded beyond reason. We see it in Greece and we know what is happening there is the natural next step for much of the rest of Europe.

Sit in your fantasy world if you wish, but you simply look foolish by celebrating your path to becoming a state serf.

Mar 28, 2010 - 10:03 am [16](#). Praetorian:

While certainly facing financing issues of their own, why is it then that countries like France are able to provide much more comprehensive care at half the cost of what we in the states pay for mediocre care? The United States spends about twice as much as France on health care. In 2005, U.S. spending came to \$6,400 per person. In France, it was \$3,300. Moreover, the French live longer and healthier lives than those in the states. Whatever we are spending our money on obviously isn’t doing much good. It’s true that Americans don’t pay as much in taxes (actually not that much less) but ultimately they end up paying more for health care when one adds in the costs of buying insurance and the higher out-of-pocket expenses for medicine, doctors and hospitals and the illness that results as a result of a non-focus on preventive care. I’m not an economist but something seems very wrong with the way we are doing things and to defend the status quo is an exercise in ignorance (or a deviant political agenda).

Mar 28, 2010 - 10:09 am [17](#). Buckeye Abroad:

16. Praetorian

Care to back that up with sources? I’ve been living in Europe and the services received leave alot to be desired. As we say, “socialized medicine is great, just as long as you don’t get sick.”

EU spending on health is subsidized with debt and resourced accordingly. I friend of mine needed a lung transplant– he died waiting after 2.5 years at the age of 44. I know another old german who lost his leg to

diabities and was told that he wouldn't be getting prosthetic as his too old. The treatment you receive is rationed.

“Moreover, the French live longer and healthier lives than those in the states.”

Says who? I think your whole post is based on misconceptions about actual health costs, funding, and the type of services you think you will be getting. This is simply going to cost you more money for less quality services in the long run. Not to mention the decline of medical research.

Mar 28, 2010 - 10:37 am [18](#). qrstuv:

Praetorian,

I take exception to your description of our healthcare as “mediocre.” Not only do we have people coming to this country for care they cannot get any other place in the world, but we were recently rated as having the most responsive health care.

Moreover, do not believe the statistics on health. For one thing, infant mortality is counted quite differently in other parts of the world. When you can “write off” the death of a infant of “too small” a size, you end up looking pretty good there compared to a country that counts every live birth as, well, a live birth.

As for cost, well, our pharmaceutical companies have consented, for reasons that escape me, to sell their products overseas for less money than they do in domestic markets. So not only do Americans support the EXTREMELY expensive R&D, we also get to subsidize ungrateful Europeans too!

I'll agree that there's something very wrong. Health insurance for routine care is nothing more than prepaid healthcare, and because it involves so many people in addition to the healthcare professionals themselves, it NECESSARILY costs more than direct billing to the consumer.

Catastrophic-only insurance, by contrast, is actual insurance, but Congress has just outlawed that.

My cat has had two cardiac ultrasounds, both of which I paid for out of pocket, and neither broke my bank. I pay out of pocket for tests & medications for my cats, there are no insurance agents involved, there are no delays waiting for results, and nobody has to audit my vet. There's a free market there and it works.

Mar 28, 2010 - 10:40 am [19](#). Mark:

Praetorian, you say yourself you're not an economist, so I'll believe you. That you seem blissfully unaware of the topic of the post makes it inherently plausible. You could also add “logical thinker” and “someone who fairly represents an opponent's position” to the list of things you are not.

It is only when partisans like President Obama create a false binary, “this bill or the status quo,” that sensible people choose the status quo, since “this bill” equates to “accelerating the debt spiral,” the topic of the article (a topic you are remarkably silent on). A lot of effort is being put into how to correct what is wrong with health care financing that doesn't entail destroying the economy. You would be well-served to read up on it, unless your true agenda is simply a deviant political one.

I'm sorry wherever you live is an anomaly in the US, but to claim that the US provides mediocre care is patently false. Life expectancy and relative health are influenced by far more factors than the health system, so to attempt to make that simple correlation illustrates a basic disregard for an honest discussion.

But keep repeating to yourself that those who disagree with you are ignorant of the problems and are only defending the status quo. I'm sure that gives you a needed feeling of superior insight and significance.

Mar 28, 2010 - 10:44 am [20](#). Sam:

Who is defending the status quo? There are definite reform strategy proposals that do not involve more socialized medicine and unconstitutional federal directives. Strategies that have a chance of reducing health care costs instead of massively increasing them. Just because you've never bothered to listen to anyone but the socialist party pols and their propaganda outlets does not mean they were never proposed as alternatives. I'm not an economist either but something seems very wrong with the way we are doing things and to defend this obamination of bill is an exercise in ignorance (or a deviant political agenda).

Mar 28, 2010 - 10:53 am [21](#). myth buster:

18. The reason why drug companies put up with that nonsense of price discrimination is because R&D is a fixed cost, diluted by each additional pill sold. The marginal cost of producing pills is pennies, so being able to sell them for \$10 is better than not selling them at all, even if they couldn't afford to repay the money they spent on R&D without selling the scrips stateside for \$100.

Mar 28, 2010 - 11:42 am [22](#). myth buster:

As for the unfunded liabilities, I would like to point out that they do not represent legal claims against the Treasury. There is no right to a Social Security check, and once the SSA runs out of T-bills, it cannot run a deficit. Politicians will not dare to raise payroll taxes to the levels required to fund Social Security, because the younger generation will revolt.

Mar 28, 2010 - 11:46 am [23](#). Praetorian:

#17 Buckeye abroad wrote: "Care to back that up with sources?"

Sure! But I will preface the source with the assumption that you will attempt to discredit it because it doesn't support what you already want to believe. Sort of like the polls now shifting in favor of HCR (the very same ones a week earlier that conservatives considered infallible). Likewise, I would expect you to back up your own misguided opinion with a source.

<http://www.npr.org/templates/story/story.php?storyId=92419273>

Mar 28, 2010 - 12:18 pm [24](#). Praetorian:

Moreover, they don't just talk about "Family Values," they really mean it by putting their money where their mouth is. Conservatives don't. Their fascination with the fetus ends at birth. After that you're just another expendable grunt who can stand at the door at Wal Mart.

<http://www.npr.org/templates/story/story.php?storyId=92116914&ps=rs>

Mar 28, 2010 - 12:26 pm [25](#). David:

poor citizen,

Are you really that dumb? Or do you just like to through out meaningless statement (#8). You do realize that the urgent health bill does not take effect for 4 years, except for the taxes.

Mar 28, 2010 - 12:32 pm [26](#). qrstuv:

Ah, Praetorian, thank you for showing your true nature.

Mar 28, 2010 - 12:58 pm [27](#). Samizdat:

Monty Pelerin,

Thank you for expressing reality. I challenge anyone to dispute the correctness of the logic. Our inevitable default awaits those invested in our bonds and treasuries. The legacy media doesn't speak of this because it doesn't understand it. It will continue to spiral and then a small default will trigger the unraveling. If we don't begin to disassemble the entitlement programs bankruptcy awaits, it's that simple. It may already be too late.

Poor Citizen at 8, I truly feel sorry for you, your ignorance of economics is so profound, you may actually be unreachable and unteachable.

Praetorian, You are possessed by Friedmanism, which is defined by a romantic and demonstrably false notion that everywhere else it is somehow better than it is in the USA. Friedman demonstrates this belief column by column. You appear to have succumbed to his illogic.

Mar 28, 2010 - 1:00 pm [28](#). David:

Praetorian:

In response to your #16. The cost of medicine is high, far higher than what I feel is right and I have been a doc for 40 years. Ever asked yourself why? Try the fact that the majority of people in the hospital are either old or poor. It is an amazing thing that productive younger people are not as sick as those who sit on their back ends all day (not the old folks). Now, these people are all on Medicare and Medicaid. Guess what, the government refuses to pay for their measure of care. For instance, if I do a heart cath on someone who is young, I get paid \$600 for several hours of work. Under Medicare, you get paid \$125 for the same amount of work. With Medicaid, you get maybe \$70 or less if you are lucky, frequently you are not paid. Now someone has to pay for the small amount that our government allows. That someone is you. Understand that this is only one charge and the same rules apply to all doctors and the hospital cost, including use of product or supplies. So the high cost of medicine is actually a tax.

But then consider this, did I need to do the cath to begin with? Likely I could have treated the patient with drugs and achieved the same prognosis. But, Mr. Lawyer does not agree! So in order to cover myself and satisfy the concerns of the patient and family who know considerably more than I do as they read about their problem on the web or heard about it on the Today show, I do the procedure. Then proceed with about the same care as I would have before. Many factors go into the decision to use testing and procedures. In our society, legal aspects likely increase the cost of care by about 30% or so. In Canada, which does not have as aggressive of torts as we do, the number of heart procedures is 20% of ours with the same death and morbidity rate. Also, built into their system is an effort to reduce your ability to get medical care. They actually desire for you to die before medical care can intervene (this from Canadian doctors).

As to mediocre, absolutely yes!!! That is why everyone in the world comes here, if possible, to get mediocre care. Much of what you may be thinking of as mediocre may be the VA system and the inner city charity hospitals. But of course that can't be right, those are run by the government!!!

But as a doctor I always think that what I am doing is mediocre, that way I strive to be better. Not the case in government run institutions. In the coming years you will here a favorite phrase that is used in the VA hospitals,

“not in my job description”. If you are sick and have been laying in your own waste for 2 days, just think about how mediocre our system used to be.

Mar 28, 2010 - 1:07 pm [29](#). WillDoMathForFood:

qrstuv @ 18: I'm with you about catastrophic insurance. I think everybody should have to pay for the first, say, \$2500, of their own healthcare out of their own pockets. (Maybe higher even higher.) Insurance ought to be there to keep you from going bankrupt. First dollar health insurance is madness, and leads to – surprise – exploding healthcare costs. Nobody offers “food insurance” that pays for every dollar of groceries. Why not? The rationale is the same as paying for the first dollar of healthcare. Take the third parties out of the middle of the transaction, and some semblance of rationality will return to a market that right now is anything but free. AND, if we could rein in the lawyers, bonus!

Mar 28, 2010 - 1:56 pm [30](#). myth buster:

24. Figures nobody bothered to point her to a crisis pregnancy center. CPCs aren't just for teenage mothers, you know.

Mar 28, 2010 - 3:09 pm [31](#). qrstuv:

WillDoMath –

In addition to paying for a bunch of bureaucrats, insurance has the added evil of making people think that they cannot afford routine care. This is plain silly. People fork out all kinds of money for cars, houses, vacations, fancy electronics, etc., etc. (until recently, I mean), but have a superstitious notion that a doctor's visit is beyond the normal means of a middle-class household.

It is nuts.

The lack of transparency also allows the actors in this little drama to pad the costs in all kinds of ways. Rather than employing every consumer to look out for his or her own wallet (something I am good at!), we outsource this to massive bureaucracies. Who, um, also need to be paid.

Mar 28, 2010 - 3:32 pm [32](#). Warren Bonesteel:

Monty Pelerin has a clue...a few of commenters here on both sides? Not so much.

(Hint: Republican Party is national socialist in all but name, while the De3mocrat Party is Marxist in all but name. Judge them by their deeds, not by their press releases and talking points.

Economically, even if America turned everything around, dumped Keynesian consumerism and returned to a plain and simple reading of The Constitution, the world as you know it would end. No more social security. No more welfare or food stamps. No more FBI or CIA or EPA. Not even a single national park. No more mandates from D.C., funded or otherwise. No more military bases in foreign nations. No more ‘foreign aid’ to other nations from the Federal government. No more FEMA. No more NEA. No more AFSCME or any related unions for government employees. The list is very extensive and everything on such a list are things that people take completely for granted.

You've grown up with government interference in your lives, and it's all that you know and understand. You take it for granted even more than you expect the sun to rise in the east in the morning. About 3/4 of the government you now take for granted would simply not be there...for Republicans or for Democrats to use and take

advantage of.

...and even that would be too late to save this nation from what it is about to face within the next two years.

Mar 28, 2010 - 4:00 pm [33](#). fireyourguns:

#8 claims that;

“People do not understand why all the bad things said about Obamacare turned out to be false...I dont understand...”

Who told you that all of those “bad things” are false? Obama? Please! Any proof that those “bad things” are false? Is a 90+% national debt ratio to the GDP a bad thing?

You’re absolutely correct about one thing... You don’t understand!

Mar 28, 2010 - 4:01 pm [34](#). csd:

“While President Obama inherited a mess...”

It was their own mess they inherited. Elementary civics. Democrats, including Obama who was elected in 2005 and immediately went on a spending spree, had the majority in Congress since 2006 and along with a “compassionate conservative” who never used the veto pen, they managed to double unemployment and quadruple the debt in just a few short years.

Mar 28, 2010 - 4:15 pm [35](#). Paul of Alexandria:

Poor Citizen (8):

Yeah, is this article really true? Folks said the government was going to take over health care

they did.

and that they would creat death panels and that turned out to be false.

they will.

Instead of playing the fool, Poor, concentrate and try to understand the analysis.

Mar 28, 2010 - 4:57 pm [36](#). Paul of Alexandria:

qrstuv (18):

...

As for cost, well, our pharmaceutical companies have consented, for reasons that escape me, to sell their products overseas for less money than they do in domestic markets.

The answer to this one is pretty simple. Overseas, 1) local drug companies pirate U.S. formulae and sell druges for which they do not have to pay the development costs. 2) the drugs are all payed for by the government plans, which pay set prices. Thus, if a U.S. drug company wants to sell **at all** overseas, it must charge the government-set price.

However, the pharmaceutical companies still have to pay for their R&D costs (which can be hundreds of millions of dollars per drug). The *only* way that they can recoup this is to overcharge the U.S. market. Essentially, we are paying for the medical R&D for the rest of the planet!

Rest assured: if Obama care places U.S. drug prices on a par with the rest of the world, U.S. drug development (and thus the drug development of the world) will essentially cease.

Mar 28, 2010 - 5:04 pm [37](#). Paul of Alexandria:

Praetorian (24):

Moreover, they don't just talk about "Family Values," they really mean it by putting their money where their mouth is. Conservatives don't. Their fascination with the fetus ends at birth. After that you're just another expendable grunt who can stand at the door at Wal Mart.

NPR, gee: what an unbiased source! Praetorian, you are, frankly, disgusting. Conservatives – who are, by and large, Christian, care quite deeply about the individual, from conception to death. However, we also firmly believe that the best person to take care of that individual *is* that individual, then his/her family, then the community, then the state, then – and only then – the Federal Government.

Mar 28, 2010 - 5:07 pm [38](#). [masstexodus](#):

Yet another reason to support Marco Rubio in the Florida senate race ...

Mar 28, 2010 - 5:51 pm [39](#). Eva:

28 David,

As a Medicare biller in a small hospital, I stand beside your comments. My favorite description is that Medicare pays peanuts and with Medicaid you only get the shells.

Of course I have talked to people till I am blue in the face and they still don't get it. It doesn't seem to matter what you and I and others in the field have to say about it even though our experience and knowledge should give the discussion a good deal of weight. I don't relish the day that is coming very soon, when we can say 'I told you so'. By then the damage will be done and it will be just too sad to say it. I am praying that this thing can be declared unconstitutional. Too bad the Constitution won't be able to get us out of debt.

Mar 28, 2010 - 8:42 pm [40](#). qrstuv:

Eva,

Well, see my post at 13. Between the low pay and the coming requirements, I fully expect huge numbers of doctors to drop Medicare/Medicaid patients altogether.

Mar 29, 2010 - 5:03 am [41](#). Gary Ogletree:

Since the debt monster is expanding rapidly all over the world we may end up with a global Wiemar Republic. It is likely that our geniuses at Treasury and the Fed have already made plans for a default on US debt. Likewise Europe and Asia, the question is only, who will go first? Somewhere our friends and allies are plotting to dump the dollar as the global reserve currency. That means we, who have abused that responsibility, will go first and get the blame for tipping over the row of dominoes, tapping the house of cards, shining the light on the kitchen full of cockroaches. Meanwhile, the gang in charge will stall, deny the impending disaster—and raid the cookie jar like the execs at the NYT, knowing the party is about over, the bill is coming due, the fat lady is about to sing.

Mar 29, 2010 - 5:24 am [42](#). Old Soldier:

“How are we to believe anything nowadays?”

Our education system is really that bad? Maybe that is the root cause.

Silver, gold, ammo, barter skills. Stock up folks, you may experience some turbulence.

Mar 29, 2010 - 7:03 am [43](#). hoads:

The mass self delusion of the left is a spectacle to behold. I see them all as essentially useful idiots on auto-pilot whose ideology is now buoyed by a religious fervor. They cannot see (or either won't admit) that their ideology necessarily manifests in the “managed decline” of the US for that is what is necessary for their global visions of social and economic justice to prevail. The Left's ideology dominates the world and always has. The US bucked that trend and has been in the crosshairs of the left ever since. So here they are, ready to carry us kicking and screaming into their utopian society where the world's resources will be more equally distributed by international cooperative government(s) and the world's peoples more easily controlled. Collectivism is the order of the day and ramping up our debt and spending is the necessary first step to reining in US power and influence in the world so that world socialism can finally be realized.

Mar 29, 2010 - 9:47 am

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