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Innovation should be the health care priority

By [Kevin Price](#)



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In addition to costing (on the low end) approximately \$1 trillion simply to launch President Obama's ambitious move towards socialized medicine, this proposal will also have a devastating effect on the nation's health care. In fact, I believe the passage of this bill will pave the way for a new Dark Ages in health care.

The entire debate on health care seems to be focusing on costs and covering the uninsured. The latter group is almost a misnomer because one can argue that our "uninsured" are better protected than many under socialized medicine in Europe and the former cannot be contained through government controls without sacrificing quality and fostering rationing health care system.

The United States is the only major nation with health care that is still (to some extent) market driven. There is an impetus in US health care towards innovation that other countries simply do not enjoy. The Cato Institute noted in a recent study that innovation should be the number one concern in the health care debate, according to Glen Whitman, an [associate](#) professor of [economics](#) at California State University, Northridge and Raymond Raad, a resident in psychiatry at New York Presbyterian Hospital/Weill [Cornell](#) Medical Center.

They make this case by examining four categories of innovation — basic science, diagnostics, therapeutics, and business models. They found:

In the areas of basic science diagnostics, and therapeutics, the United States has contributed more than any other country, and in some cases, *more than all other countries combined*.

In the last category, business models, the researchers lack the data to say whether the United States has performed better. What is interesting is that other countries have their own problems in this area. Government bureaucracy has replaced business bureaucracy, how can that be better? "Government" is the common thread in all of these inefficient systems (including our own) and one should argue that should be the point of focus. We should look at reducing the role of government and increasing the role of the market.

The US approach, with all of its costs and inefficiencies, has provided the greatest innovations in health care for its patients, according to the authors. These include:

The quick adoption and broad use of new treatments and technologies, which in turn create an incentive to develop those techniques in the first place.

When the American people "subsidizes" medical innovation through higher costs, the whole world benefits; that is a virtue of the American system that is not reflected in comparative life expectancy

and mortality statistics. It is almost humorous that the rest of the world is not denouncing the US for moving away from a system that other countries are benefiting from.

Medical treatments must be invented before costs can be reduced and its use extended to everyone. Because of that, innovation remains critical. If the incentive for innovation is not there, everyone (including those who are suppose to benefit from socialized medicine) will suffer.

Innovation has had virtually no role in the current health care debate and this shows how myopic supporters of socialized health care are. They too will find themselves suffering from the lack of options that are common in systems that are not market driven.

For more information I suggest Glen Whitman and Raymond Raad, "Bending the Productivity Curve: Why America Leads the World in Medical Innovation," Cato Institute, November 18, 2009.

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