

BANGOR DAILY NEWS

Where's the outrage over our failed health care system?

By Dr. Philip Caper, Special to the BDN
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For the next few months we'll be bombarded by messages from the Obama administration urging people, especially young, healthy people, to sign up for insurance provided under the Affordable Care Act. Without them, premiums for that insurance will soon climb to unaffordable levels.

We'll also hear plenty of noise from the ACA's opponents. It will be hard to get any other health policy messages across during the upcoming PR blitz.

But there are some other important and noteworthy things going on in the policy world. Perhaps the most important is the growing interest in the origins of the high costs of medical care in the U.S., now about double that of other wealthy countries.

That interest has been fueled by the ACA. By requiring many Americans to buy private health insurance, the federal government is now obliged to see to it that insurance remains affordable. Whether they are actually able to do so remains to be seen.

Because of that, both government and the lay media have now [joined academicians](#) in paying a lot more attention to the costs of medical care in the U.S. and how they compare to those in other countries. That attention was jump-started last March by a Time Magazine article titled "[Bitter Pill](#)" by journalist Stephen Brill, who looked at hospital charges and their causes. He [concluded](#) that while many of those paying the bills suffered badly from the high costs, those selling health care products and services were prospering, helping to create an island of affluence for themselves and a sea of poverty for everybody else.

That was followed by Medicare's public release of the prices it was being charged in various regions throughout the country, revealing [huge variations](#) without any persuasive explanation as to why these variations should exist.

More recently, the New York Times has published an ongoing series by Elizabeth Rosenthal examining the costs of medical care for various procedures throughout the U.S., and comparing them with those in other countries. So far she has examined three common types of care: [colonoscopy](#), [pregnancy](#) and [hip replacement](#). In each case, she found prices in the U.S. were both variable and extremely high by international standards, some up to 10 times the prices for comparable care in other countries. When asked why, one expert commented, "They're charging these prices because they can."

In other words, as economist George Akerlof predicted in his Nobel Prize-winning paper "[Selling Lemons](#)," in a market where the sellers have a great deal of information (and therefore power) and the buyers have little or none, the buyers (most of us) are being ripped off big time.

In most countries that have enacted programs of universal health care, two things have taken place. First, health care prices were restrained so as to keep their national programs affordable. [Profiteering](#) from illness is not allowed.

Second, the importance of medical care in maintaining a healthy population [was put in perspective](#). Medical care

can be very effective in fixing what's already broken, but not very effective in preventing the breakage in the first place.

What are now called the “social determinants of health” turn out to be much more important than medical care in maintaining a population's health. They include lifestyle factors such as a healthy diet; exercise; restraint in the use of substances such as alcohol, tobacco and other drugs; and the presence of robust social policies that help minimize excessive disparities of wealth and income within the national population.

Although the ACA does move the ball toward the goal of universal health care, we are still a long way from scoring. It attempts to curb some of the worst abuses of the health insurance industry, but it doesn't eliminate the incentives to try them anyway. It will leave many people out, and although it makes some efforts to control overall costs and promote healthy living, many experts believe those efforts are inadequate.

As Akerlof predicted, the medical-industrial complex is becoming increasingly corrupt. It is now one of our largest and most profitable industries. Much (but not all) of what it is doing is legal, but it has lost its moorings and is forgetting about its health care mission in the pursuit of profits and growth.

The MBAs have taken over. We are all paying the price.

I don't blame only the corporate health care providers, pharmaceutical and device manufacturers and insurance industry. After all, they are just doing what they are supposed to do for their “stakeholders” — profit and grow.

I also blame all the rest of us for letting it happen. What we are witnessing is a massive failure of public policy that is not permitted in any other wealthy country. It is being enabled by the timidity of experts in academia and the media, who are paid to be truth-tellers but who until very recently ignored the elephant in the room — rampant corporatism that is subverting the interests of most of the American public and the mission of our health care system. I blame the passivity of a public that consistently permits our politicians to fail to do their jobs to protect our interests.

Where's the outrage?

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