The Review

Another message from America:

nutz!

The comedian Bill Cosby had a particularly funny routine about how, as a child, he would listen to scary stories on the radio and become convinced that terrible things would happen to him. One radio programme featured a giant beating chicken heart that threatens to eat New York, about which Cosby had nightmares. If not reformed, Medicare, the federal government sponsored healthcare programme for Americans over 65 and people with disabilities, really will eat the US economy. The atmosphere of brinksmanship and demagoguery that has characterised US politics since Obama was elected has made discussion of Medicare reform politically unfeasible. A progressive tax on wealthy Medicare recipients? 'No new taxes!' Restricting choices of unproven medications or procedures? 'Rationing!' Arranging a system where patients must see their GP before getting specialty care for their upset stomach? 'Restricting my freedom!'. So it goes on. Medicare is driving the US economy toward the precipice and was the chief source of the recent endgame negotiations on the debt ceiling. It seems more likely that the US Government would close its military bases in the rest of the world than reform Medicare. Older people vote at a much higher level than any other group. They see Medicare as a promise that they have funded with increasing personal taxes for their working lifetimes. One disclaimer is that I, too, have been a Medicare beneficiary for 2 years.

Medicare has three parts — one for hospitals, one for doctors, and one for drugs. The first two have been there from the beginning. The part that pays hospitals is required, which should give some insight into which component of the US health system has the biggest dog in this hunt. Hospitals are addicted to Medicare and negotiated that dependency from its beginning 45 years ago. The second part pays doctors and is heavily weighted toward hospital-based specialists and proceduralists. Doing things to patients was rewarded, talking with them was not. The third section of Medicare is for drug coverage which is the most rapidly rising portion of health care. Drug coverage was passed under George W Bush but the Democrats were complicit in essentially giving a blank check to pharma, which has gleefully driven drug costs even higher, with

no government restrictions whatsoever. Medicare also covers patients with disabilities who are younger than 65 years and certain conditions; for example, renal dialysis, which was successfully lobbied to be included in Medicare and has quickly increased in cost as renal failure is one of the most rapidly growing chronic health problems in the country.

For decades GPs got next to nothing out of the deal and, until this year, visits to office-based physicians for preventive care was not covered by Medicare. We would have to address some type of chronic health issue or take off a mole AND do a preventive visit so that we got paid by Medicare instead of billing the patients themselves. The Affordable Care Act now pays for a one time 'Welcome to Medicare' visit (I am not kidding about the name), but proscribes any payment for discussing things like living wills or end-of-life care which created the dreaded 'death panels' with which the nutso right assaulted all reason last year trying to scare grannie into resisting healthcare reform.

Medicare is the cash cow for hospitals, doctors, pharma, and medical device companies and is creating the conditions for government insolvency. Pundits and economists from all sides of the political spectrum mostly agree on the causes: increasing numbers of recipients who live longer with higher expectations, a fee for service structure that creates unrestrained billing by doctors and hospitals for a lot of care that is unnecessary and not scientifically supported. Everyone points to everyone else as the cause: greedy doctors, greedy hospitals, competing 'centres of excellence' for high profit margin services like cancer or bone and joint surgery, and, finally, the public for its insatiable appetite for drugs, pain relief, and cures.

Because of their proportion in the US budget overall and the rapid growth in the population who qualify for them, Medicare and Social Security (the pension plan begun

in the 1940s by Roosevelt) are taking up all the oxygen in the room. The president has repeatedly talked about healthcare reform as the only way to save Medicare for future generations. The Republicans dithered with any alternative to healthcare reform and settled on 'we oppose anything that the president supports' as their plan. Now, with great fanfare, the Republicans have come up with a proposal, put forward by Congressman Ryan from Wisconsin. [disclaimer: although I am from Wisconsin I am in denial since something seems to have caused a formerly progressive state to go off the rails. It must be fluoride in the drinking water — there is no other rational explanation]. The Congressman had the bright idea that moving Medicare from a low overhead, non-profit, universal insurance programme guaranteed for citizens over 65 years by the federal government to a 'marketplace' choice between hundreds of competing and confusing high overhead for-profit insurance plans will be popular and save money as well. In other words, privatize Medicare. Not surprisingly, the Republican plan has caused great consternation among the over 65 set who resent anything that threatens their health care and pensions.

The Republican proposal would take a lump sum of money and give it to seniors who would supposedly compare and contrast benefits and purchase private insurance on the open market. These are the same seniors who routinely send money to television preachers and, the wealthier ones at least, to Bernie Madoff or any number of Ponzi schemes. I personally benefitted from a polite Medicare employee who called me after I 'successfully' enrolled online and said 'are you SURE you want to do it this way, if you do you will incur a penalty and have reduced benefits?' Please raise your hand if you think a for-profit insurance company would do the same. Do we really want to trade the most popular government social programme with helpful and

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understanding staff for bait-and-switch insurance marketers with 30 second advertisements on daytime TV, a maze of private sector regulatory small print, and a 'helpline' that will keep you on hold for the next 6 months and finally connect you with someone named 'Rudy' in Sri Lanka? Not really. Geezers may suffer from lack of judgment but we aren't stupid. The full-throated backlash against the Republican plan from seniors was instant.

And, surprise surprise, the Republicans are backpedaling so fast that it would take your breath away. Even Newt Gingrich, the Ian Paisley of American politics, declared his party's own plan to be 'extreme'. The first thing President Obama did about Medicare was to close down the Bush-initiated 'Medicare Plus' that gave billions to private insurance HMOs to help 'manage' Medicare patients but which, in the final analysis, brought additional cost and lower quality to those who used it. Insurance companies are the black holes of overhead, taking 14% of premiums upfront for 'costs' for their commercial products compared to the 4% they receive for managing Medicare payments. A recent report in Health Affairs¹ reports that US doctors spend four times as much on processing claims as the single payer Ontario plan. In May, insurance companies had the temerity to report record profits which were attributed not to better management but to more Americans NOT going to the doctor or using services. Profits are going to stockholders, not the patients. Insurance companies are getting rich by pocketing money for the care that patients can't afford. This fact has touched a nerve in the press and finally moved public opinion. To older Americans who are not rich, both insurance companies and the Republicans are tone deaf.

A retirement seminar was held last year to guide faculty physicians to get ready for life after practice. The attendees were, like me, reasonably well educated and had some ideas about things like pensions and annuities. When the topic came to Medicare, the presenter stood up and said 'now all of you know about Medicare because (in a jocular tone) you have spent a great deal of your life billing it for services'. No one laughed. Everyone took out their pens and notebooks and followed with great care.

Subsequent conversations I have had with Medicare eligible colleagues confirmed that the whole room was clueless about the personal realities of the largest and best known entitlement plan in America. If doctors don't know how to enroll in Medicare or what the different elements of the plan mean, how is the rest of the public supposed to know? The short answer is that the 'public' doesn't and that lack of understanding plays into the hands of demagogues who prescribe easy fixes or those who deny that a fix is necessary. And, that being true, how informed will the discussion be about how to make changes in the programme for the coming wave of baby boomers who see it as our birthright? It should be an interesting 2 years until the Affordable Care Act becomes fully implemented and we have another election cycle.

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Provenance

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REFERENCE

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