

**Palm Beach Atlantic University
Forum on Ethics & Character
What is the right path for our healthcare crisis?
Text of Speech – The crisis is character
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Note: Parts in [] are parts of the original text that were left out during the presentation in the interest of time.

Thank you Palm Beach Atlantic for your invitation to speak on issues close to my heart and a big part of my life - ethics in healthcare.

The question is...do we really have a healthcare crisis today and what is it? Last September - about the time the topic of this forum was chosen - polls showed that Americans considered healthcare to be our most important domestic issue. Paul Krugman once wrote a long article for the New York Times entitled, "The Health Care Crisis and What to Do About It." Sounds exactly like the topic chosen tonight. I like reading Krugman, but I don't usually let him define reality for me.

Let's put this so-called crisis in perspective. Consider some of the incredible developments in medicine over the last 60 years. Pneumonia used to be a killer (it killed my father's sister when she was just six years old). Now, with potent antibiotics we usually treat it as an outpatient. Before the development of H2 blockers such as Tagamet and Zantac (which you can purchase over the counter today for pennies), 25% of a general surgeon's practice involved removing stomach ulcers. Having practiced medicine for 3 months in Haiti, I would have to say *their* healthcare is in crisis. I think you get the idea. It's good to count our blessings and be thankful for them.

Senators Obama and Clinton are getting a lot of mileage out of this media-defined crisis. If we took our cues from Senator McCain, however, we might conclude that the problems within healthcare today are no big deal. While the Democratic candidates might be overstating their case,

McCain seems out of touch with ordinary Americans on healthcare. His courage and character, notwithstanding, he seems to lack a coherent set of beliefs that can help guide us on the right path through our healthcare problems.

Which issues right now are giving Americans the greatest concern? A Wall Street Journal / Harris poll published less than two weeks ago found that the most important healthcare issue right now, garnering 32% of the votes, is "providing coverage for people who are uninsured." Close behind at 29% is "slowing the inflation of the costs of medical care." Coverage and cost - the two big issues in healthcare today.

John Stossel's hour long special last September showed Senator Clinton rallying a group of supporters, yelling, "Are you ready for universal healthcare for every single man, woman, and child?" To which her crowd erupted into loud applause. Apparently, Mrs. Clinton thinks universal health care can be achieved with universal health coverage.

Recently, I attended a lecture given to the East Tennessee State University medical faculty by the Chair of Medical Ethics from the Vanderbilt University Medical Center. His argument...in order for societies to be ethical, they must have universal health coverage.

After his talk, I asked if he knew of any society on this planet where universal health coverage universally guarantees health care - at least care that is timely and of reasonably good quality. Both he and the audience were stunned... that someone would dare ask such an "unethical" question.

In my experience, people who are most vocal about covering the uninsured are usually the least likely to be found caring for them. Mere support for nationalized healthcare is a poor proxy for practical, personal service to the disadvantaged. Single payer advocates remind me of the sort of folk Jesus said "weigh men down with burdens hard to bear while not even touching the burdens with one finger." Before we sweep out all of the devils of our current system, I think it is reasonable to consider what demons might be lurking outside to replace them.

Consider Canada as an example of universal health coverage. One million Canadians do not have a family physician because there are not enough to go around. Last year, the average waiting time between a GP visit and orthopedic surgery was 38 weeks. For an MRI the median wait was 10 weeks - for a CT scan 5 weeks.

In a June 2005 landmark case, the Supreme Court of Canada declared that "access to a waiting list is not access to health care," concluding that "delays in the public health-care system are widespread, and that, in some serious cases, patients die as a result of waiting lists for public health care."

In Britain, the delays are no better than Canada's, even though Brits can contract with doctors privately on a limited basis outside of their National Health Service. Over one million citizens await elective surgery there. Delays in dental care are so long that some people have resorted to pulling their own teeth.

The only thing universal about healthcare in these two countries is that it is in short supply and requires waits that can only be described as inhumane or unethical.

Consider another demon lurking outside. For coverage to be truly universal, all doctors must sign contracts with the State and agree to accept its payment. That means the voting majority has the power to dictate to medical professionals their terms of employment - their hours, their schedule, their pay, their ethics.

"The tyranny of a multitude is multiplied tyranny," Edmund Burke once rightly noted. National health insurance advocates would do well to dust off their constitutions and read where "involuntary servitude" was outlawed in 1865 by the 13th Amendment.

I invite you to consider another, fresh model - my practice - where the uninsured receive affordable medical care without insurance... and where the uninsured and insured receive the same care because I do not accept any insurance. This is how I described it when I testified before the Joint Economic Committee of Congress 4 years ago.

"In January 2001 I left ER medicine to start a clinic primarily for the uninsured of my community as an attempt to flesh out in my own life an answer to the age-old question, "Who is my neighbor?"

"As an ER physician, I knew the people the charts classified as 'self-pays'...too poor for \$10 co-pay insurance and too rich for Medicaid. Most doctors refused to see them.

"Our clinic is similar to charity clinics in that it serves patients falling through the cracks of our broken healthcare system - except we don't receive any taxpayers' funds either directly as subsidies or indirectly as a tax-exempt 501c3 corporation. It is similar to boutique [or concierge] clinics in that it contracts directly with its patients - except that most of our patients don't have insurance."

I guess now I should add that it is similar also to retail clinics in that our care is fast and...well...cheap...except that our clinic is staffed by a physician double boarded in Internal Medicine and Emergency Medicine rather than a nurse practitioner or physician's assistant. Probably 80% of what I treat would be outside the scope of a retail clinic.

The year before I started this practice, I was increasingly troubled by how the uninsured were getting the short end of the stick. The charges to them were unreasonably high - in fact, much higher than what was charged third party payers. Were not the uninsured, quite literally, my neighbors? How could the love of God abide in me if I could start a clinic that provided most of these same ER services at fair and honest prices...but didn't? As the Apostle John said, "Let us not love with word or with tongue, but in deed and truth."

My friends told me I was crazy. How can you possibly survive without taking insurance? Although our family has never begged bread, I'll admit that this decision has had a substantial opportunity cost. [Over these seven years our gross income has been roughly a million dollars less than what I would have made working in ER's.] As

missionary Jim Elliott said, "He is no fool who gives up what he cannot keep to gain what he cannot lose."

A marketing consultant surely would have counseled against it. The town where I was practicing ER medicine has only 16,000 people...the county, 65,000. At the time I started, Tennessee had the highest percentage of citizens insured with Medicaid - 23% - and it was probably half again as high in our county since it's among Tennessee's poorest. There were and still are 4 state subsidized clinics within 20 miles of my practice. For those who had commercial insurance, I had to compete with \$10 to \$20 co-pays.

Despite these competitive disadvantages, in a little over seven years the practice now has over 8000 patients. 60% or roughly 5000 are uninsured and perhaps another 15% have high deductibles. We have provided more than 25,000 patient visits to these two populations, saving them at least \$5 million over what they would have paid at local ER's and at least \$1 million over what they would have paid at area urgent cares. This practice has demonstrated that voluntary exchange among citizens - that is, the free market - is still nearly irrepressible. In Canada, it would be illegal.

Since day one, we have posted our prices - at the clinic, on our website, in local restaurants and convenience stores, in the local newspaper, and at one time on billboards on the bypass. \$40 for a sore throat...\$60 for pneumonia...\$95 to repair a simple laceration. Does your doctor do that? Well, neither do the other doctors around here. Nor do our hospitals, even though as non-profits they are exempt from paying taxes on income, property, and purchases.

[But I know some hospital prices. Patients bring me their receipts. Consider these comparisons. A cholesterol profile and liver panel at one hospital cost one patient \$163. It would have cost her \$45 at my practice. Another patient paid a local ER \$945 to repair a forearm laceration. At my practice, he would have paid \$150. A CT scan of the abdomen and pelvis were quoted to be \$2,300. I found a taxpaying facility in Johnson City who agreed to do it for \$560, radiologist's fee included. What this shows besides the need for tax-exempt hospitals to be more publicly accountable is that the vast majority

of Americans can afford timely quality primary medical care without insurance - universal or otherwise.]

We reduce cost by not signing contracts with third party payers and settling claims with them. Payment is at the moment of service - that's where I came up with the acronym PATMOS. The annual overhead at PATMOS is about 1/3rd that of family physicians who accept insurance. That runs to about \$200,000 less per year. Given that most family practices have roughly 5000 patient visits per year, the cost of filing insurance runs \$40 per visit or about the cost of a typical visit at my practice. In other words, the transaction cost is as much as the service being provided - what a tremendous waste.

Consider the national implications of this. If all 300,000 or so primary care physicians in this country settled accounts directly with their patients, there would be an annual savings of about \$60 billion. That's nearly 20% of the \$350 billion paid to all physicians and their medical practices each year. Other deadweight administrative costs must be added in as well, including those incurred by insurers, employers, and government for making sure these small claims are paid. Management expert Peter Drucker once observed that "there are only costs," and indeed all these wasted costs are included into the total cost of every good and service this country produces. No wonder prices are escalating at home and jobs are going abroad.

Then there is the cost of moral hazard. Americans with employer-based, low co-pay, low deductible insurance don't feel the true cost of paying even for everyday healthcare. They tend to demand lots of tests and treatments, many unnecessary and some even harmful, because they believe someone else is paying. In reality the employees are paying for it. It is passed on from insurer to employer then back to the employees in the form of increased premiums or in wage increases withheld. Unfortunately, most Americans don't or won't see behind this charade. They believe that because it is pre-tax they are getting a great deal.

They don't seem to realize that the federal government must find another way of raising the \$200 billion a year it loses from the tax exemption for employer based health

insurance. We all pay part of that cost, but it is shifted disproportionately to those who can least afford it - the uninsured. Any person with moral sensitivity, I believe, would say this is unethical.

Nobel laureate economist Milton Friedman once said, "This loophole in the tax system has done tremendous harm. It has caused the medical care industry to develop in an inefficient and unnatural way. The best reform would be to eliminate the tax deduction of any medical care expenses."

But who is ready to get rid of the tax exemption for employer based health insurance - even though it is unfair for the lower middle class and is wasting perhaps several hundred billion dollars a year? When I suggested we do this, one of my insured patients replied, "Over my dead body." Apparently, in this area at least, Americans aren't ready for change. They want to continue the illusion that someone else besides them is paying for their healthcare. With this irresponsible mindset, it won't take much for Americans to yield to the State what little freedom they have left to use their own wealth to make their own medical decisions.

How about if instead... we just make the playing field more level for everyone. The universal \$15,000 standard deduction for families with health insurance proposed last year by President Bush would do this. It sounds fair to me, but I don't hear anyone even mentioning it today. None of us should be in a hurry to gore someone else's ox if we are unwilling to sacrifice our own.

The Apostle Paul encouraged believers to move beyond mere parity. In his letter to the Philippians he encouraged deference to others. "With humility of mind let each of you regard one another as more important than himself; do not merely look out for your own personal interests, but also for the interests of others."

When it comes to health insurance, most Americans today prefer preference to deference...self-indulgence to self-sacrifice...living at the expense of others to expending themselves on behalf of others - as Jesus did when he walked the earth and as many have done since who have followed in His way. Perhaps we don't have a healthcare

crisis as much as we have a character crisis.

It isn't just the general population of insured Americans who are ethically challenged in this respect. The entire medical industry - insurers, pharmaceutical companies, hospitals, and physicians are more than happy to accommodate this subsidized demand. They all earn more money from it, even if it is at the expense of other industries in our economy - who don't receive the same subsidies... or do they?

But of these the greatest ethical obligation falls to physicians because patients many times bare their entire person - mind, body, and soul - to us. Many today have allowed third parties to dictate terms that are not always in the best interests of patients. They have allowed non-professionals to decide care and are running patients through like cattle just to meet expenses.

These contracts also betray patient privacy. [A contract that was sent to me when I first started PATMOS read:

"Provider shall readily make available to [Insurer], the Department, HCFA and any other government agency with regulatory authority, medical and health records of Beneficiaries receiving Contracted Services..."]

Over the last several years, news stories have shown in detail how breaching patient confidentiality has done irreparable harm in people's lives. What ever happened to the Hippocratic oath, part of which said, "What I may see or hear in the course of the treatment... I will keep to myself."

In the 1966 film A Man for All Seasons Thomas More's character said, "When a man takes an oath, he's holding his own self in his hands. Like water. And if he opens his fingers then - he needn't hope to find himself again."

And according to the Psalmist, the man "whose walk is blameless...keeps his oath even when it hurts."

Physicians - especially primary care physicians - don't have to sign these contracts... unlike the ones they might eventually be forced to sign under a single payer government system.

Right now they have the opportunity to just say no - as I have.

If character is habit long continued and eventually determines our destiny, then we have a tough road ahead of us, especially when the baby boomers become Medicare beneficiaries. For Christians, I believe the right path is the same as it has always been - to take up our crosses daily, fix our eyes on Jesus, and "entrust our souls to a faithful Creator in doing what is right."

For those of you who have yet to enter into the life Jesus offers, I would like to say... the time for change is now. Not just a social change promised by a presidential candidate, but a change within you personally - a change of heart, a change of mind, and a change of direction to the right path where character changes society from the bottom up - ethically, through God's abiding love.