

Free healthcare is a myth

By JOANNIE PARR

Wed, Mar 07, 2012

There is no such thing as free healthcare. Someone must always pick up the bill.

America's healthcare has become such a jumbled patchwork of laws, regulations, and legal threats that too many folks are no longer able to step back and understand how we got ourselves into this mess. They just know they do not like it.

Originally, patients or patients' families paid directly for their own healthcare, under a system now referred to as "fee-for-service."

Then during World War II, the Federal Government imposed Federal Wage Controls, in an effort to control escalating consumer prices resulting from the inflationary costs of fighting the war.

In order to compete for workers, American businesses started adding employment "benefits" to get around the Federal Wage Controls. One of those was health insurance.

Employers were thus appearing to pay a portion of America's healthcare costs as a cost of doing business, even though such costs are always added into the price of goods being manufactured and sold. America's taxpayers and consumers were actually the ones paying for other peoples' healthcare costs.

Frequently during the late 1980's and early 1990's, a patient would hand me an insurance card and said "just charge it." That employer purchased insurance card was now being treated as a "free" credit card which never would have to be repaid! What a deal!

Even so, big employers were still offering fully paid family health plans as an employment benefit. If both a husband and wife worked for big companies, then everyone in that family was fully covered twice! In this situation, healthcare providers had special rules to follow, and the possibility of a patient trying to collect more than 100% of the medical care expense by using both policies as "primary" was a concern.

The numerous abuses of this "free" system, including general patient overuse, loaning an insurance card to family members without insurance, and insurance fraud by both patients and providers, were rapidly driving up healthcare costs for the insurance companies and thus for the employers. Throw in the realities of several decades of inflation, plus exploding medical malpractice issues, and America was reaching a point where this "free" system was no longer sustainable.

In 1992, the Federal Government came up with a "solution" to its increasing Medicare costs -- put Federal Price Controls on the doctors for their treatment of Medicare patients! The thinking was that the doctors could make up those losses by raising their fees being "charged" to the private insurance companies.

Americans were (and still are) living longer than the Federal Medicare System had planned for, so the Federal Price Controls on Medicare could not and did not put an effective lid on total Medicare costs.

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Furthermore, during the 1990s, the insurance industry came up with PPOs and HMOs to prevent the “passing through” of those unpaid Medicare costs.

So in 1997, the U.S. Congress, under the leadership of Speaker Newt Gingrich (R) and Majority Leader Trent Lott (R), passed what is now commonly referred to in medical circles as “the hated SGR”, and President Bill Clinton (D) signed it into law.

The SGR (Sustainable Growth Rate) is a highly flawed, complex formula which compares overall Medicare costs to the growth of the US economy. If on a collective basis, America’s doctors provide more medical care than the formula permits for that year, then the doctors are to be punished for “overuse” by having their collective compensation cut the following year to recover the “overpayments.”

The formula is based upon the assumption that the number of Medicare patients in 1997 will not increase over time. It also assumes that when the economy is down, Medicare aged patients will have less need for medical care.

The formula further fails to consider the reality that physicians cannot choose to withhold medical treatment (ie: Rationing) just because the Federal government does not want to pay for it. That would be both medical malpractice and a violation of the Hippocratic Oath.

The insurance industry recognized their opportunity with the passage of the SGR, and thus today’s health insurance compensation to America’s physicians is now tied to the Federal Government’s published Medicare compensation rates -- never mind that your own health insurance premiums continue to go up. What a windfall profit that is for the insurance industry!

So who is paying for America’s health care today?

America’s doctors, nurses, and other healthcare providers. They are the ones being forced by your Federal elected officials to underwrite your personal healthcare costs. After 14 years of the SGR, your doctors are no longer able to continue under such an economically absurd system.

Over the past 70 years, both political parties worked together to create this mess, and at no time has either political party felt it was in its best interest to be completely honest with the American voter.

The so-called “Doctor Fix” is not a fix. It is only telling the doctors the Federal Government will delay their next beating for another few months -- but they can count on it happening again as soon as no one is looking.

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