

Health Care

By Bill Hobby

Health care is the top concern of many Americans in the 1990s. How do we get health care? And how can we afford it? Health care is becoming the political, social, and collective bargaining issue of the 1990s.

In the past six years our country has doubled the proportion of our income we spend on health care - from 6 percent to 12 percent of our gross national product. We spend one-third to one-half more on health care than do other industrial democracies.

But we don't live longer than our Canadian and European counterparts. We are not noticeably healthier than they while we do live. Our babies die more often than theirs, and we are not particularly happy with our system.

Polls show health care to be one of our biggest national concerns. Our health care system is an expensive technological marvel that often makes people well in ways that would have seemed miraculous just a few years ago. But it also impoverishes many of our citizens and neglects millions of others. There are about 40 million people in the United States without health care coverage. There are none in Canada.

Canada spends about eight percent of its gross national product on health care--about one-third less than we do. Canadians are so satisfied with their system that health care is not a political issue. But it certainly is here.

Governor Richards, Lieutenant Governor Bullock, and Speaker Lewis have recently appointed an interim committee to recommend steps to the 1993 Legislature to improve health care access and lower costs in Texas. The LBJ School of Public Affairs in Austin is making a study of the issue to help that committee in its deliberations.

An election to the United States Senate in Pennsylvania recently turned on the health care issue. Sen. Wofford defeated a popular former governor, Dick Thornburgh, apparently because of dissatisfaction with national health care policies. Not that there has been any shortage of federal policies. New ones are created by the week. In fact, there are more federal policies than dollars.

Earlier this year, President Bush told the National Governor's Association that states should be the laboratories of health care policy for the country. The next week, the Bush administration tried to cut off federal matching funds to Texas and other states because they choose to provide indigent health care through local, rather than state governments. So much for federal policies. Federal programs, except Medicaid, have basically tied health care to employment. That doesn't work because there are millions of people whose employers can't afford the insurance and millions more who have no employer at all.

The price of health care goes up faster than other things because price competition does not work well. Doctors and hospitals are paid largely by insurance companies and governments. We all ultimately pay those costs, but we don't realize it in the same way we do when we pay a lawyer for legal services.

There is no great mystery about how to cut the cost of any particular medical service. It can be done in two ways: 1) cut what doctors, hospitals, and drug manufacturers get, and 2) cut administrative costs--including malpractice payouts.

But cutting the total bill is another matter. People who have health care coverage see the doctor more than people who do not. A study by Anne Dunkelberg of the Texas Research League shows that Texans with coverage use the system 28 percent more than those without coverage.

A reasonable national aim would be to have a system efficient enough to provide regular coverage for those who do not have it--at no increase in total cost. Surely we are smart enough to figure out how to do with 12 percent of our national effort what the Canadians do with eight percent of theirs?

In Canada, doctors are paid for the number of patients under their care, rather than on the fee-for-service basis most used in this country. It is a single-payer system--the government pays the bills directly. Citizens choose their own doctor, just as we do.

Canadians have to wait longer for some kinds of care than do our citizens who have health care coverage. Some Canadians come to the United States to get quicker treatment with expensive machines (CAT scanners, magnetic resonance imagers) not as widely available in Canada. On the other hand, Canadian costs are lowered by the more efficient use of hospitals, which are always full. The system probably could not be imported to the United States without major surgery, but it is a good place to start.

Written in 1991.