

Health Care Storm Brewing

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I have had three major operations on my neck. I someday will likely need a fourth. I am scared. And I am a physician. I have long known of the severe quality issues that exist in our health care system. I did not need the recent Office of Inspector General report that found one in seven Medicare patients have suffered harm during a hospital stay or the recent study in the *New England Journal of Medicine* that found an even higher percentage, 18 percent, to tell me the system is broken. I have long suspected this, and these reports just confirmed my suspicions.

When you have a chronic illness you really do not care whether we have a system run by the free market system or the government; you just want to receive affordable high-quality health care.

One of the major changes with health care reform is in the governance of hospitals. Independent physicians are fast becoming extinct with some estimating that over 70 percent of health care providers having a contract with or are currently employed by a facility. Physicians at one time were customers of the facility. Now they are employees. As in any organization a customer can voice and press for change better than an employee. In some respects, we are in danger of medicine transforming from a profession into a trade.

The massive mergers and integration in the health care system are driven by reimbursement discrepancies between hospital employed and independent physicians; and results in the increase of both the market and political power of "oligopsonistic" health care systems. That is a term whose meaning is simple, and we're cooked, for unlike England, many of these systems are profit-driven and not patient centered.

I am wary of the ineffectiveness of government oversight, which will be severely weakened if a proposed Medicare policy of curtailing on-site survey visits for self-reporting is adopted. There are numerous examples on the ineffectiveness of self-reporting. The latest is in Kentucky where according to a state Centers for Disease Control grant, hospital-acquired infection outbreaks are

reportable to the health department, but only four have been reported by all the acute care hospitals over the last one year. No such outbreaks were reported.

Medicare does regulate physician ownership of hospitals and requires that a physician declare this conflict of interest to patients. But Medicare has not addressed the conflicts produced by hospital ownership of physician practices.

I am also scared I will not be able to afford my future health care. This may be surprising coming from a doctor, but no matter how well off you are, you can be quickly bankrupted by health care bills. A lot of promises are made in the health care reform bill. But Medicare's Office of the Actuary says Medicare is still losing money. The health care system will be almost 20 percent of GNP by 2019. We are covering more people, but it is like placing more individuals on the *Titanic*: a good ride for a little while but unless we change course, a disastrous ending.

A perfect storm is brewing. The payment system is also severely broken. The limitation of insurance companies' profits and cost of overhead to 15 percent to 20 percent of the premium places incentives in the wrong direction. Insurance companies may be quite willing to pay the higher cost of health care charged by large profit driven systems in order to increase the dollar amount of their profits. Since insurance companies have an antitrust exemption, they may not have the same market pressures to control premium increases.

To make matters worse, as the cost of insurance increases, the government starts to pick up part of the tab — making it even more difficult, if not impossible to place the runaway health care deficit under control.

The United States has created a more powerful profit-driven delivery system with little market pressure to control costs; an insurance industry incentivized to pay the higher costs and a government poised to pick up overruns. And the system is delivering very low quality.

What is for sure is that what our health care system is metamorphosing into is not supported by those who favor a government-dominated system or by those who favor a market-based system with less government. What we are evolving into is a system run by large monopolistic corporations that have little checks,

balances or oversight. This unacceptable transformation needs to be reversed or at least halted. The system needs to become more competitive and more patient centered. Hospital boards need to have community members who are actively engaged in quality and cost oversight. If I have my fourth operation on my neck, I would like to be able to afford it and not have a one-in-seven chance of developing a hospital-acquired condition.

**Kevin Kavanagh, M.D., M.S., F.A.C.S., of
Somerset is Board Chairman of Health Watch USA.**