

# **The Irony of a Failed Health Care System**

By William True

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Throughout the United States we find appalling numbers of pregnant women without prenatal care. A high infant death rate places us 22<sup>nd</sup> among industrialized nations on that vital index. Growing numbers of children go without basic immunizations and are impaired or die from diseases long thought conquered in this wealthy country.

This is in the face of the world's most advanced and sophisticated medical technology, coupled with expenditures that represent more than 12 percent of our gross national product.

What has gone wrong? A massive breakdown between capability and delivery has occurred. Runaway cost inflation in delivery has made health care increasingly unaffordable.

An estimated 40 million Americans now are without health insurance, and another 70 million have inadequate coverage. Why should a highly productive country fail so miserably? The failure results from our continued delusion that a market system with competitive supply-and-demand factors operates in health care delivery. It does not.

Doctors neither set fees nor deliver care according to supply and demand. Patients receive treatments as a physician dictates and are generally not capable or not willing to question either the quality, need, or price of that care. Medical customers do not shop for cost-effective doctors, and fee-for-service physicians frequently provide unneeded care. What service could possibly be rendered effectively and economically under such contradictions of a market model?

Hospitals are similarly immune to normal competitive forces. They compete to attract doctors by duplicating expensive medical technology and then charge exorbitant prices to pay for underutilized facilities. Affiliation of doctors is critical because patients go to the hospital their physician selects. Yet this competition only produces inefficiency and waste.

Insurance companies also avoid market rigors. They compete to insure the population's healthy segments while avoiding people with health risks. Complex procedures to limit and deny claims add further to costly overheads for about 1,500 insurers. Rising doctor and hospital charges are simply added into premium increases.

What is the answer? Industrialized nations of the world, excepting only the United States and South Africa, have resolved the question. They have acknowledged that free market forces do not operate in health care delivery and have instituted governmental intervention to ensure health care for all of the citizens.

How long will America live with the irony of a failed health care delivery system? The shambles that is our health system proves incontrovertibly that care cannot be left to uncontrolled private enterprise.

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