

Editorial

Out of the morass

No one can honestly deny that the United States faces a crisis in medical care. More and more Americans are losing relatively well-paying jobs and are forced to subsist on makeshift part-time work or worse. What medical coverage they do have suffers from the overall decline in their standard of living. At the same time, a continued decline in the physical economy (as opposed to inflated speculative gains) is eroding the tax base which could otherwise help to defray these costs through the provision of social services.

In an effort to deal with the crisis under conditions of declining physical economic output, various health plans are now under debate in Congress. But they are all seriously flawed. For one thing, they are biased against what is termed "high-technology" medicine, which, it is claimed, diverts limited funds needed for base-line care for large numbers of people, to the special needs of a few. This argument is totally fallacious when one considers that early diagnostic and modern noninvasive therapies have reduced many hitherto fearsome conditions to outpatient treatment or shortened inpatient stays. But if these people are barred from productive employment, then shortening their recovery time does not show up as a benefit to the economy.

Any health care plan that does not encourage technological innovation will fail miserably to decrease health care costs while providing increased quality of health care over the long term. Only innovation can do that. Other administrative changes will, at best, lead to a one-time decrease in costs, followed by skyrocketing costs.

It has become fashionable to attack medical technology as responsible for the rising costs of medical care. Currently, 14% of the Gross National Product in the United States is spent on health care, and by the year 2000 it is projected to rise to 18%. With the GNP for 1993 at \$6,378.1 billion, that means total U.S. medical care costs were around \$892.9 billion. However, a careful analysis shows that this cannot properly be laid at the door of overutilization of advanced medical technology. At most, discounting for population growth, increased insurance and administrative costs,

and the side-effects of monetary inflation, including higher real estate costs which inflate the cost of hospital stays, medical technology accounts for only about 2% of the total bill.

Research investment in the health sector, as it does in every other sector of the economy, has an extremely high payoff. For example, National Institutes of Health-funded research that discovered the bacterium responsible for chronic ulcers, allowing ulcers to be treated with simple antibiotics, has a cost-benefit ratio of 1-28. For every dollar spent on that research, \$28 is saved from health care costs of ulcer treatment and lost income.

Over the past five years, laparoscopy has revolutionized most abdominal surgery, replacing traditional techniques for removing gall bladders and performing vaginal hysterectomies, colectomies, appendectomies, splenectomies, and even hernia repair. The technology involves making small cuts in the abdomen through which a small camera, a cutting tool, a light source, a laser, or electrocautery source are inserted. The camera allows the surgeon to guide his tools to the appropriate organ, which can then be properly treated.

If the health crisis in the United States is to be solved, it will be necessary to re-focus the discussion. Rather than debating how to cut costs, Congress should be discussing how to guarantee that there is sufficient funding to ensure a continued stream of new discoveries on the medical front, and to ensure that these benefits are immediately accessible to everyone. The Hill-Burton Act, which became law in the United States in 1946, is a paradigm of the correct approach. The funding proposals were based on a survey of need for hospital care, particularly in cities such as Los Angeles that had experienced rapid growth which outstripped medical care facilities. Funding was provided as needed to guarantee a proper ratio of hospital beds to the population of the catchment area.

Concern for the value of every human life, rather than financial considerations alone, is the only proper framework for the discussion.