Commentary: America’s Healthcare Crisis

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Certain Supreme Court decisions have changed life in the United States forever. These decisions eliminated segregation, interrogation without a warrant, and the right for women to choose to terminate a pregnancy. The case of National Federation of Independent Business v. Sebelius seemed destined to enter the elite ranking of game-changing Supreme Court rulings. This was the day the highest court in the land decided the fate of the controversial Patient Protection and Affordable Care Act (PPACA). The impact of PPACA is evolving and currently is uncertain.

KEY WORDS: Brown v. Board of Education; Miranda v. Arizona; Roe v. Wade; Patient Protection and Affordable Care Act; rationing; social insurance.

Brown v. Board of Education, Miranda v. Arizona, and Roe v. Wade are three United States Supreme Court cases that have had a major impact on our lives. In 1954, in Brown v. Board of Education, the court ruling eliminated segregation in schools, stating the race-based segregation of children into “separate but equal” public schools violates the equal protection clause of the 14th Amendment and is unconstitutional. In 1966, the Miranda court ruling made police arrest procedures follow due process, acknowledging that a person in police custody may not be interrogated without being warned of certain of his or her 5th and 6th Amendment rights. In 1973, the court decided, in Roe v. Wade, that a woman, with her doctor, could choose abortion in earlier months of pregnancy without legal restriction, and with restrictions in later months, based on the right to privacy. All three decisions changed life in the United States forever. The controversy surrounding this decision has persisted, with the excitement and energy exhibited by supporters of the PPACA matched by the disdain and discontent displayed by opponents of the court’s decision.

Both sides of the debate agree on one issue: America’s healthcare system is in a crisis. Four years after the Supreme Court ruling, with provisions to be phased in through the year 2020, the court decision has been the subject of continuing controversy. Politicians, economists, pundits, and healthcare experts have been steadily attempting to justify, clarify, or attack the nearly 1000-page document that is the current healthcare law.

Both sides of the debate agree on one issue: America’s healthcare system is in a crisis. The idea behind the birth of insurance is risk sharing. It is intended to protect individuals and families against the potential of a devastating financial loss. Many healthcare pundits believe the insurance system is the only way to avoid the bankruptcy that can result from an expensive medical bill when an individual is confronted with a complex medical illness. Unfortunately, even with insurance, a serious illness can lead to personal or family financial ruin. Yet insurance has been chosen as the deterrent of choice to fight the battle against medical hardship. The individual mandate of the PPACA, which requires the majority of Americans to have health insurance, or pay a penalty, is seen by many as a game changer.

On June 28, 2012, National Federation of Independent Business v. Sebelius seemed destined to enter the elite ranking of game-changing Supreme Court rulings. This was the day the highest court in the land decided the fate of the controversial Patient Protection and Affordable Care Act (PPACA), colloquially known as Obamacare. The American public was extremely polarized regarding President Barack Obama’s signature legislation. The Supreme Court decided in favor of the PPACA. The controversy surrounding this decision has persisted, with the excitement and energy exhibited by supporters of the PPACA matched by the disdain and discontent displayed by opponents of the court’s decision.

U.S. healthcare can be summed up in one word: insurance. The idea behind the birth of insurance is risk sharing. It is intended to protect individuals and families against the potential of a devastating financial loss. Many healthcare pundits believe the insurance system is the only way to avoid the bankruptcy that can result from an expensive medical bill when an individual is confronted with a complex medical illness. Unfortunately, even with insurance, a serious illness can lead to personal or family financial ruin. Yet insurance has been chosen as the deterrent of choice to fight the battle against medical hardship. The individual mandate of the PPACA, which requires the majority of Americans to have health insurance, or pay a penalty, is seen by many as a game changer.

The original idea of the health insurance mandate was the invention of conservative economists. It was proposed to counter liberals’ call for a single-payer system. Two basic ideas were behind the mandate:

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To discourage “free riders” who do not carry health insurance coverage, relying on emergency department medical care, which increases costs for those with coverage; and

- To partially fund the new healthcare law.

It does not matter which side of the Obamacare controversy one supports, because the truth is that we have a healthcare crisis, and the deterrent of choice—insurance—will not solve the problem given our present day healthcare structure. Let’s explore why we are in this healthcare crisis.

**THE HEALTHCARE CRISIS: QUALITY–COST CHASM**

We believe there are two healthcare crises: a quality crisis and a cost crisis. The quality crisis is that the healthcare we deliver is capricious. The same patient seen by three different physicians may well get three different opinions. The cost crisis is that healthcare costs have historically grown at a rate of several-fold times the GDP. Succinctly stated, healthcare costs have increased at a rate much greater than a person’s paycheck. The bottom line is that it is getting difficult for people to pay the cost of healthcare even when they are insured.

**WHY DO WE HAVE THIS QUALITY–COST CHASM?**

The quality crisis emanates from an intense escalation in the complexity of healthcare. It has become difficult for physicians to understand the consequences of all the different tests and treatments that are available. The increasing complexity of healthcare testing and therapy has caused physicians to oversimplify many healthcare management decisions. The mindset of practicing physicians has become that if there is any possibility of benefit, then the test or treatment should be done. An example is ordering a stress test on every patient with chest pain, no matter what the pretest probability of coronary artery disease. This type of over-simplistic thinking can be extrapolated to any screening test. This oversimplification of testing and treatment—whether to make money or to prevent allegations of negligence—in isolation can dramatically drive up healthcare costs.

Inventions and other developments from medical researchers, pharmaceutical and device companies, and the manufactures of testing modalities and treatments exacerbate this economic crisis of excessive testing. The technology engine is rapidly developing medical advances that create a mismatch between the costs of care that we can deliver that is effective, versus the money available to pay for the new care. The dilemma is that healthcare costs are growing exponentially faster than the rate at which paychecks are growing. This separation in rates of growth between medical advances and individual income is a fundamental concern.

**SHOULD WE “RATION” HEALTHCARE?**

Before determining whether healthcare should be rationed, we must define rationing. If we define it as not covering some tests or treatments that might possibly add benefit, although the magnitude of the benefit is judged too minimal to be worth healthcare dollars, then the answer is yes—we think rationing has a role in our attempt to solve the healthcare crisis. This type of “rationing” is the best way to control costs and minimize the gap between rates of growth in medical advances and increases in individual income. This concept is emotionally charged, of course, with a slippery slope. It raises the question of how do we ration equitably.

The American public fears treatments will be withheld to save money.

The chief dilemma is to make sure we ration according to value received for a test or treatment. We want to ensure that we do the testing and treatment that provide high value at a reasonable cost, and we want to eliminate testing and treatments that provide little benefit, but generate high costs. If we continue to demand tests and treatments that provide smaller and smaller benefit, at greater and greater costs, then we must identify methods of payment outside insurance or expect exponentially increasing insurance costs. We can’t have it both ways.

**HOW DO WE MAKE TOUGH CHOICES?**

The American public fears treatments will be withheld to save money. To make these types of choices, first we must understand the magnitude of the benefit that various treatments provide. This means understanding the utility of a test or treatment. Certain therapies have a high utility at a reasonable cost, and this clearly indicates the test or treatment should be implemented. Alternatively, an expensive treatment that has a 1-in-30,000 chance of improving an outcome may not be indicated. So we must understand the magnitude of benefit of any treatment in relationship to its cost.

**WHY THE UNITED STATES HAS NOT EMBRACED SOCIAL INSURANCE**

If we want all people to have health insurance, we need to have a mechanism that provides health insurance through
government subsidization. The only way this can happen is with the government getting revenues through taxes. That is a choice we as a country have been unwilling to make.

The current healthcare system is chaotic and most would argue, unsatisfactory for many, but many sectors of our society that like it. Why? Because many sectors of our economy are making significant profits from the present healthcare system. Remember: one person’s cost is another person’s income, and about 10% of the economy lives off healthcare dollars. Many physicians, nurses, hospital administrators, and manufacturers of devices and testing materials are making large incomes off this dysfunctional healthcare system. This explains why, when we see legislation introduced trying to solve the healthcare crisis, some sectors of the economy lobby against the legislation. The net effect of this lobbying by self-interested people is to get legislators to block a national solution to the healthcare crisis. Citizens do not want to pay increased taxes because they do not want to curtail their income stream.

THE SHAPE OF THE FUTURE WITHOUT CHANGES TO THE CURRENT HEALTHCARE SCHEME

If we persist with the present system we will have increasing chaos in the healthcare delivered to the American people. Why? Because healthcare costs will continue to rise faster than individual incomes. Employees and employers will battle as to who should pay the healthcare bill. This cost conundrum will result in fighting between management and unions. The problem will not disappear.

Special interest groups have a mentality that government programs are a “free ride” for the uninsured. They believe they must prevent these programs that would be in the public’s best interest. But another way to look at this issue is this: insuring everyone would mean pharmaceutical companies would sell more drugs; device manufacturers would sell more devices; and physicians and hospitals would see more paying patients. It seems at first blush like a financial win for all. The predicament is that the taxpayers would have to fund the government programs. The idea of paying more taxes never sits well with the American people.

THE PPACA IS THE OBAMA ADMINISTRATION’S ATTEMPT TO PROVIDE INSURANCE FOR ALL AMERICANS

The question before us is whether the PPACA will have an impact on American life similar to that of Brown v. Board of Education, Miranda v. Arizona, and Roe v. Wade. As the most recent presidential election demonstrated, the divide between supporters and detractors of Obamacare is wide. Despite the divide, most agree that we have a healthcare crisis. We need to understand that evaluating the magnitude of benefit for a treatment against its cost is a reality we cannot escape.

Currently, the best option we have to determine appropriate testing and treatment is evidence-based medicine. When carefully controlled evaluation shows that testing and treatments are beneficial, we should do it. If there is evidence that a treatment is only slightly beneficial and costly, or harmful, we should discourage its use. When the outcomes of a treatment are uncertain, we should be conservative, meaning that if there is potential harm, or minimal perceived benefit at high cost, we should think long and hard before implementing that therapy. We need evidence-based medicine because the biology of disease and the variation of human response to disease and treatment mandate validated therapies.

Another provocative aspect of PPACA is its increased access to preventive care. The idea that prevention is the key to better health is simple and intuitive. In this context, let’s consider cause-and-effect relationships in health. If you participate in high-risk behaviors such as eating mostly junk food, a couch potato life style, sexual promiscuity, and illicit drug use, you will be more prone to obesity-related diseases and sexually transmitted diseases. The benefits of a healthy diet and routine exercise regimen include a reduction in the risk for diabetes, stroke, myocardial infarction, and certain cancers. An accurate understanding by the American public of the cause-and-effect relation between lifestyle choices and health will go a long way to ameliorating the present-day healthcare crisis.

The PPACA is a good first template for solving the healthcare crisis in America today. The future depends on all players in the healthcare game seeing beyond their individual profits for the benefit of society. Those truly interested in solving the healthcare crisis must realize that implanting a system that is proactive rather reactive is vital to solving the healthcare crisis. We must implement preventive strategies across all demographics, and we must use only tests and treatments that have been validated by evidence-based medicine. National Federation of Independent Business v. Sebelius was the first step to solving America’s healthcare crisis. Time will determine whether it is a game-changing ruling that will positively impact the lives of all of us.

“THE GLASS IS HALF FULL” VIEW OF THE AFFORDABLE CARE ACT

- The PPACA has succeeded in increasing insurance coverage—the uninsured rate declined from 16% in 2010 to 9.1% in 2015.
- The number of uninsured individuals declined from 49 million in 2010 to 29 million in 2015.
Adjusting for economic and demographic changes, the Department of Health and Human Services estimated 20 million more people have health insurance because of the PPACA.

Early evidence indicates that expanded coverage is improving access to healthcare and health insurance for the newly insured.

The PPACA also has improved health insurance coverage for those who already had health insurance by including maternity care and treatment for mental health issues and substance abuse disorders. Additionally, most private insurances must now cover recommended preventative services without cost sharing—this includes contraceptive coverage and screening and counseling for domestic and interpersonal violence.

Important improvements have been seen in the quality of care, with decreases in adverse drug events, infections, and pressure ulcers.

A decline in the rate of hospital readmissions within 30 days after discharge has been seen.

There is a trend suggesting “improvement” in the healthcare access of the nation and policies attempting to improve individual health outcomes following enactment of the PPACA. To date, robust, high-quality data demonstrating substantial improvements in health outcomes directly related to the PPACA are challenging to identify. Although access to care has improved, and readmission rates for some diagnoses (e.g., heart failure) have declined, these are not true health outcomes, but, rather, reflect measures of value-added processes of care. It takes years to influence the health of an individual, and even longer to improve the health of a population. It would be unfair to expect that the PPACA, in just a few years, would improve true health outcomes of individuals, much less of the entire population of the United States. In addition, community determinants of health, such as obesity, tobacco abuse, and sedentary lifestyles, which generally are outside the control of the healthcare system, influence the overall health of a population, more than healthcare itself. The great gains related to the PPACA will be determined over decades, not a few years. It took decades to determine the ultimate impact of Brown v. Board of Education, Miranda v. Arizona, and Roe v. Wade. Hopefully, we will continue with the positive trends that the PPACA has initiated.