

TITLE

The genius of medicine is its devotion to the patient; the duty of public policy is to maximize public goals with limited funds. I would suggest that public policy has not done enough to assert the broader public interest in achieving a healthy nation. This has been due to a failure to better distinguish between good medicine and a good health care system and the assumption that a good health care system makes a healthy nation.

The public policy of health includes medicine, but is much more than medicine. Consider the difference in the perspective, standards and tools available to public policy as opposed to those of a health provider.

<u>PUBLIC POLICY</u>	<u>HEALTH PROVIDER</u>
Marco-allocation	Micro-allocation
Asks: How do you keep a society healthy?	Asks: How do you keep a patient healthy?
Tools: Health policy, education, public safety, smoking control, system reform, etc.	Tools: Medicine and teaching health habits
Standards: Equal protection, due process, political pressure	Standard of delivery : "beneficial" or "reasonable and necessary"
Maximize good	Do no harm
Asks: How is best delivers health to the society?	Asks: Is it good medicine?
Cost must always be a consideration	Cost not a consideration (until ten years ago)
Maximize health of the group	Maximize health of patient
Asks: why do people die before their time? Smoking, Alcohol, diet, etc.	Asks: What do people die of Heart, Cancer, etc.

Richard D. Lamm
University of Denver
rlamm@aol.com

**THE PUBLIC
POLICY OF
HEALTH**

Richard D. Lamm
New Orleans, Louisiana
June 22, 2007

"Using Limited Health Dollars Wisely" ¹

**NO MODERN
NATION CAN
BUILD A HEALTH
SYSTEM A PATIENT
AT A TIME.**

²

**No Citizen Can Expect,
In This Time Of
Technological Marvels, All
The Health Care That
Modern Medicine Can
Provide.**

³

**No Physician Can
Practice Their
Profession Assuming
They Are The
Unrestrained Advocates
Of Every Patient.**

⁴

**No Citizen Can
Expect, And No Nation
Or Health Plan Can
Afford, To Give The
Hippocratic Oath A
Blank Check.**

⁵

**Not Only Is The
Oregon Health
Priorities System
Ethical: It Is Unethical
For A State Not To Set
Priorities.**

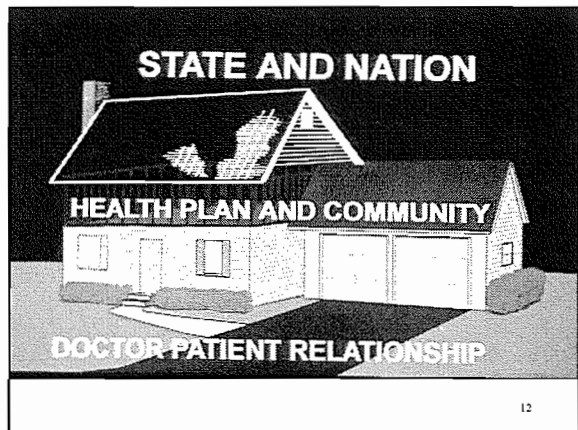
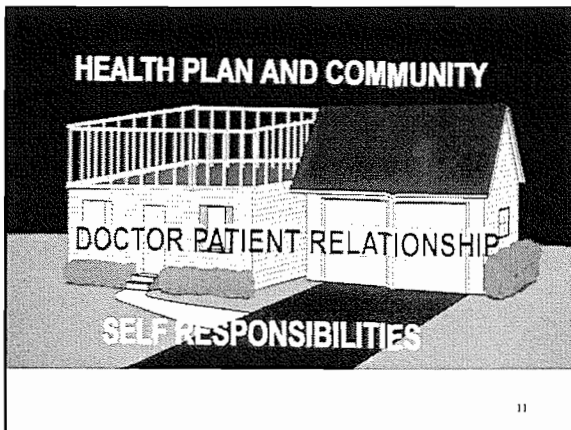
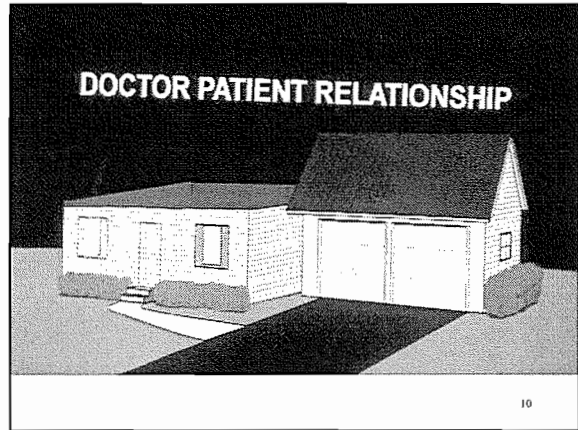
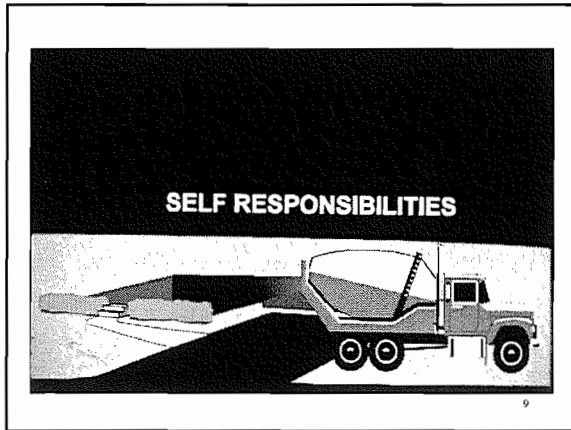
⁶

“The primary goal of the health care system should be to maximize the collective health of society, not individual medical benefit.”

Robert Blank

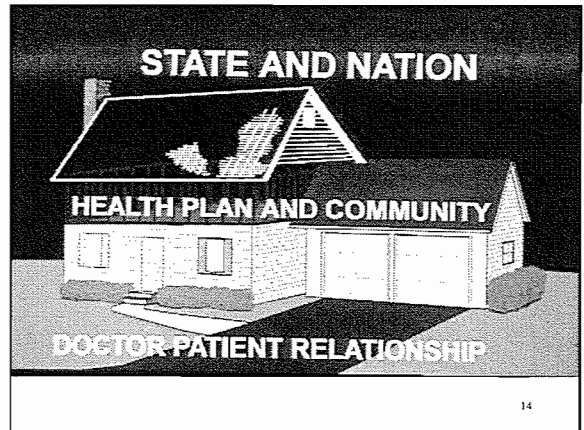
“It is better to debate a question without settling it, than to settle a question without debating it.”

Joseph Joubert (1754-1824)



**Each Floor In
The House Of
Health Care Has
Its Own “Moral
Radius”**

13



14

**WHAT IS THE ROLE
OF GOVERNMENT?**



15

paid for by Gov

58%

16

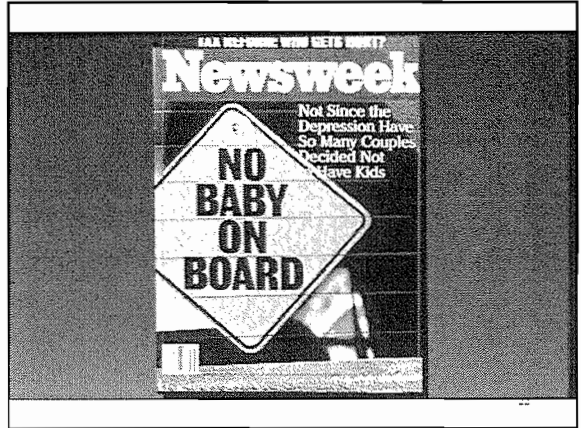
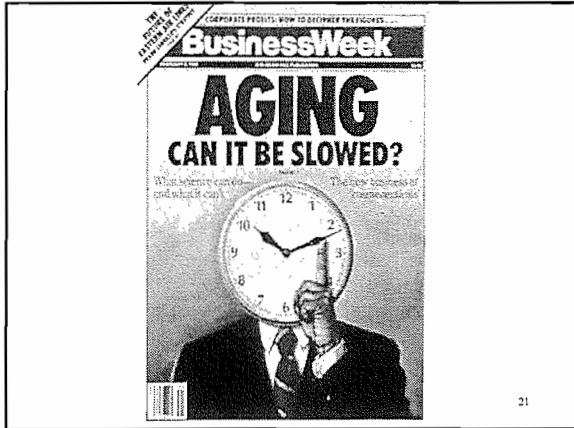
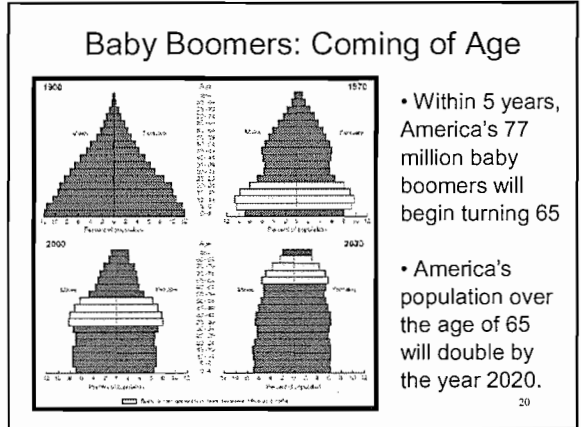
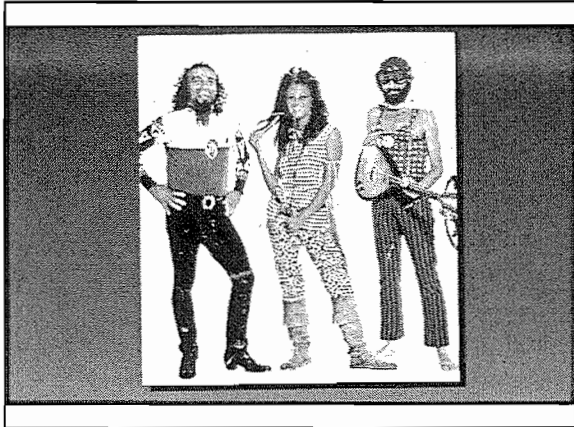
*out of every dollar
is paid for by a third
party payer*

83%

17

**I.
WE WILL HAVE
TO RUN A NATION
OF 50 FLORIDAS.**

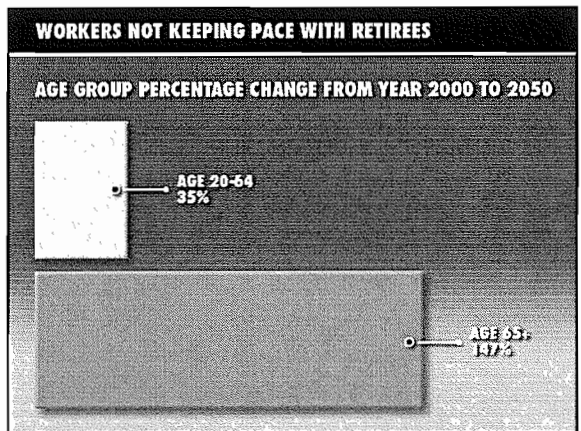
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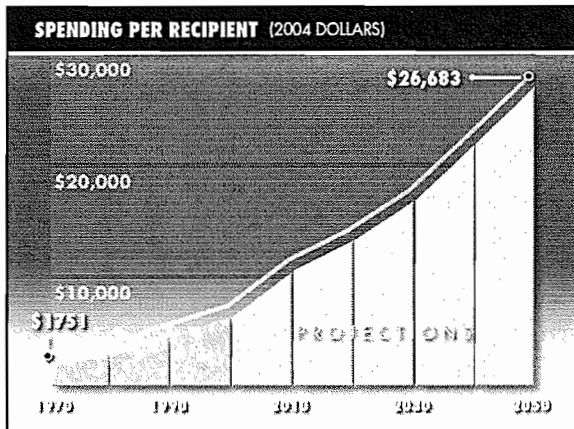


“We made a massive bet on the ability of our children to support the elderly. Then we forgot to have children.”

KOTLIKOFF

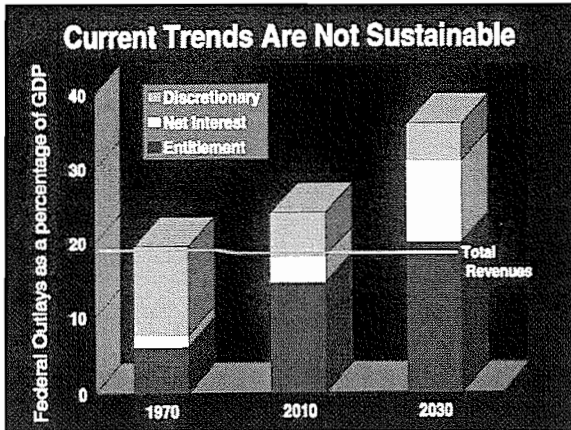
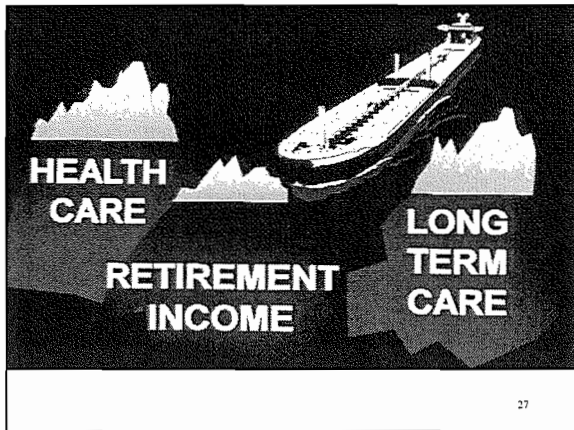
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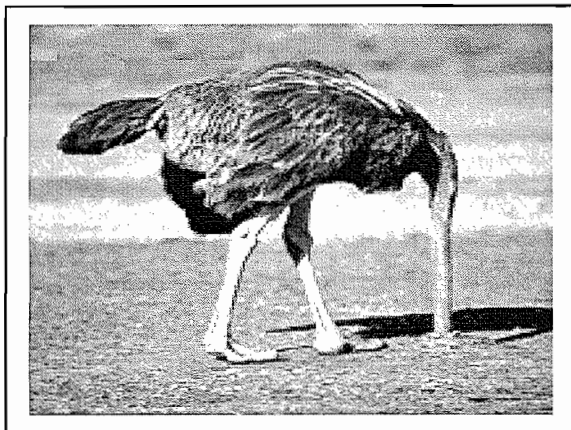
**II.
WHICH DOESN'T
CONSIDER
HEALTH CARE IN
A VACUUM.**

26



**“I’m for leaving
the status quo
like it is.”**
Yogi Berra

29



**GOVERNMENT BUILDS
AROUND POPULATIONS:**

- FIRE STATIONS
- HIGHWAYS
- SCHOOL SYSTEMS
- POLICE PROTECTION

31

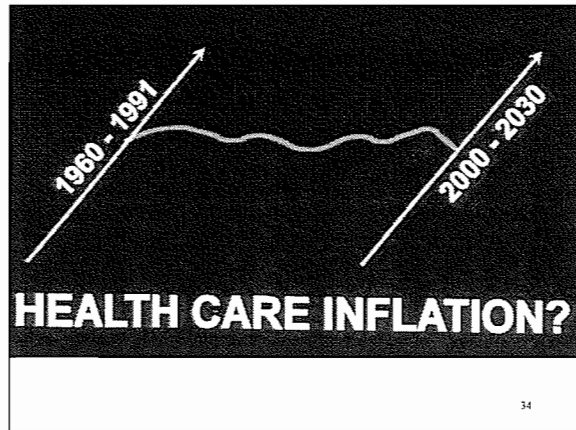
**“THE AMERICAN HEALTHCARE
SYSTEM IS CONFRONTING A CRISIS.
THE HEALTHCARE DELIVERY
SYSTEM IS INCAPABLE OF MEETING
THE PRESENT, LET ALONE THE
FUTURE NEEDS OF THE AMERICAN
PUBLIC”**

THE NATIONAL ACADEMY OF SCIENCE COMBINED WITH THE INSITUT
OF MEDICINE IN 2002

32

**III.
WHERE COSTS
ARE
CONTROLLED**

33



34

**PERCENTAGE OF
GROSS NATIONAL PRODUCT (GNP)**

	<u>EDUCATION</u>	<u>DEFENSE</u>	<u>HEALTH CARE</u>
1960	6%	6%	6%
2004	6%	4%	16%

35

**1964-MID-
JANUARY**

**2004-MID-
MARCH**

*Avg. wage
2.53
↓
\$197
takes
more hrs. to
pay for
health
care*

36

1965
HEALTH CARE = EDUCATION

2000
HEALTH CARE = EDUCATION
DEFENSE
PRISONS
FARM SUBSIDIES
FOOD STAMPS
FOREIGN AID

37

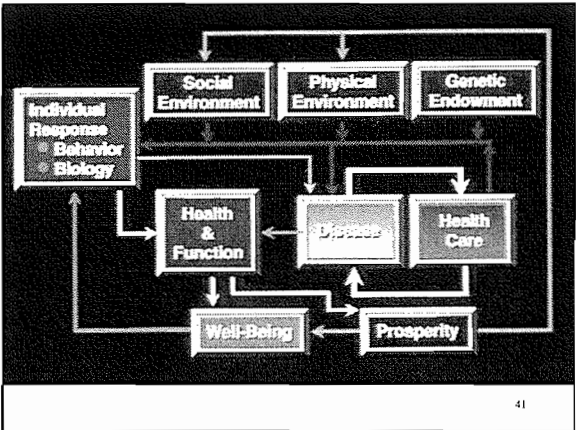
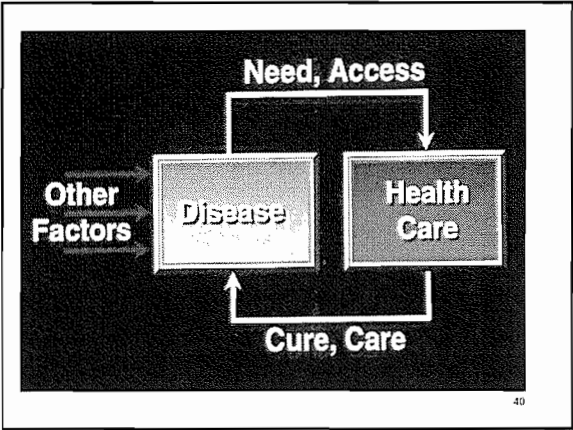
CAN THE MARKET CONTROL COSTS?

1. ASYMMERTY OF INFORMATION
2. BUYING WITH \$.17
3. SO MUCH OF HEALTH CARE IS PURCHASED BY THE FRAIL ELDERLY OR SERIOUSLY ILL.

38

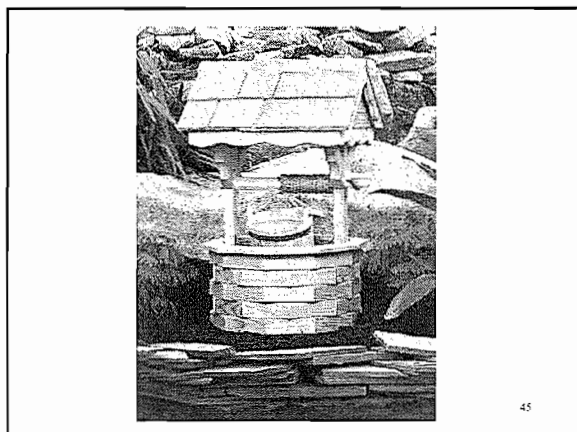
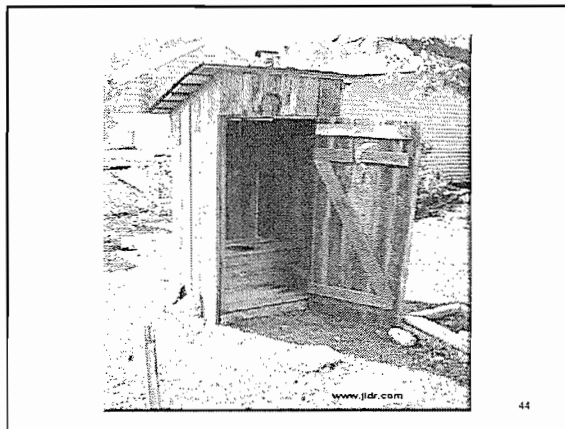
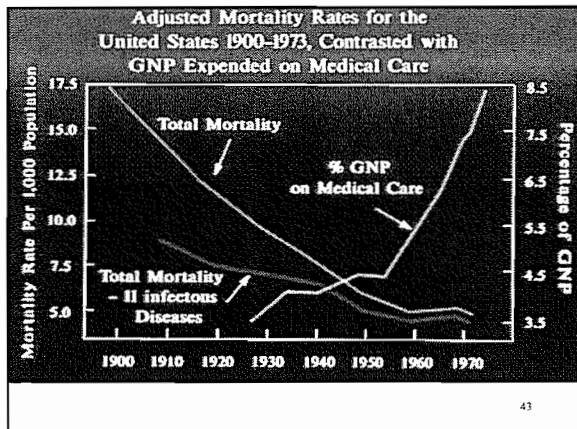
IV.
WHICH ASKS:
HOW DO WE KEEP A
POPULATION
HEALTHY?

39



Keeping Death At Bay Has Been Largely A Public Health Measure

42



V.
WHICH PROVIDES
UNIVERSAL
COVERAGE

46

We Have To Convince Conservatives That They Have A Stake In The Uninsured, And That Costs Can Be Controlled.

We Have To Convince Liberals That Limits Must Be Set, And That We Can't Do Everything Medical Science Has Invented For Everyone.

47

DOCTORS
IS IT GOOD MEDICINE?
PUBLIC POLICY
IS IT A GOOD SYSTEM?

(1) TECHNOLOGY & TRAINING
(2) OUTCOMES
(3) ACCESS

48

U.S. Ranking Out of 29 Nations

	<u>1960</u>	<u>1995</u>
Infant Mortality	12th	23rd
Life Expectancy (Women)	13th	20th
Life Expectancy (Men)	17th	21st

Health Affairs, November/December 1997

“U.S. Patients Receive Proper Medical Care From Doctors And Nurses Only 55% Of The Time, Regardless Of Their Race, Income, Education Or Insurance Status....A Well Functioning System Should Achieve 80 To 90%”

New England Journal 3/06

50

44.4 No health care
46
Million

51

46 MILLION PEOPLE EQUALS THE COMBINED POPULATION OF:

- Oklahoma
- Connecticut
- Iowa
- Mississippi
- Kansas
- Arkansas
- Utah
- Nevada
- New Mexico
- West Virginia
- Nebraska
- Idaho
- Maine
- New Hampshire
- Hawaii
- Rhode Island
- Montana
- Delaware
- North Dakota
- South Dakota
- Alaska
- Vermont
- Wyoming

52

The mark of a truly educated man is to be moved deeply by statistics.



George Bernard Shaw

53

There Are 18,000 “Unnecessary Deaths” Due To Lack Of Health Coverage.

Institute Of Medicine

54

**We Could Have Every
Doctor Practicing The
Highest Ethical Medicine
With Every Patient And
Still Have An Unethical
Health Care System.**

55

“With respect to health care, a nation can provide all of its people with some of the care that might do them some good; it can provide some of its people with all of the care that might do them some good; but it cannot provide all of its people with all of the care that might do them some good.”

**Victor Fuchs
(paraphrasing Abraham Lincoln)**

**Our Current Medical
Practice Patterns, Our
Medical Ethics And Our
Personal Expectations Have
Been Formed During The
Most Massive Transfer Of
Resources In History.**

57

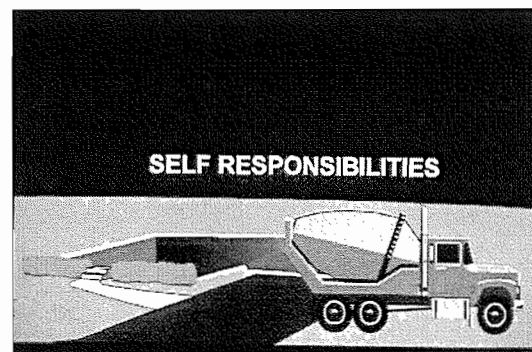
VI. RETHINKING THE MORAL GEOGRAPHY

58

**Health care is under
girded by a moral
tradition which
systematically excludes
reference to the larger
society**

Larry Churchill

59



60

Most health hazards today are avoidable or minimizable by individual action. Whereas in the past, the major causes of disease were out of the individual's control, today each individual is his best "doctor."

61

"Better Control Of Fewer Than Ten Risk Factors Could Prevent Between 40 And 70 Percent Of All Premature Deaths, 1/3 Of All Cases Of Acute Disability And 2/3rds Of All Cases Of Chronic Disability."

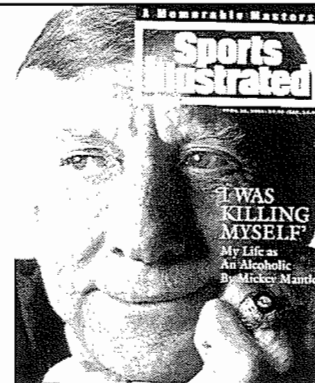
HEALTH AND HUMAN SERVICES

62

There Are Moral As Well As Financial Limits To Society's Protection Of Its Members From The Risks Of Poor Health.

Tristan Engelhardt (1984)

63



64

1% of the population uses 27% of the health care.

5% of the population uses 55% of the health care.

The bottom 50% of the population, in terms of spending, accounts for only 3% of the total spending.

65

Pepsico, Northwest Airlines, Gannett, States of Alabama and Georgia Require Employees Who Smoke to Pay \$20 To \$50 Monthly In Addition to Standard Health Insurance Premiums. They Waive it for Those Who Participate in Smoking Cessation Programs or Quit.

66

**U.K. in 2003 Announced
Plans to Deny Obese
Patients NHS Care
Unless They Lose
Weight.**

BOB BLANK

67

Deny coronary bypass surgery and transplants to patients who refuse to give up smoking.

“Patients who smoke spend longer in hospitals and have poorer results. Treating them deprives patients who have never smoked or who have stopped smoking have more effective and efficient surgery.”

British Medical Journal

68

**“FREQUENT
FLYERS”**

69

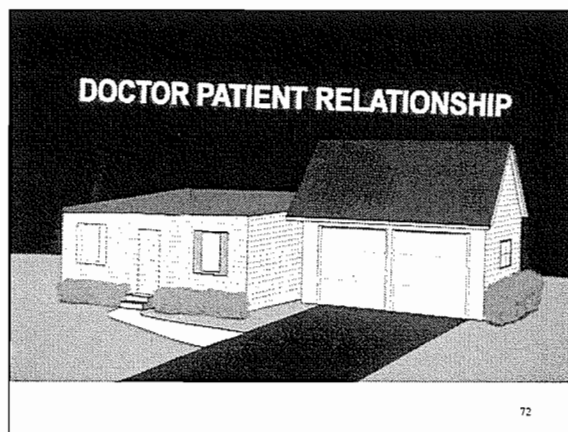
Gregory Goins Is A “Frequent Flyer”. In One Five Year Period In 90’s, He Called “911” Over 1200 Times. His Emergency Room Visits And Hospital Stays Have Cost Taxpayers Over \$900,000. “So What, I’m Sick. Take Care Of Me.”

Example In Foster (2001)

70

(Note: please see selected obesity maps at the end of these slides)

71



72

VII. THE UNIVERSAL DILEMMA

73

**Few individuals
can afford the
cost of modern
medicine without
risk sharing.**

74

**People will
always over-
consume free
goods.**

75

**We are caught between a
rock and a hard place
and the efforts to insure
or reimburse for health
care insulates people
from the discipline of the
market.**

76

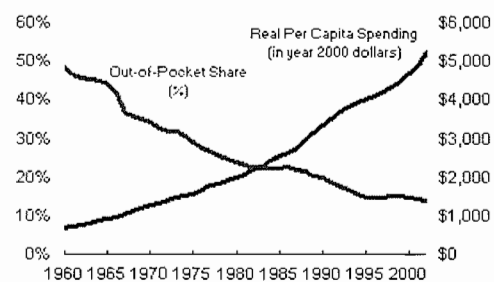
**“The third party payment
system encourages not only
marginal medicine; it
encourages medicine up to
where the benefit
approaches zero.”**

Louise B. Russell

77

Health Spending Trends, 1960-2003:

Out-of-Pocket Share Falls and Per Capita Spending Climbs



Source: CMS, National Health Expenditures

78

“... Providers should not do everything that maximizes benefit in an individual patient, since doing so may interfere with the ability of other patients to obtain basic services...”

Reinhardt Priester

79

“The devotion of the physician to his/her patient may make it difficult for him not to seek an excessive share of available resources for them, and to overlook the resulting loss to other patients.”

World Health Forum

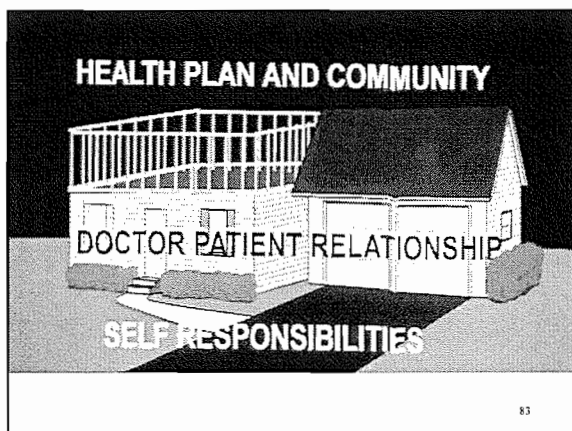
80

Medical Ethics

81

A system can't have ethical standards which will ultimately destroy that system.

82



83

There is often a conflict between the health of the individual and the health of the group

84

**Our Current System
Maximizes Demand For
Medical Services Paid For
With Pooled Resources
Within A System That
Insulates People From The
Cost.**

85

CONTRIBUTIVE JUSTICE

86

**All Members of the
group gives up a small
benefit, but receive in
return a larger
benefit, i.e. the ability
of the group to
optimize the dollars
available**

87

**“...Generous compassion
for one is inevitably
bought at the expense of
the many whose
contributions create and
who in turn rely on the
common resource pool.”**

— Haavi Morreim

88

VIII. PUBLIC POLICY FROM THE THIRD FLOOR

89



90

- 1. Run A Nation Of 50 Floridas**
- 2. Integrate With Pensions And Long-term care**
- 3. Control Costs**

91

- 4. Universal Coverage**
- 5. Asks How Do We Keep A Population Healthy?**

92

**IX.
YOU INHERIT THE
PREVIOUS
GENERATION'S
INSTITUTIONS!**

93

**Employers Today Pay
Roughly 33% Of
Total Health Care
Costs**

94

**X.
THERE IS
ALWAYS
UNMET NEED!**

95

**XI.
HEALTH
IMPROVES WITH
SOCIO-ECONOMIC
STATUS.**

96

System Change?

- Consumer-directed Care
- Employer Mandates
- Individual Mandates
- Single Payer
- Universal Vouchers

97

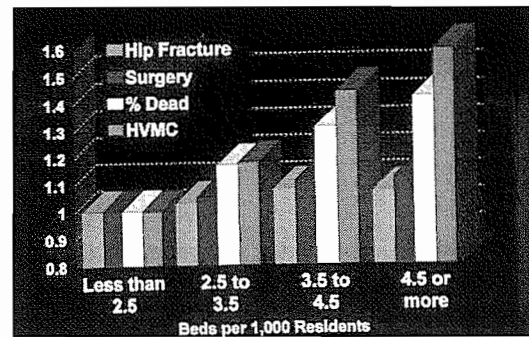
XII.

**THE SIZE OF THE
MEDICAL
INFRASTRUCTURE IS
AN IMPORTANT
DETERMINATE OF
COSTS.**

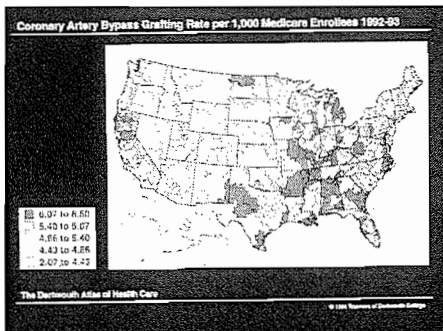
98

**SUPPLY
DRIVES
DEMAND**

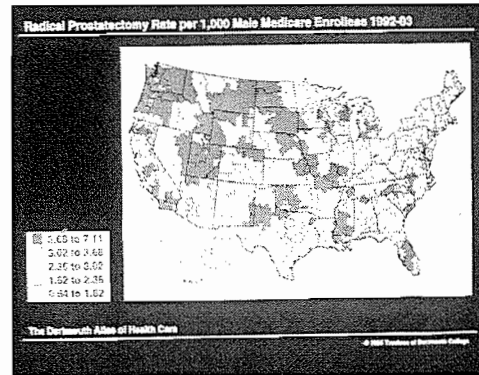
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100



101



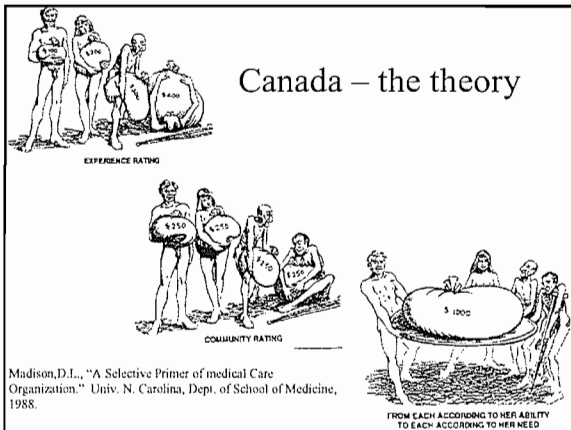
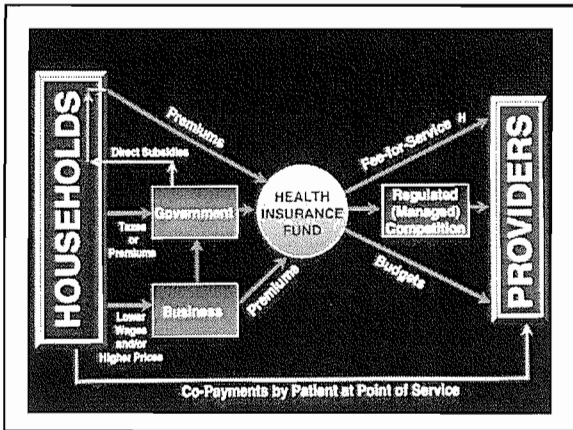
102

The Health Of Population, However Is Not Related To The Size Of The Medical Infrastructure.

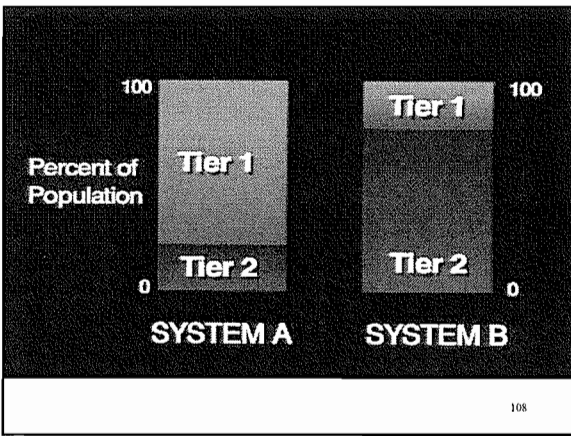
XIII.

COSTS CONTROL:

- **FINANCING CONTROLS**
- **REIMBURSEMENT CONTROLS**

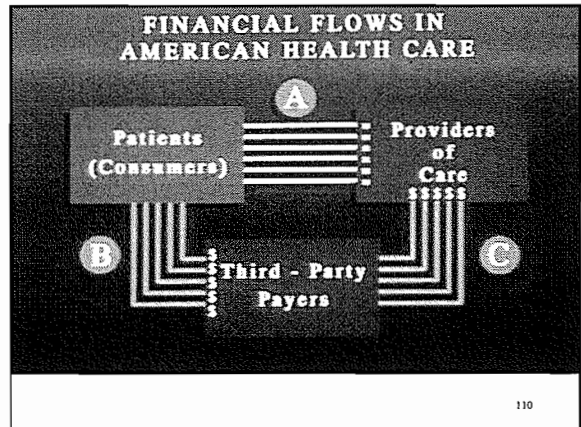


**XIV.
TWO-TIERED
SYSTEM
INEVITABLE**

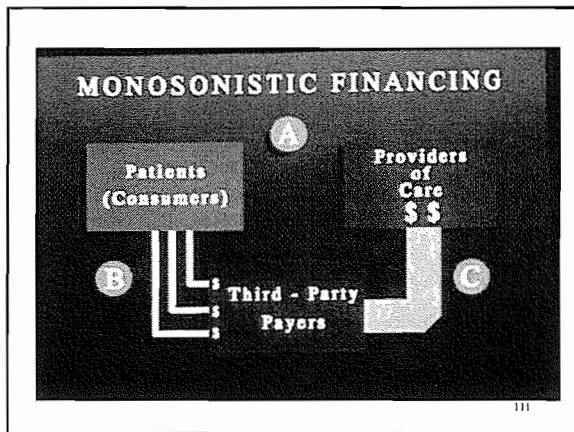


**XV.
IN OTHER COUNTRIES,
SOME INSTITUTION
AGGREGATES
MEDICAL DEMAND,
AND BARGAINS WITH
PROVIDERS.**

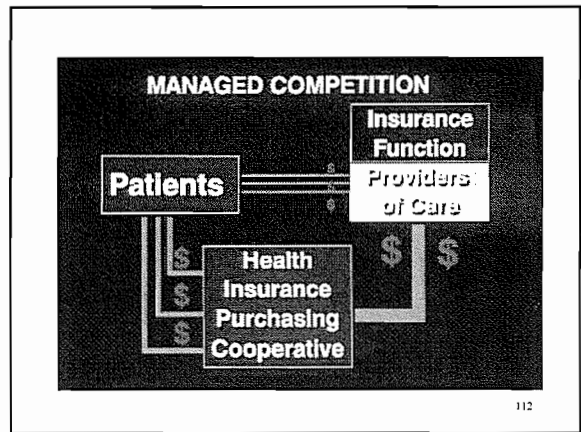
109



110



111



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**XVI.
SOME INSTITUTION
EVALUATES
MEDICAL
TECHNOLOGY**

113

**Health Economists Agree
That It Is Technological
Advance That Is The Key
Driver Of Health Care
Costs.**

114

**THERE IS AN
INTERNATIONAL
TECHNOLOGY ASSESSMENT
CONSORTIUM THAT MOST
DEVELOPED NATIONS
BELONG TO.
NOT THE U.S.**

115



What do the Elderly Want?:

- Meals on Wheels
- Health Education
- Information and Referral
- Aging Resource Centers
- Phone Reassurance
- Personal Emergency Response Systems
- Homemaker Services
- Transportation
- Wellness Programs

117

**XVIII.
SUBSTITUTED
MORTALITY
AND
SUBSTITUTED
MORBIDITY**

118

**To Public Policy,
“Cured” Also Means
“Alive To Die Later Of
Something Else.”**

119

**“I hate housework. You have to
wash the dishes, change the beds,
sweep the floors, dust the living
room -- and then six months later
you have to do the whole thing
over again.”**

Phyllis Diller



120

“When I die, I want to go quietly like my Grandfather, in his sleep; not screaming like the passengers in his car.”

121

Eleven Major Infectious Diseases Accounted For 40% Of The Total Deaths In The U.S. In 1900, But Less Than 10% In 1980

122

In Contrast, Heart Disease, Cancer, And Stroke Caused 16% Of The Total Deaths In 1900, But 64% By 1980.

Mckinlay Et Al, 1989

123

THERE WILL ALWAYS BE TEN LEADING CAUSES OF DEATH!

124

SMOKING

125

Do Away With Coronary Heart Disease, And We Will Find “Large Numbers Of Perceived Desirable Deaths Will Be Converted Into Much Less Appealing Exits.”

126

Ethical issues in health care, when funded by pooled funds, cannot be decided in the abstract, but must make sense in the context of other demands on those funds.

Robert Blank

127

XIX.

“The legislature is clearly accountable not just for what is funded in the health care budget, but also for what is not funded. Accountability is inescapable.”

Governor John Kitzhaber

HEALTH POLICY ETHICS

MICRO LEVEL

INDIVIDUAL

INFORMED CONSENT

BENEFICENCE
AUTONOMY
SELF DETERMINATION,
ETC.

MACRO LEVEL

TOTAL POPULATION

CONTRIBUTIVE
JUSTICE

DISTRIBUTIVE
JUSTICE

129

Florida Has 3.2 Million Uninsured Citizens. Florida Has 23% of Its Citizens Without Health Insurance, As Opposed To a National Average of 18%

Source: Kaiser Commission, statehealthfacts.org, (2004 data)

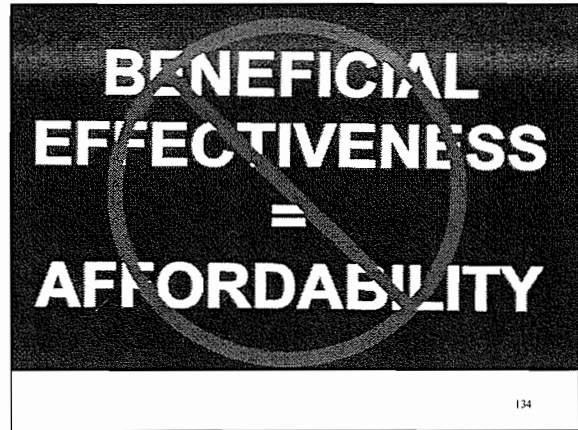
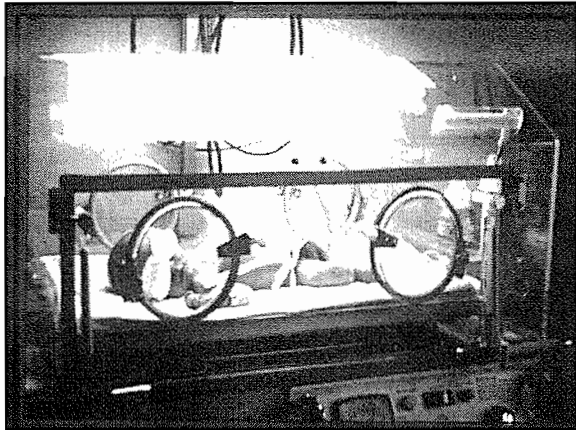
130



131

The budget of Humana for the artificial heart was approximately the same as the world spent eradicating smallpox

132



What if an educational system:

- Paid for everything “beneficial,” no matter how marginal?
- The teacher had the power to decide and deliver anything that was “beneficial?”
- Had an ethical duty not to take cost into consideration?
- Had their decisions automatically funded by government or insurers?

— Burton Weisbrod

135

“The price of individual life at times, therefore, may be too high a price for the life and health of society at large.”

— Robert Blank

“THAT’S THE MOST UNHEARD OF THING I HAVE EVER HEARD OF.”

Yogi Berra

137



“Medicine should reorient itself from preserving biologic human life to sustaining meaningful personal life.”

— J.D. Vander Berg ¹³⁹

**COBY
HOWARD
AND
“DOCTOR
DEATH”**

140

***California* - voted to pay for transplants, but terminated 270,000 medically indigent adults from Medi-Cal.**



**WAS PASSAGE OF
E.S.R.D.*
UNETHICAL PUBLIC
POLICY?**

*End-stage renal disease

142

In a world of limited resources the explicit decision to pay for one procedure for one group of individuals is an implicit decision not to pay for another procedure for another group of individuals.

The New World of Trade-offs

Preventive medicine vs. curative medicine

Improved quality of life vs. extension of life

Young vs. old

High-cost procedures for a few vs.

Low-cost procedures for many

High-technology medicine vs. basic health care

Health care vs. other social needs

144

Theologian Paul Ramsey warned 30 years ago of the inescapable need to discover the moral limits properly surrounding the efforts to save a life.

145

CONCLUSION

146

Public Resources: (Tax Monies)

Must maximize the health of the public

Group Resources:

Must maximize the health of the group

Individual Resources:

Have the right to spend their own money, however, they (legally) choose.

147

Elements of Reform

- 1. Access for all to a base level of health care;**
- 2. A means of limiting the use of procedures that are ineffective or marginally effective, and limiting some procedures that are effective, but too expensive.**
- 3. Some consensus on health care priorities, both social and individual;**

148

Elements of Reform

- 4. Limitations on malpractice suits;**
- 5. Control of bureaucracy; and**
- 6. Some limitation on the supply side of health care - other competition or regulation must reduce the excess of medical technology, hospital beds, doctors, specialists, etc.**

149

**“Praise without end for the go-ahead zeal,
Of whoever it was invented the wheel;
But never a word for the poor soul’s sake
That thought ahead, and invented the brake.”**

Howard Nemerov, America’s Poet Laureate

150

