

How to Actually Fix the Healthcare System  
By David Johnson

\$186.91 per month, \$2,242.92 per year. That is how much the government is forcing me to pay in health insurance premiums this year (2015). This damnable so-called 'Affordable Care Act' is not affordable at all. I assume that the name was not intended to be ironic, but it is. I am so sick of politicians naming bills the exact opposite of what the legislation actually does! It is a dirty political tactic that takes advantage of public ignorance and apathy, and it is happening more and more because it is working.

I have never resented a bill more in my life than this one. I hate it with a passion that is difficult to fully express in words. Every month I have to write the check out through gritted teeth. Back when the bill was being debated everybody assured me that there was nothing to worry about, because as long as you make less than \$46,000.00 per year, you would get a tax credit that would offset the additional cost. What a big fat lie. I do not make nearly that much, and I get no tax credit at all. NOTHING! I don't know whether to laugh or throw something at the computer screen when the market place exchange asks me whether I would like all of my \$0 tax credit applied to the premium now, or whether I want some of it to be withheld for later . . . that is just adding insult to injury. They are taunting me.

Perhaps it would not be so bad if I actually got some sort of benefit from having the insurance, but really it is almost entirely useless to me. This law has not helped people to have greater access to health care. In fact, I am far worse off now in terms of being able to afford going to the doctor for ordinary ailments, or receiving regular dental or eye care. Maybe it has something to do with the \$200 FREAKING DOLLARS I AM FORCED TO SPEND ON HEALTH INSURANCE EVERY MONTH! The damn deductible is \$6,300.00, which is so high that I will never meet it unless I am in a very serious accident or become extremely ill.<sup>1</sup> Not only that, but if I got really sick or injured in December, then I would have to pay the \$6,300.00 deductible for that year, and then pay it all over again in January for the next year before the insurance company would pay even one penny. Of course I could get a policy with a lower deductible, but that would cost around \$300 per month, and I likely would still not meet the lower deductible. I do not even know if I would be capable of paying \$300 per month, even if I wanted to. That might very well tip me over the edge into financial insolvency.

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<sup>1</sup> The most likely way that I would be seriously injured is in a car accident, but in yet another example of government of the lobbyists, by the lobbyists, and for the lobbyists, health insurance companies do not have to pay for medical expenses due to a car accident until the medical payments coverage on the auto policy has been entirely exhausted; and, whatever they do pay (after you have met the deductible, of course) then has to be paid back to them out of the settlement with the car insurance company. You buy health insurance for years and years in case you get injured, and then they get back most of what they paid whenever there is third party liability. It is ridiculous. They have no right to that settlement. It should not matter why you have been injured, if you have the health insurance, and you meet your deductible, they should have to pay from there, and that is it. That is supposedly why you have insurance.

All of this begs the question: what in the hell am I paying for? I may as well be flushing my money down the toilet for all the good having insurance does me. Basically, it is disaster insurance, and I would not complain if it was only \$10 a month, and they actually paid the claims when there was a disaster, but as it is, there is quite a lot to complain about. The geniuses who wrote the legislation made it so that businesses do not have to provide insurance benefits to part-time employees (why wouldn't they have to pay an equivalent percentage of a part-time employee's health insurance costs, based upon the average number of hours worked in a month? Would that really have been so hard?) so employers now have a strong incentive to cut back on the number of hours an employee is allowed to work in order to make sure that they are always considered part-time. Well, that is just lovely. Giving companies an economic incentive to trade in full-time jobs with good benefits for low wage part-time jobs with no benefits at all is exactly what we want to do. What a fantastic result for the average worker. Good thing those Democrats are looking out for the working class, eh? They sure are helping us out!

The colleges that I work for are doing the equivalent of cutting back on hours. In prior semesters I have gotten four classes at one location, and one semester I even had five, which is as many as the full-time faculty have. Technically, they were never really supposed to do that, because theoretically I could have made the argument that the course load was equivalent to more than 30 hours per week, and thus that I was actually a full-time employee and deserved full-time benefits. But obviously it would not have been in my interests to make such a claim, because with no actual contract for future semesters, all that would have resulted from doing so would have been to never get any more classes from that location, and to get the supervisor who allowed me to teach more into trouble. They knew I would not do that, so sometimes they gave me more than three classes if they had a need. Not anymore, though. Now there is a hard cap of absolutely no more than three classes in a semester, no exceptions. All in all, the law has already cost me thousands of dollars, and will probably end up costing me hundreds of thousands of dollars in total. Life is so much more difficult now.

I am angry with the Democrats for passing this awful legislation, but they are not the only ones to blame. Though they have done all that they could to distance themselves from it once Obama took up the charge, the individual mandate was originally a Republican idea. It came from the Heritage Foundation, probably in response to Bill Clinton's health care plan of 1993 that would have made employers provide health insurance. Republicans, ever looking out for the interests of those helpless vulnerable billionaire owners of everything, thought that it would be much better to force employees to buy the insurance themselves. In 1993, Republicans introduced two health care bills containing an individual mandate, and in 2007 there was a bipartisan bill that had it, though it was not passed. Ironically enough, Obama, who at that time was a Presidential Candidate, was arguing against an individual mandate, and his arguments made a lot of sense.

The whole idea of an individual mandate sounds quite Republican/Libertarian, if you really think about it. Many Republicans simply do not care about other people and what happens to them. During a Republican Presidential Debate for the 2012 election, the issue came up of what the candidates would do about the problem of the uninsured if Obamacare was overturned or vetoed

(which all of the candidates had promised to do if elected) and whether health care should be provided even to those who could not pay for it. Members of the audience interrupted the discussion and started shouting 'let 'em die'. I have also heard that on more than one occasion from Conservatives in private conversation as well. That moment captures the Republican sentiment quite well, and it has been that way for decades. But just letting someone die when it could easily be prevented is somewhat unpalatable to the majority of the voting public, and the law is that doctors have to treat people regardless of their ability to pay. So, with their preferred option off the table, Republicans figured that the next best thing was to at least make those people buy health insurance to pay for it. Newt Gingrich basically said as much, all the way back in 1994, calling the uninsured 'freeloaders'. After all, health insurance is way more important than trivialities such as rent and food. It is pretty easy for him to say things like that when he makes \$60,000 per speech, not even counting the kickbacks, or 'campaign contributions', and former members of Congress have their health care paid for. Few politicians have ever had to struggle financially. Most of them are part of the aristocracy, and because of that, they are emotionally disconnected from, and have an entirely different view of the world than the vast majority of the people that they supposedly represent.

Then there is the asinine Supreme Court ruling that upheld Obamacare as Constitutional. The argument from Chief Justice Roberts, a Republican, was that requiring people to buy health insurance falls under the government's authority to tax. But how can it be considered a tax when the government does not collect the funds (it only penalizes you if you do not buy private insurance) and does not provide any services with those funds? The government does not have a Constitutional right to force citizens to buy a product from a private business. Are they going to tell us which brand names it is legal for us to buy from as well? If they passed a law saying that I have to buy a certain quantity of Coca Cola products every month, would that fall under the government's taxing authority too?

The individual mandate is a terrible idea because insurance is a terrible product. The whole industry has an inherent conflict of interest. Most business models rely upon return business. For restaurants, as an example, it is more important that the customer return for multiple visits than it is to make a profit on that particular visit. That is why they will give out free items or replace the ones that a customer is unsatisfied with. But insurance companies profit the most by getting as many healthy people as possible to pay the premiums while paying out as little as possible in claims. Their ideal customer is one who faithfully pays the premium every month and never actually uses the insurance. The vast majority of the company's expenses come from less than 5% of their customers. However, the expenses are often enormous, so these are the customers that they would really like to get rid of if they could. Insuring people who need insurance is very bad for business. So, they fight every claim that can be fought, and come up with all sorts of excuses and loopholes in the fine print of the policy to argue for why they do not really have to pay those claims. Even when it is completely obvious that they have to pay, they will stall for as long as possible, hoping to take advantage of unsophisticated and poorly financed customers so that they can mitigate the damage. Of course they have a public relations and advertising strategy to offset this. They try to convince everybody how much they care about people and that they

will be there for you when you need them, but just try making a large claim and see how long that lasts. Your own insurance company is your adversary, not your ally, and they will do everything that they can to try and take advantage of you. From a business perspective, it makes perfect sense why they do what they do, but it is unethical to try to weasel out of genuine obligations that one has taken on.

I read a story in the newspaper a few years ago about a Vietnam veteran with cancer whose health insurance company had dropped his coverage because his wife had accidentally underpaid the monthly premium by one penny. He was incurring hundreds of thousands of dollars in medical bills, so they used it as an opportunity to drop him because he had not technically paid the full monthly premium on time. But we all know that they would not have dropped his coverage if he had just been paying his premium and was not receiving any treatment. Probably no one would have said anything about it at all, but if they did, they would have just let her know that she needed to pay one extra cent the next month, or something like that. These people had obviously made a good faith effort to pay the premium. The honorable thing to do would have been to call them, let them know of the error, and give them an opportunity to fix it before they lost their coverage. To make matters worse, at that time I doubt that this man could have gotten any other health insurance either, because the cancer would have been a pre-existing condition. No other company would have insured him knowing that. So, he still ended up getting stuck with hundreds of thousands of dollars in medical bills, even when he thought he had insurance. Similar things happen all the time when companies refuse to pay for unapproved procedures, or find other loopholes in the fine print to weasel out of paying.

One good thing about Obamacare is that, at least in theory, it makes it harder for insurance companies to pull shenanigans like this. They could still drop you if you did not pay the full premium, but at least they can no longer deny coverage to someone because of pre-existing conditions. That part is good, but the problem is that it does not set any limits on how much the insurance companies can charge in monthly premiums. They are not going to simply eat those extra costs; they will try to pass them along to their other customers if they can. Since everyone is now required by law to purchase their damnable worthless product, regardless of how expensive it is, they will probably be quite successful in doing that. If one or two people out of every hundred have hundreds of thousands, if not millions of dollars in health care bills, then the rest of us are going to be paying for that. Premiums will go up everywhere, so it will not do much good to switch insurance companies either. Moreover, the conflict of interest is interwoven into the fabric of the insurance business. They will likely find other ways around the law, and loopholes within it. It was their own lobbyists who wrote the legislation, after all. As long as there is a strong economic incentive to do so, and they are callous enough to exploit it, they will find ways to get out paying.

I would also expect insurance company profits to rise dramatically along with the premiums. Publicly they will blame the rising cost of the premiums entirely upon the cost of having to pay those additional claims, but the truth is that they will also be using it as an excuse to raise the

premiums.<sup>2</sup> They will probably not raise them 70% in a year, or there would be a huge public backlash, but they could probably raise them approximately 8-10% each year, perhaps doubling or tripling the rate of inflation, and in a few years accomplish roughly the same thing. In fact, it is already happening. The first year I was forced to enroll I had to pay \$167.87 per month for my worthless coverage that does me absolutely no good whatsoever. Now it has jumped to \$186.91, an increase of over 11% in only one year, and that was the cheapest plan I could find. I am a year older, so part of the increase may be due to that, but I have a hard time believing that my health risks have really increased enough in going from age 32 to age 33 to justify an increase in premiums of almost \$20 per month, and well over \$200 per year. From what I understand, the price increase for others has been just as bad or worse. Why wouldn't they increase the premiums? They have us over a barrel now, they can charge whatever they want.

Imagine that there was a law that made it mandatory for everyone in the country to buy a hotel room and continually keep it in reserve each night just in case they might need it sometime. Do you think prices for hotel rooms would go up? Of course they would, because the law has created a huge increase in demand for them. Eventually people would begin to build more hotel rooms to provide more supply, but prices would probably always remain higher than they would be otherwise, because hotel operators would only have to compete with each other, not with you not purchasing anything. When the government makes it illegal for you not to buy a product and then exercises no control over the pricing of it, private businesses are going to exploit that. At the very least, if you are going to do it, prices have to be regulated the way that they are for utility companies. I think the increases in health insurance premiums will continue to significantly outpace inflation moving forward, and 15 or 20 years from now we will probably all be paying at least three or four times what we do now. It is going to make that little tax credit that you got (if you even did get one) seem pretty insignificant. Any benefit from the credit will soon be more than offset by the price increases.

Think about how much better off you would be if there was no individual mandate and you could simply put the same amount that you currently spend on insurance premiums into savings each month. If you had the self-discipline to stick to it, you would have a pretty good amount of savings built up in only a few years. At least then it would be your own money, and you would not have any deductibles or other nonsense. You would be far better off doing that except in cases of catastrophic illness or injury, and if health care was more affordable, it would probably be better even in those cases.

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<sup>2</sup> It is kind of like how the airline industry hiked prices dramatically and started charging exorbitant rates for baggage fees with the justification that it was necessary to offset the higher fuel costs back when oil was nearly \$150 per barrel. But now that oil has dropped all the way down to \$65 per barrel, do you think those fees have gone anywhere? Of course not! The price of oil dropped over 60% in just 6 months or so, but airline fares went down less than 5%, and they still charge the same baggage fees. They have made billions off of those fees over the last few years, and they are not about to give them up willingly. Instead, they just use the extra profit to 'return value to the shareholders' with stock buybacks, and perhaps a raise for the already ridiculous salaries of the executives and board members. Businesses are always quick to raise prices when their costs increase, but reluctant to pass on any savings to customers when their costs go down. Usually they won't do it unless they are forced to by competition.

How could we make health care more affordable? That is the real problem, not that people are uninsured. Both health care and higher education costs have far outpaced the general rate of inflation for other goods and services. If we could figure out why it would provide a clue as to how to fix it. Let's briefly talk higher education first. There is a strong perception that an education is worth almost any price that one must pay to get it. College recruiters are effective salespeople, and that is part of the reason, but it is more than that. Culturally, education is very important to us. The message to young people is almost always to get their degree.

Being educated used to be a symbol of wealth. Most kids were pulled out of school and working in the fields or at home by their early teens, so if your family could afford to keep you in school longer than that, and especially if they could send you to college, then they must be pretty well off. Being able to show that you came from money probably determined social status as much as, or more, than the education itself. Nowadays pretty much everyone can get into college somewhere, which waters down the value of having a degree. Yet the perception persists that education is the way to prosperity, and to some extent, it has become a self-fulfilling prophecy. Most employers, for white collar jobs in particular, require a Bachelor's Degree even when it has nothing to do with the job functions. For the student this creates a real dilemma. To get a good job, you must have an advanced degree, certifications, and all sorts of other credentials. But because these things are highly valued, they are also very expensive, and most students do not have the money to pay for it. So the solution for many has been to borrow against their future earnings to buy it. Lenders used to be somewhat reluctant to make loans to average folks, but now, just about anyone can get a loan. Colleges and universities get the money up front, so there is no risk for them, and since student loan debt cannot ever be discharged, even in bankruptcy, the loans are as risk free for lenders as they can be (unless we reach a tipping point in which a critical mass of people simply cannot pay it back, and the whole system collapses, which could happen one day). Lenders have no incentive to curb how much is borrowed. The more total debt there is, the more that they will make in interest once the loan is in repayment.

Most would say that greater access to credit is good because it makes it possible for everyone to get an education. But there is also a very negative side effect. When people cannot go into debt, there is a natural limit on how high prices can go before so many customers are priced out of the market that it becomes unprofitable (or at least less profitable than it could be, optimally) for the seller to set the price at that level. This forces them either to not sell the product at all (or sell fewer of them) or to lower the price to a point where there are more buyers. If it is still profitable to sell at the lower level, then most sellers would probably still do it. Assuming a fully rational, self-interested seller (a useful abstraction), they would seek the optimal balance between the number of items sold and the price for each item that would fully maximize their profit. But if a buyer has access to credit, how high the price can go is only limited by how high their credit limit is, and what the seller can talk them into committing to purchase at some later date. For many of us, buying something on credit almost does not even seem like spending real money because when we will have to pay for it seems so far away. Also, when we just look at the monthly payments (which sellers will often point out) it does not seem as expensive. So many people are willing and able to spend more when using credit than they would otherwise.

In this way, credit can distort the supply and demand dynamic by artificially raising the demand for the product at a higher price level than borrowers would have, and/or could have paid otherwise. This can cause a massive run up in prices if there is high demand for the product, and in the case of education, it has. At the time of purchase, most borrowers are young and somewhat financially unsophisticated, and they often do not fully realize what they are getting themselves into. Often the expected benefit does not end up being worth the costs incurred, but unfortunately for the borrower, he or she does not realize that until it is much too late. Then again, what other viable options really exist? They must either borrow the money and pay the inflated prices that everyone else is paying, or work manual labor jobs for the rest of their lives.

Suppose that borrowers find themselves having a difficult time getting enough loans to meet all of their collegiate expenses (which happens every few years or so) and some well-intentioned politicians decide that they want to 'help' by increasing the federal borrowing limit from \$20,500 per year to \$22,000 per year. What happens as a result? Well, now each borrower has fifteen hundred extra dollars to spend, and colleges and universities know this. They also know that borrowers will pay the higher price rather than not attend, so they simply raise their tuition rates and fees accordingly. They usually do not raise their prices an exactly equivalent amount of the borrowing increase in the first year - that would be bad politics - but they raise it 5-7% per year, and soon any benefit that was gained for borrowers from raising the limit is entirely offset by the increase in tuition and fees. The borrower is then in roughly the same situation as before, once again having a difficult time even borrowing enough to meet all of their expenses, and the call for an increase in the borrowing limits begins all over again. The whole cycle repeats itself over and over while tuition rates continue to climb. Assuming that colleges and universities are going to sell their product for about as much as they can get for it (how else could they afford their multi-billion dollar endowments, their top-heavy bureaucracies, the hundreds of millions to upgrade the football program's facilities, which were just upgraded 3 years earlier, and the \$300,000 speaking fees for when Hillary Clinton comes to campus?) students are cursed to always be in financial difficulty while attending, because other students are willing to live on as little as possible and give almost everything that they can borrow to the school. In a sense, borrowers are competing with each other, and if someone is unwilling to do it, their spot is quickly taken by someone else who is anxious to sell themselves into modern indentured servitude.

The problem for college students is not that borrowing limits are set too low, it is that tuition and fees are too high. The solution would be to provide a low cost alternative that allowed students to get the necessary education for less. Undercutting the market would help to lower costs elsewhere as well, as then other colleges and universities would be forced to compete in order to attract students.

In health care, insurance increases prices in much the same way that borrowing does in higher education. Obamacare did exactly opposite of what needed to happen to make health care more affordable. Doctors and hospitals will charge as much as the other party is willing and able to

pay, and because everybody is now expected to have insurance, and they know insurance companies have the money, everyone will, in a sense, be capable of paying those inflated prices. Health care providers often do charge more for their services when they can bill insurance. They will also perform tests and procedures that they would not normally do if you had to pay for it out of pocket.<sup>3</sup>

Now you may think that this is no big deal. Let them go ahead and stick it to the insurance company as long as you don't have to pay, right? But you should care, because you will be paying for it eventually. There is a disconnect for many people between the specific bill that they receive, and how much they are paying in insurance premiums, so they do not think about the costs in the same way as if they were paying for it directly. There is no way that hospitals could get away with charging \$40.00 for a bandage, \$12.00 for a single aspirin, \$20.00 for a tiny single use application of Neosporin,<sup>4</sup> or \$15.00 per day to watch television (how ridiculous is that?) if everybody was paying for it out of pocket. After awhile, no one would go there anymore, at least not if they had any other options. It is not just that patients would be angry (though they would be), many of them would not even be able to pay these often extremely large bills. It is true, of course, that your insurance premiums do not go up an exactly equivalent amount to the medical costs incurred, because they are based more upon future risk. But if medical providers are charging everybody more because they are able to bill insurance, then on average, future risk increases, and patients will pay more in copays and deductibles, and it will be yet another factor that will drive insurance premiums up. So whether it is in one lump sum, or over a period of 40 years in the form of elevated costs and premiums, it is not good for you as a consumer when medical providers run up the bill.

If it was a tolerable solution to just 'let 'em die' when people could not afford care, or they just went without when they had lesser ailments, then it would eventually hurt demand for the service, and providers would be forced to lower their prices in order to get business.

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<sup>3</sup> To be fair, another reason that they sometimes do unnecessary testing or procedures is to keep from being sued. I had a friend in medical school who said that she was told in one of her classes that statistics show people are less likely to sue for medical malpractice if their doctor does something when they come in, even if it is the wrong thing. The times when they are most likely to sue is when the doctor just sent them home without doing anything, because they did not know what was wrong, and then it ended up being a really serious condition. So sometimes even if the doctor does not really know what is wrong, or even if treatment will not really do any good, such as for the common cold, they will still prescribe something just to make the patient feel like they are being proactive. I think it is unfortunate that they have to do that, but I guess that is just how it is.

<sup>4</sup> On one actual bill that I saw, which totaled over \$65,000.00 for an emergency room visit for an 11 year old boy who had been in a car accident, the cost for 15 gm of Neosporin ointment was \$20.00. The charge for 30 gm of Neosporin ointment was \$20.20. This indicates that the actual cost of 15 gm of Neosporin is about 20 cents, which sounds pretty comparable to what it would cost if you were buying it over the counter at a store. That means that the hospital is marking up the initial cost 100 times from what it would be for you to buy it yourself at a pharmacy. This is price gouging, and it is taking advantage of patients while they are in a weakened emotional and physical condition. Too bad patients cannot bring their own Neosporin, aspirin, and bandages.



Unfortunately, though, going without is not really a viable option in this case. So the problem is how to make a service that everyone needs at one time or another more affordable. It is not an easy problem to solve, because receiving health care is sometimes a matter of life and death, and often a matter of significant pain, so at the time that a person needs it, they will agree to pay pretty much whatever they have to in order to get service for themselves or for a loved one. That alone makes the service highly valued, and potentially quite costly.

If we could find a way to increase the supply of health care services available, and particularly to increase the supply at a reduced cost, then it would undercut the prices currently available in the market, and other providers would be forced to lower their prices in order to compete for customers. This would help to drive down prices for the entire market. As it is now, doctors and hospitals can charge pretty much whatever they want. Physician salaries, especially in certain specialties, are way overinflated, and the main reason is a persistent shortage of physicians. The dirty little secret, though, is that this is all by design.

Both law and medicine used to be considered service professions. Back in the days of country doctors, most of them probably made a decent living, but they were by no means rich. All that began to change in 1910, though, with the Flexner report, which was funded by the American Medical Association. It claimed that there was a 'surplus' of substandard medical schools that were producing substandard doctors. The AMA managed to convince lawmakers to shut these medical schools down. Ever since then, even up to the present day, the AMA has been active in trying to restrict the number of doctors.<sup>5</sup> They consistently warn of a coming 'glut' of doctors that for some reason never seems to materialize, and they have managed to convince Congress to only fund around 100,000 medical residencies each year. This essentially puts an artificial cap on the number of new doctors because they cannot get a license to practice without completing a residency. Even foreign doctors who are licensed in other countries cannot practice in the U.S. without redoing their residencies and taking a number of qualifying exams along with fighting through a lot of red tape.

This is not free market economics, it is a trade organization acting like a cartel, and that ends up being little better for the consumer than a monopoly. I have no problem with requiring doctors to be licensed to ensure that they are qualified, but the AMA should not be able to use licensure as a tool to restrict competition. Anyone who has met the educational requirements and can pass the exam should receive the license. That is how the American Bar Association does it. The ABA requires a prospective candidate to have attended an accredited law school, and to pass the Bar examination in the state in which they want to practice before they can receive a license, but

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<sup>5</sup> A shortage of doctors not only raises prices, it is also dangerous. Older more established doctors do not want to work long hours, and that means that the younger ones, particularly residents, have to pick up the slack. Sometimes residents end up working 36 hour shifts and over 100 hours in a week. This is bad because mistakes are more likely to occur when a doctor is exhausted and far into a long shift. Anyone who has ever gotten drowsy while driving knows how hard it is to function well when you are really tired, no matter how badly you may want to. This is one reason why it is silly to think that the AMA is essentially restricting competition out of concern for the welfare of patients.

neither the states, nor the ABA put a limit on the number of licenses that are given each year. Congress should not be trying to predict whether there is going to be a shortage or a surplus of doctors in the future. Just allow the invisible hand to work its magic and let the market function unrestricted. Even making this one simple change would help the problem significantly by creating more competition for medical providers, and eventually the market would work itself out to a degree. We could do more though.

What is needed is a set of hospitals whose sole aim is to provide medical services at the lowest possible cost. It would probably be best if the government did it, but it could also conceivably work as a very large charity. If it was a private organization, it would need to be a true non-profit, not a 'non-profit' in name only, as most of them are. The goal would be self-sustainability (or as close to it as possible) but the only purpose for even seeking that would be to ensure that it would continue to be available for others in the future.

I first got this idea from reading a news article four or five years ago about a group of MIT engineering students who had created advanced medical devices out of parts that they had taken from children's toys. These devices performed essentially the same function as the original but could be produced for only a tiny fraction of the cost. The purpose of the project was to help provide medical care to the very poor in third world countries, which is a great idea, but I wondered why no one was doing something like that for the poor in this country. You could recruit groups like these MIT students to rethink and redesign everything that a hospital needs. The goal would be to get equipment that would perform all of the necessary functions but for the lowest possible price. Of course, you would not need to redesign everything. You could also get donations for older, out of date, but still serviceable equipment. Much of that equipment is replaced simply because new technology comes along that is more advanced, but the older equipment still works, or it could be easily fixed.

Many law schools have programs in which law students provide legal counsel, under the direction of their law professors, to indigent people in the community. This could be something similar. Part of the hospital's mission would be to also be a medical school, and each hospital would have one. You could recruit older doctors nearing retirement age to work at the hospital, and supervise the work of others, along with teaching one or two courses per semester in their specialty. Perhaps some of them would be willing to serve for a year or two, making just a minimum salary to meet their basic expenses, before they fully retired. If they are willing to do service missions abroad, one would think that they would be willing to do something similar here. It would be good if they could pass on some of the knowledge that they had acquired through their many years of service before they stopped practicing entirely. Getting the opportunity to mentor the next generation a little before they left would be a fine legacy.

Instead of having nurses, the hospital would be staffed by medical students, who would be working in the hospital from day one. They would begin by mostly observing, but also doing the cleaning and other such tasks, and assisting the more advanced students with their responsibilities. In return for working in the hospital, they would not be charged any tuition for

the courses, and provided with a small stipend to meet living expenses, similar to what Ph.D. students receive. Once they had progressed enough in their education and training, they could begin doing tasks that are typically done by nurses, such as giving shots, putting in stitches, cleaning and disinfecting wounds, running tests, and for the most advanced, assisting the doctors in performing operations and other procedures. They could also serve as paramedics out in the field. The students would work in the hospital at the same time that their professors were there, which would allow them to watch and learn how the doctor handled the treatment of actual cases as they were doing their course work.

This program would be somewhat like the apprenticeships of the past in which someone could learn from working as an assistant at the same time that they were being trained. I think this approach would make for a much easier transition than simply being thrown right into the fire with little to no experience after you had passed your exams. Statistics show that September is when an inordinately high number of medical mistakes occur, and non-coincidentally, that is when new, freshly minted medical residents who have just received their degrees begin working in hospitals. They are considered a doctor from day one, but they have very little actual experience performing even the most basic tasks.

Medicine is a craft as well as a science. That means it requires practice as well as knowledge to do it well. One does not learn to play the piano simply by listening to lectures, though that may be part of it. If they got experience working with patients right from the beginning and had their responsibilities grow more gradually, it would be better. One of the reasons that I never really wanted to be a doctor very much is because I didn't know if I could handle having someone's life on the line and trying to remember everything that I had been taught. I was afraid I would just freeze up and not be able to remember anything under that kind of stress. But if you had been working in the same environment for five or six years already (at least), and your responsibilities had been gradually increasing, as every few months you would gain additional certifications and approval to perform different procedures, work under less supervision, etc., then you would feel much more comfortable once you had progressed to the level of being a full doctor. Another benefit to this approach is that students would have an opportunity to see if they enjoyed that type of work without incurring massive debt. If, after a few years, they decided that it was not for them, they could just walk away debt free.

The hospital would be egalitarian in providing opportunities for education and advancement. Education, or the lack of it, should not be used to hold people back in subordinate roles indefinitely, and sometimes it is used that way in our society. I do not think it is right that some very competent nurses and legal assistants, for example, are never able to move beyond that role, because, for various reasons, such as not wanting to incur the massive debt, or a lack of time because of family, or other obligations, they never received the required education. In this system, the only distinction between doctors and nurses would be the level of training that they had received, and the certifications they had completed. All students would simply be some level of physician's assistant, such as M1, M2, etc, and of course doctor would be the mastery level. Medical students should not have to spend an excessive amount of time while receiving this

training either, as this would be too much of a burden upon those with other obligations, such as single mothers. Taking three or four courses per semester and working part-time at the hospital ought to be sufficient. There would be no rush to complete the training because they would be at least partially supported by the stipend. There would not be a specific time table for completion of the program. They would be finished when a panel of their instructors felt that they were ready to work in their area of specialization without supervision, they had passed their courses with an acceptable grade, along with all required examinations, they could correctly demonstrate procedures, and so forth. The final step would be to serve one year working full time in the hospital as a doctor. This would not only ensure that the hospital was staffed with enough doctors at all times, it would also allow that new doctor to begin practicing in a familiar environment, while still having access to help from the more experienced doctors if needed, for a full year before they moved on.

I am guessing that some would have a problem with this plan because they want it to be more elitist, with only the best and the brightest allowed to become physicians. Currently, only about 1/3 of medical school applicants are accepted (a school is not going to accept more students than the number they will be able to get residencies for). This means that many intelligent, qualified, and competent people are turned away each year. Some feel that this kind of competition brings out the best in the candidates and weeds out any weak links. However, I feel that the selection criteria is not always especially relevant. How better to decide whether someone is capable of being a good doctor than to see how well they perform the actual job functions in an assistant role? If they do a good job of providing health care then they should be able to advance to the maximum level of their capabilities. I do not believe that the quality of care would be adversely affected by this method of training because those in lower positions would always be well supervised. Only the ones who performed well in their current positions and who had met all of the requirements for advancement would be allowed to move up to a higher level of authority. Those who could not complete the training or coursework, or for whatever reason chose to stop before reaching the mastery level, would still be able to work in the private market as an assistant in accordance with the certifications that they had completed, and under the supervision of a doctor.

In terms of fairness, if a specific certification is required for a job then it needs to be made accessible so that everybody has an equal opportunity to qualify for it. That would also prevent trade organizations from using those certifications as a way to limit competition and keep people out of the profession. Training should be free, and everybody who wants to should have the chance to enter the program and see how they do.

You could also do something similar with specialties like dentistry, optometry, physical therapy, and chiropractic services. I think it would work best if all of this was offered at one location, in

one school.<sup>6</sup> Part of the reason is so that those services would be offered at the hospital, but it would also be good to have those course offerings for the students as well. All students could enter the program simply as a medical student, most often probably only knowing that they wanted to do something related to health care. Through working at the hospital, and taking the courses that they were most interested in, they would then be able to decide which area that they wanted to specialize in. Professors could help them figure out where their interests and natural aptitudes aligned.

Services at the hospital would not be given away for free. It is not good for people to become accustomed to getting things for nothing. They begin to feel like it is owed to them. Patients would be told up front that they will be responsible for paying back as much as they can, and that paying their bills helps to ensure that the hospital remains available for others in the future. Nevertheless, the widow's mite principle should be followed, meaning that if someone has sincerely done all that they could, but they are still coming up short, the rest of the debt should be forgiven.

If patients could not pay their bill in money they could still find other ways to contribute. This hospital should never have to pay for janitorial work because former patients looking to work off their debts (and perhaps their family members) could assist the entry level students in keeping things very clean. The doctors and assistants should never have a dirty car or a lawn that has not been mowed. Patients could barter services as well. If someone has their own skills to offer in exchange for health care, then let them do it. A hair stylist, for example, could give free haircuts to every member of the staff for a year in exchange for a needed surgery. Maybe piano lessons could be given. The point is just for those who receive care to return the favor in whatever way they can. This would be good for both the patients and the medical staff. The patients would feel like they were contributing in some way, and it would help the doctors and assistants to feel emotionally connected to them and be more satisfied with the difficult work that they were doing. A little bit of gratitude can go a long way, and ironically, patients would probably have better attitudes and be more grateful if they had to contribute something than if they got the services for free, because they would not feel like it was owed to them. It would be a reminder that in most cases they would be receiving something of significantly more value than what they were giving in return, so they should appreciate that.

The hospital would strive for self-sustainability, but realistically it would need some support from taxpayers to keep it afloat. There may also be some charitable donations as well, and they would have to make them go as far as possible. The cardinal rule that must never be broken under any circumstances is that for each and every fiscal year the hospital is not allowed to spend

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<sup>6</sup> If this turned out to be too unwieldy, dental, optometry, physical therapy, and chiropractic schools could all easily open their own clinics for their own schools based upon the same principles. I know of one optometry school that already does something kind of like this (though there are still some pretty significant differences as well), with a clinic in which advanced optometry students, under the direction of their professors, provide services that are lower in cost to students attending that same university. There are probably others as well.

more money than it brings in. If it is over budget then it must find ways to cut costs, or raise additional revenue through charitable contributions, or, as a last resort, cut back on services. The system cannot help anyone if it is not viable, and being continually in debt puts it at risk. It would open up Pandora's box to go into debt to care for some patients, because how could you then say no to others? You would soon find yourself in an insurmountable hole.

Being on a tight budget would result in some very difficult decisions for administrators. Perhaps it sounds cold-hearted for finances to even be a consideration, but we really have no other choice. It is easy to say that money should not be a factor when you only consider the problem in the abstract, how many people would be willing to pay 70-80% of their personal income in taxes to support it? Not many. And several of the countries in Europe that try to support their health care systems with high tax rates like that still find it difficult to pay for them, and they are in huge debt, in part because of those systems. Keeping costs in check is paramount because they can so easily get out of control. As a general principle, I think tax rates that are over 20-25% of one's income are overly burdensome. That is total, not just income taxes. So the health care system I envision could not account for more than 8-10% of the budget, at most.

The goal here is to supplement the private health care market, not entirely drive it out of existence. There is no need to fix the top end of the market. Medical care in the United States is the best in the world, if you have the money. As my brother Russ says, 'Saudi Princes come here to get their medical care, but the problem is that none of us are a Saudi Prince.' The good thing about my proposed system for the consumer, though, is that it would tend to exert downward pressure on prices in the private market. If the public hospital could perform a double bypass heart surgery for \$5,000.00, then it would be pretty difficult for a private hospital to charge \$70,000.00 for the same procedure. Health care providers would be forced to remain somewhat competitive with their pricing to stay in business. It would help that in this system doctors would not have to go into so much debt while getting their education and training, so they would be able to charge less and still be profitable.

Private providers would not be able to fully match the price, so they would need to provide superior service and a higher quality product or there would be no incentive for anyone to go to them. Maybe some would have unique credentials, or additional training in a specific specialty, or maybe they could offer their services with less wait time than the public hospital. It would push them to be innovative and provide good quality service at the cheapest price they could. If they were able to convince customers that their service was superior, and worth a little extra cost, then that is good. That would prevent the public hospitals from being swamped with too many patients. The public hospitals would also be pushed by the private market to provide better service because those providers would be quick to point out any inefficiencies or poor service in the system while trying to attract customers for their own services.

I know that there are some who would be opposed to spending any tax money at all on something like this, particularly those with the 'let 'em die' health care plan. But come on. You would not want everyone else to simply let you, or your child die, if you could not afford to pay.

So you want to be a billionaire, and you resent having to pay anything more than the absolute minimum in taxes. I don't care. If we have an economic system that allows for such a wide difference in wealth to begin with, then the least we can do is provide a minimum standard of health care for the poor. As selfish people, economic Libertarians ought to realize that there is no incentive for others to go along with their plan for a minimalist state. They must be so incapable of empathizing that they do not even understand how the poor would view the situation from their own self-interested perspective.

What is most astonishing to me, is that many of those in the 'let 'em die' crowd consider themselves to be devout Christians. Would 'let 'em die' fulfill the commandment to love thy neighbor as thyself? Is that what the Good Samaritan would do? Christ said, after giving that parable, 'Now go, and do thou likewise.' What do you think he (the person who spent his time healing the sick and living among the poorest people on earth) would think of an attitude like that? These people may believe themselves to be his disciples, but they obviously do not really understand fully what that entails. The law is not written in their hearts.

On the other hand, some on the other side of the political spectrum would likely reject my proposal because they believe that the poor should be able to get exactly the same quality of health care as the rich. Advocates of universal health care sometimes even claim that it is a natural human right. But here we must distinguish between interpreting 'rights' in only the negative sense, or as entailing both negative and positive obligations. Interpreting it in the negative sense alone means that it is only a violation of one's rights to take something away from them unjustly. If you were to steal something, for example, then you have violated that person's right to property. Positive rights, sometimes referred to as 'welfare rights', go beyond this, and claim that there are also further obligations to provide certain goods and services to others, and that failure to do so is a violation of their rights. If you interpreted the right to life in a positive sense then that would mean that you must not only avoid taking away a life unjustly, but also provide all of the necessities that are required to sustain life, such as food, water, and shelter. So does that mean that you are violating my right to life if you will not pay my rent? If there were such a thing as welfare rights I am not sure why anyone would work. There would be no incentive to do so if everyone else was obligated to give you whatever you need. This would lead to the absurd conclusion that everyone, each having the same welfare rights, would be expecting everybody else to provide for them, yet they would be providing for no one. By each person acting rationally, and doing what was in their personal best interest, no one would receive anything, and everybody would starve.

No one has a right to free health care, or any other good or service for that matter. As a society, we simply cannot afford to provide the health care equivalent of Lamborghinis and Ferraris with essentially no contribution at all from most of the people who are receiving it, and expect that system to remain viable for very long. You may not like it, but that is just the reality. You can resent gravity all you want, but you resenting it will not change anything. There are laws of economics just like there are laws of nature, and eventually it is going to be stretched beyond the

breaking point. The Fed creating money out of thin air, and the ability to almost endlessly borrow seems to have convinced everybody that it can go on forever, but it is just not so.

It is not even possible to bring in enough tax revenue to cover what we currently spend on Medicare and Medicaid. That is why long-term projections for those systems look so dire. What we need for the public system is the equivalent of a 'beater with a heater', a 30 year old station wagon that is not fancy, but is reliable, and can still perform its essential function of getting you from point A to point B. 50 to 100 cheap but serviceable vehicles could be provided to the poor for the cost of just one Ferrari. So which solution helps more? We have to be realistic about what can be done. I think that most people would be okay with having some tax money used for such purposes as long as they knew that it was being used as efficiently as possible. And if there are concerns about the quality of care, I don't know why. Personally, I wouldn't have any qualms about using a system like this for my own health care. If it was available, I would go there all the time.

Unfortunately, I doubt that things are going to change any time soon. Prices for medical services are high because those who are making a ridiculous amount of money from them want the prices to be high. There are some powerful interest groups that have a tremendous amount of political clout and financial backing that would fight an idea like this to the bitter end, including Big Pharma, health insurance companies, and of course, the AMA and its affiliates. The fact that the pharmaceutical industry was able to lobby Congress to pass laws that make it illegal to import prescription drugs from abroad shows how much influence they have. They make the familiar claim that they are only trying to protect the consumer from harm, but it would not be dangerous to import prescription drugs from Canada and Europe, it would just make it so that those companies would not be able to have such a ridiculous markup for those drugs in this country. Industry lobbying groups have most of the power, so they can pretty much dictate how things are going to be. But do not believe for one second that any of this is done out of concern for your welfare as a patient.

Update:

Healthcare premiums in 2016: \$218.05, a 16.5% increase over the previous year.

2017: \$230.62 per month, a 5.8% increase over the previous year.

I have never used it, nor gotten any benefit whatsoever from having it.