

PERSPECTIVE ON HEALTH CARE

Reform Has Been D.O.A. Since Day One



Clinton's capitulation to the insurance and medical lobbies left consumers with no hope for a quality plan.

By HARVEY ROSENFELD

Never mind "universal coverage" or "employer mandates." Regardless of how those issues are resolved, the health-care legislation that Congress is rushing to approve will reduce the already declining quality of care in this country. We are better off with no reform than with one so dangerously compromised.

The reform effort was doomed from the start, thanks to President Clinton's proclivity to back down from principle. To really fix what ails our present system would require offending two of the most powerful special interests in the nation: the insurance industry and the medical lobby. Instead of leading the nation into a battle against these self-serving groups and their allies in Congress, the White House chose to capitulate.

First, the President decided to put the insurance industry in charge of the new health-care system. Like all insurance companies, health insurers and their offspring, the health maintenance organizations (HMOs), make more money by paying out less. So they are constantly trying to limit care. They cut corners by denying treatment as not medically necessary or by providing substandard care, such as shunting patients in need of acute rehabilitative care to nursing homes instead.

Consumers pay with their lives for such decisions. For example, Health Net, the second largest HMO in California, refused to pay for a bone-marrow transplant for a 38-year-old victim of breast cancer. Her husband believes the denial cost the woman her life. Health Net claimed that the procedure, in routine use throughout the nation, was "experimental." But evidence obtained in a lawsuit revealed that Health Net officials received bonuses for limiting such expensive treatments, yet the company paid for this procedure when its own executives needed one.

Under the "managed care" system at the core of the congressional proposals, our lives will be in the hands of these profit-driven creatures. And we will have to pay more for their "service." As much as 31 cents of every health-insurance premium dollar goes to cover the HMO's marketing expenses, "cost control" bureaucrats, and, of course, profits. This means less money to provide the care we require.

The President's second mistake was trading away consumers' legal rights to appease the mighty American Medical Assn. At least 150,000 hospital patients die from medical malpractice every year—more than the number killed by auto accidents, homicides, illicit drug use and AIDS combined. Instead of proposing rigorous requirements that would limit malpractice, the President proposed limits on malpractice lawsuits brought by victims of incompetent or even criminally culpable physicians and hospitals.

Ironically, the model for the even more Draconian tort law restrictions that the AMA is promoting on Capitol Hill is a controversial 1975 California law, the Medical Injury Compensation Reform Act. It caps the amount of compensation a jury may award to a

malpractice victim, lets negligent doctors pay for the victim's medical bills on an installment program and discourages attorneys from taking the most egregious malpractice cases.

Research data show that the law hasn't lowered health-care costs in California, which are the second

highest in the nation; it hasn't lowered malpractice insurance premiums paid by physicians, and it hasn't reduced the use of tests and procedures that the AMA claims are done only to avoid lawsuits. Its single effect has been to enrich insurers and allow dangerous doctors to escape justice.

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Proposals to improve the quality of care by strengthening state medical oversight boards, giving consumers access to databanks on incompetent physicians and prohibiting secret settlement in malpractice cases aren't even on the table because of the AMA's opposition.

Our health has become a bargaining chip in the political process. Having sold out key reforms to the special interests, Republicans and Democrats are now vying with each other to cobble the inconsequential mess that's left into something they can peddle to the voters in the fall. In fact, their health-care "reform" is dead on arrival. The White House and congressional leaders ought to admit it and make the 1994 elections a referendum on the special interests that have blocked change for 30 years. Then they can come back with a plan next January that puts consumers first.

Consumer advocate Harvey Rosenfield, the proponent of insurance-reform Proposition 103 in 1983, is the author of "Silent Violence, Silent Death: The Hidden Epidemic of Medical Malpractice," to be published next week by Essential Books.