

The Simple-Ideas Occasional

A publication dedicated to the study and celebration
of common sense and repeatable experiments

Robert L. Nuckolls, III
Medicine Lodge, KS
Number 025 Revision A, 12 January 2011

Managed Healthcare - NOT! (Slimy Rhetoric)

Jan 09, 2010
Wichita Eagle⁽¹⁾

My mother died last year of peritoneal cancer. She was a hospital chaplain and had seen what cancer could do to a person – and what cancer treatments could do to a person.

She knew what her chances were and how many – or few – months she would extend her life with treatment. She chose not to undergo that treatment.

She had a good six months of quality life, with wonderful palliative care from hospice. She then passed with dignity and, dare I say it, grace.

She did not make this decision lightly. She spoke with her doctors and ministers and with her friends and family. And she prayed. A lot.

This collection of friends, family and advisers was what former Alaska Gov. Sarah Palin and columnist Cal Thomas call a "death panel" ("Does new rule create 'death panels'?" Jan. 2 Opinion). Palin and Thomas cheapen my mother's name with their evil, slimy rhetoric.

This piece could and should have been both informative and inspiring. It chronicled the independent self sufficiency of an informed citizen's management of life's most important decisions free of intervention by uninvited intruders. But alas, the writer also offers us a sobering demonstration of a dearth of *competent observation* in a nation crippled by lack of both education and honorable journalism.

We'll have to cut the writer some slack. His ability to conduct clear thinking may be suffering from the stresses that naturally arise in times of severe loss. I perceive no reason to give credence to his assertion that *competent observers* have indulged themselves in rants of "slimy rhetoric."

Sarah Palin, Cal Thomas have joined with hundreds of *competent observers* to voice warnings about many features of so-called health care reform initiatives being carved into legislative stone. The author of the Wichita Eagle piece seems to believe that Palin and Thomas would

have compared his mother's *end of life* experience with what our present government has planned for us all under what many have called "managed healthcare". I suggest that the polar opposite is true.

Palin and Thomas would have applauded this woman's management for her last days. Individuals invited into her decision making processes were exactly what's expected of a citizen who enjoys personal liberty. Her last days were in accordance with her own wishes developed with the best she knew how to do combined with resources of her own choosing.

Palin, Thomas and countless others have been warning of an invasion of a despotic progressive government into the lives of every individual residing within our borders . . . citizen or not. "Managed health care" is but one of dozens of ways our government is systematically stripping us of liberty.

Present trends plotted into the future tell us there will

come a time when our physicians become virtual employees of government. “What? Government can’t do that . . . and they wouldn’t! That’s silly!” I agree that nobody is talking about a time-honored employer-employee relationship.

A free market exchange of value is an agreement between two or more individuals all of whom walk away from the trade feeling like they got the better part of the deal. Each traded something they *valued less* for something they *valued more*.

Consider my family’s relationship with our small town doctor in 1948. My father thought that \$3 (2 hours of his wages) for an injection of penicillin was a bargain exchange for a high probability that one of his kid’s health and comfort could be restored. The doctor couldn’t eat the dose of penicillin nor pay his mortgage with it. Accordingly, he was willing to trade the medicine and delivery service for the cash. The doctor and my dad were both pleased with their transaction. I was the one suffering from a pain of infection AND a pain in the ass. Since that time there have been profound changes in the exchange of value between patients and doctors.

At first, we properly called it “*insurance*”. You went to a betting window to offer a wager with some company as follows, “I’ll bet you so many dollars per month that I’m going to need the time, talents and resources of my health care community for a constellation of medical services that might cost as much as \$10,000.”

The *insurance* company says, “I’ll take that bet . . . I have a calculated reason to believe that total costs of thousands of similar bets accepted from other citizens will be less than the total dollars that customers have wagered against that *risk*.”

Insurance company analysts studied national statistics for a variety of hazards along with the costs of recovery from such hazards. If they were good at their job, the company made money while paying of on lost wagers. If they were not so good, they might very well go under when pay-outs on bad odds exceeded receipts. To be in the *insurance* business you must be a good gambler.

Risk for collapse of an *insurance* company was mitigated by useful regulatory mandates establishing oversight by individuals neither employees of the *insurance* company nor advocates for the consumers. Regulators raised warning flags when an *insurance* company offered policies for too little money thus putting the company’s clientele at *risk* for financial ruin from hazards they believed were properly *insured*. At the same time,

insurance customers accepted smaller, uninsured *risks* as a component of routine living expenses.

The principals of buying and selling *insurance* have been around for thousands of years. *Insurance* providers offer a powerful financial tool for stabilizing the ups and downs that are the inevitable byproduct of *risk* ranging from fire to tornado, to shipwreck, to car crash to appendicitis.

Money wagered in favor of becoming victim to some hazard was available for loan to worthy borrowers . . . mostly home owners. When I was a kid, *insurance* companies were the largest holders of home mortgages in the country. At the same time, *insurance* companies offered a stabilizing influence for individuals who were betting they would experience some potentially catastrophic expense.

Around World War II, *insurance* become a merchantable product to be sold like toothpaste or laundry soap. The pitch ran like this: “Pay us so much money per month and we’ll pay for (add list of merchandising services here).” The *insurance* product for managing *risk* began transmutation into a *assurance* product that took on all medical needs and desires.

It was no longer a hedge against *risk*. It became a mechanism to relieve the ignorant or lazy consumer from having to manage their own health care dollars. “You just shovel money in our pocket and we’ll take care of *everything*.” At the same time, the government permitted companies to offer company paid *insurance* to their employees while being able to deduct costs of that benefit as an “*operating expense*”.

Health care *insurance* morphed into health care *assurance*. Medical *assurance* pay outs were not anticipated based upon quantified *risk*. They hinged upon predictable but incalculable market forces. Service demands on the health care community exploded . . . and why not? Feel bad? Call the doc. Get a prescription. The doors inevitably swing wide open. Get anything service you want any time. It’s all paid for. Medical *insurance* as a hedge against *risk* began to wither and die. Medical *assurance* attempted to satiate consumer appetites for goods having painless costs of acquisition and was pre ordained to fail.

As potential liabilities for *assurance* companies grew, financial backing for those liabilities in the form of real estate mortgages declined. Even if real-estate mortgages were part of the company’s financial foundations, the value of those mortgages were recently shot in the foot by yet another government instigated social program . . . but

that's another story.

Suffice it to say that the foundations of the modern medical *assurance* company is now little more than a giant Ponzi scheme madly scrambling to keep income (premiums) at some level greater than expenses in the face of increasing prices driven by increased demand and diminishing supply. Doing well in the *medical assurance* business depends less and less on talented management of risk and more dependent upon marketing skills. Statisticians and mathematicians were being replaced by accountants and use-car salesmen . . . with the approval of government.

The modern medical *assurance* program has roots in ideology articulated by a host of despotic progressives operating under many political banners for centuries. In this instance it translates to "From each according to their willingness to spend somebody else's money. To each according to their fondest wishes for benefit beyond any proportion to their contributions."

Medical *insurance* once stood on a foundation of invested value that could be tapped to mitigate the occasional but potentially catastrophic hazard. Medical *assurance* is a cash flow management program critically dependent upon bringing in enough cash at today's value to offset tomorrow's inflated expense created by still more extra-constitutional fiddling by government. Further, it totally bypasses the honorable free-market exchange of value between consumer and supplier. A demonstrated and guaranteed recipe for failure.

So how does all this relate to the prediction of "death panels" by so many *competent observers*? Present trends plotted into the future illustrate and demonstrate government goals to achieve a single-payer managed health care system. The goal is moving forward right smartly. At the same time, the ratio of medical service providers-to- consumers is moving in the wrong direction. Supply is going down as demand grows. Government continues to legislate demands for providers to be all things to all people. These rules understandably drive up demand while strangling the last vestiges of free-market negotiations between consumers and providers of product.

Our government is not overtly converting all health care professionals to direct employees. Government has a scheme for maintaining plausible denyability: Government is not going to dictate how the health service provider bargains with you for service. They simply install a throttle on the flow of funds for paying for services to all patients.

That single-payer Ponzi scheme (1/6th of total US economy) will be constantly scrambling to balance resources (taxpayer forfeitures) with demands (delivery on unrealistic promises) in a market suffering a government suppression of free-market principals. There will be "panels" of so-called experts who will make up a list of services identified by billing code . . . to be offered along with a schedule of fixed price payments to providers of those services.

Revenue for services will flow from a single entity who are basically bookkeepers and do not represent patients who seek the service. Providers will not be allowed to control prices nor will patients have choices to select their physician based on the price being asked. The providers and patients can "take it or leave it."

This is the mechanism by which private entrepreneurs in health care services become defacto employees of government while maintaining a facade of independent entrepreneurship. It's also how patients become house pets of the despotic progressive government.

No doubt the first lists of billing codes will identify kidney and heart transplants (Hey Myrtle! Look at this list of services. Uncle Sam will pay for my liver transplant!) all the way down to treatments for ingrown toenails and school gym physicals. Oh yes, those "experts" are no dummies, they're bureaucratic bookkeepers. They know that half of the lifetime medical expenses for most citizens are incurred during the last few months to perhaps two years of their lives. They also know that those expenses will continue to grow at a pace several times that of inflation.

What's the responsible despotic progressive to do? As cash outrips demands, the easy thing is to cut back on that *end of life* stuff. After all, what's the really big deal about chopping a few months off the life for someone who has enjoyed decades of nanny state benevolence? How to do this without making it "personal"?

Easy, trim the list of most costly billing codes which government will recognize on your doctor's monthly treatment chits. Is the government getting between you and your doctor? Of course not! You can get any treatment the doctor prescribes. The only limitation is whether or not your government pays for it. After all, how many individuals are affected by not getting a heart transplant? It's a truism of life under DesPro control of Physician's Billing Codes, "some small sacrifices are necessary for the good of the whole."

When it's your transplant being scratched, the sacrifice

doesn't seem so small. But to any government, citizens are simply a number. \$200,000 for a heart transplant in citizen 321-45-7890? Hmm . . . that same \$200,000 (which we have to print or borrow) will bring ten new citizens into the world. Their votes have ten times the value as the single vote offered by Mr. 321-45-7890. You do the math.

As more individuals bail out of health care professions, the supply of services goes down while demand for "free services" continues to rise. The Physicians Billing Codes Panel knows the light at the end of the tunnel is an oncoming train. Cash flow getting tight? Trim more procedures from the top of the billing codes list. Nothing personal about that. It's not a reflection on any one citizen . . . the decision is one of simple economics.

A new billing code has been proposed.. They called it by some gentle euphemism: "**End of life counseling**". The reimbursement rate for this service will be especially attractive to the physician. No big taxation of medical skills or resources, just talk to the patient about a particular idea and get paid for it! The doctor might be allowed to charge this billing code to any given patient perhaps 4 times a year! The real name for that billing code should be "Cash Flow Crisis Mitigation", or "Put the Transplant Surgeons out of Business", or some such.

As revenues to physicians for real services fall, this innocuous little no-overhead "service" will become a welcomed offset to loss of revenue at the bottom end of a diminished list of billing codes. The Physician's Billing Codes Panel can be assured that patients will receive adequate **end of life counseling** . . . from an individual in whom patients are expected to have great trust - their doctor. Wow! What a propaganda machine! The patient's own mother could not be so effective a tool of the despotic progressive.

By the way, your pharmacist has a similar list of billing codes. Every check your pharmacist receives may come with a new list of billing codes being trimmed off at the top of a cost/benefit ratio as deduced by yet another panel of DesPro bookkeepers. Nobody is going to call you up personally and tell you that you can't have that drug any more. The clerk at the pharmacy drop off window will have to give you the news, "Oh, Mr. Smith, that medication is no longer on our approved list."

Plot this scenario out into the future. There will come a time when your doctor opens his monthly reimbursement check and begins to wonder if he/she needs to take up another career. After the very last billing codes to be edited from your doctor's list of approved services will be for **end of life counseling**.

The last billing code to disappear from your pharmacist's list of approved drugs will be one for the most effective pain killer. Doctors may find a note in their paycheck asking them to council patients thus, "Be really careful of these pills, they're pretty potent. Perhaps just four or five of these puppies could do a person in." The death spiral of our health care industry that began 70 years ago will be inexorable and complete.

The LA Times ⁽²⁾ reported a portent of things to come:

The president suggests that, "one way to shave medical costs is to stop expensive and ultimately futile procedures performed on people who are about to die and don't stand to gain from the extra care."

In a nationally televised event at the White House, Obama said, "families need better information so they don't unthinkingly approve additional tests or additional drugs that the evidence shows is not necessarily going to improve care." He added: "Maybe you're better off not having the surgery, but taking the painkiller."

We and our fellow citizens once had opportunity to exercise control over such matters as members of a civilized society conducting honorable free-market exchanges of value in a state communal liberty. Now our president is weighing in on the matter. Government has been systematically depriving us of liberty for generations. Our government has inserted itself into so many exchanges of value that they can no longer be called free-market. Yet our government continues to whisper in gentle tones, "Yes, I feel your pain. Just vote me to power over your fellow citizens and I'll make it okay."

Over time the ordinary citizen will be left with refugees of the once capable health care professions who have new careers helping the hopeless manage **end of life** decisions. Despotic progressives of the past were much too heavy handed with their particular problems of surplus, obsolete or burdensome populace. Our government won't need thousands of soldiers and workers to manage concentration camps or killing fields. Our health care professionals represent a work-force already in place. We just tweak the cash flow up or down as needed. The "problem" becomes self-resolving.

In 1951, a short story "The Fireman" by Ray Bradbury was first published. It would later become a book called "Fahrenheit 451"⁽⁴⁾. In Bradbury's tale, firemen were called to proceed under red light and siren to any location where large quantities of books were discovered. Once

revered for their dedication to the preservation of life and property, the fireman's new charter as defender of the public good was to soak books in flammable liquid and set them on fire. If the owner of the books didn't get out and allow this politically correct operation to move forward, they too might be consumed by the flames.

The trend of government intervention into private enterprise known as health care suggests a plot for another Bradbury style tale. We might call this one "The Doctors". In this futuristic scenario, the government cannot bury surplus, obsolete or burdensome citizens any too soon. In Bradbury's story, it was books represented a political *risk* to the DesPros by educating today's citizens of past truths. The doctors in our story will have a pivotal role in keeping aged competent observers from telling their grandchildren about a time long past when one walked into a doctor's office with a degree of confidence for better future. Doctor's offices will have become institutions of dread. Fewer and fewer patients will emerge with any confidence whatsoever or even a sense of hope.

These new-age doctors will be busy assisting the hopeless who came in to beg for an end to their suffering. There is a side benefit of eliminating what has become a public expense of prolonging their lives after they've stopped being "useful" to the government. I.e. producing and paying taxes.

Once the plan is fully implemented, health care decisions will cease to be honorable, free-market exchange of value based on perceptions of customers and suppliers. The decisions about what services will be made available to anyone will be decided by fiat and "adjusted" by managers of cash flow.

The despotic progressive government thrives on suppression of useful history handed down by word-of-mouth. Government wouldn't want citizens to know how this demise of our health care was a planned program aided and abetted by our elected representatives. They might be excited to . . . well . . . behaviors embarrassing to the noble elites in Washington.

Consider the main premise in the movie "Logan's Run"⁽⁵⁾. Each citizen was fitted with a chronometer in the palm of their hand. At age 30, the dot changed from black to red indicating that it was time for the police (once revered for their role as protectors of life and property) would round up the "expired" citizen for presumably humane disposal.

A large proportion of our citizens never operated a tube type radio, played a 78 rpm record, or read a book about the wonderful ideas upon which our nation was founded.

Our government schools are dealing with that pesky book problem, they just make sure that kids born into a generation of parents who don't read are themselves illiterate. Our schools are producing ever more un-informed house-pets for a DesPro infected government. Combined this condition of planned ignorance with what will become an ever growing burden on the public purse by the maintenance of the too ill, too ignorant and too dependent. It is a recipe for cultural and national suicide.

Crazy? *Competent observers* have been warning us of this scenario for centuries. According to popular media, you'd think that Sarah Palin and Cal Thomas were collaborating in some new hoax called "death panels" that they cooked up last week. Our president told us in no uncertain words that this is part of the present thinking. Palin and Thomas are in fact late comers to a discussion that has been going on for a very long time. Their 'rhetoric' is not pejorative mud slinging . . . it is right on the mark.

As I mentioned earlier, our government won't sift through individuals for who lives or dies, they'll just fiddle with the economics of a doomed system. They won't need to fit us with termination chronometers . . . that's too personal. They'll just watch our health care billings. Nothing personal about it . . . it's just business of tweaking the numbers. If anyone objects to naming them death panels . . . okay. *If not death panels, then what should we call them?*

As I write these words, insurance companies are closing the books to new customers while raising the rates to old customers at several times the rate of inflation. Employers who once dangled a sweet carrot of "pays all" style *health assurance* are now scrambling to find affordable coverage for sharply scaled back *health assurance* products. It's been going on for years and the pace is accelerating.

When certain members of Congress⁽³⁾ were asked about the constitutionality of key features in the new health care reform laws, they replied, "What, are you serious?" The snowball is on it's way down hill, the snow ahead is deep and wet, our ability as a nation to destroy this monster before it destroys us is becoming more limited.

The story offered to us at the opening of this essay is exactly how things ought to be. The cancer victim made a rational free-will decision with assistance of her choice of advisors. Present trends suggest that future cancer victims will have those decisions forced upon them by a committees of despotic progressives doing what's necessary to extend the Ponzi scheme of government largess to an ignominious and agonizing terminus.

- (1) Wichita Eagle, 9 January 2010, "Slimy Rhetoric" <http://tinyurl.com/4bhtaur>
- (2) Los Angeles Times, 25 June 2009, "Obama discusses deathbed measures" <http://tinyurl.com/yf3brxg>
- (3) CNS News, 22 October 2009, "When Asked Where the Constitution Authorizes Congress to Order Americans To Buy Health Insurance, Piloni Says: 'Are You Serious?'" <http://tinyurl.com/yhwslh4>
- (4) Wikipedia entry on "Fahrenheit 451" <http://tinyurl.com/qdlp2>
- (5) Wikipedia entry on "Logan's Run" <http://tinyurl.com/5rpbaw>