

Opinion & Commentary

A Local Physician's Perspective Skyrocketing Health Costs

Having practiced medicine in three countries, having served on the Chicago Insurance Fee Mediation Committee, and having testified before the Insurance Commission of the State of Illinois, I am rather concerned to note that the root cause for skyrocketing health costs has not yet been addressed by the politicians or the network news media.

Instead, it is usually blamed on the greedy physician who overcharges, and the unscrupulous malpractice lawyer who files frivolous lawsuits against doctors.

Such practices, it is assumed, result in premium increases one's medical insurance.

This would be true, if market forces of competition, supply and demand influence the insurance industry in this country. However, unlike any other country in the world, our elected representatives have insulated the health insurance industry from any market forces of competition by enacting federal legislation like the McCarran-Ferguson Anti-Trust (premium fixing) exemption, which allows health insurance companies to consult with each other and set insurance premiums.

If doctors, lawyers or hospital administrators should indulge such practices, they would be subjected to severe civil and criminal penalties. I believe if law was passed in the House Representatives and Senate a payoff to the insurance lobby its massive campaign financing similar law exempting health insurance companies from paying penalties exists in the State of Nebraska!

A directive from the White House, issued through its cabinet officers, has prohibited federal agencies like the FTC (Federal Trade Commission) from investigating premium gouging complaints against insurance companies!

A situation exists in our country, that even if doctors, pharmacists, and other health care providers should hold their fees, even reduce them, still the health care cost, which is primarily controlled by the health insurance premium, could skyrocket. It does not require a rocket scientist to figure out that the health insurance premiums are controlled only by the greed of the insurance companies.

This was well illustrated in Tom Koppel's *Nightline*, ABC News telecast on February 14, 1989, with reference to premium gouging by a malpractice insurance company in the State of Minnesota. The basis for this was a detailed study of claims paid out by this company conducted by Commissioner Michael Hatch of the Minnesota Department of Commerce, covering a 6-year period from 1982-1987.

During this period, though the increase in this insurance premium

Voice Of The People

Times-Herald's Sports Coverage 'Stinks'

Editor:

The Alliance freshman football team played at Sidney last Thursday. Even though our managing editor considers it nothing but a "game" and of no importance.

It would be common courtesy for *The Times-Herald* to at least publish the score for those of us who have an interest and pride in our sports teams. I found no write-up or score in Friday's or Saturday's papers.

It doesn't take a great deal of "literacy" or "sports knowledge" to realize that the local sports coverage in *The Alliance Times-Herald* stinks!

Robert Shores

Editor Correct About Term Limits

Editor:

In a recent editorial by Tom Huddleston the subject of term limits was addressed. I was shocked to learn that by voting in favor of term limits I would be hurting the State of Nebraska. I wrote my brother in Maryland and received the following reply:

"As far as I know, the article is correct when it says the states east of the Mississippi do not have the initiative process. Your author is right when he says that the states that pass this initiative will never have any of their people heading up the important committees. The committee chairman who have the most authority are the ones who

ctive:

- The Cause And Solution

by about 300 percent. St. Paul Insurance, which was the malpractice insurance company referenced in this study, reaped huge net profits of 45.5%! Since the Minnesota doctors' 300% premium increases were passed on to their patients, the citizens of Minnesota were stuck with this staggering health care cost increase.

A similar situation exists when it comes to health insurance premiums! From our own practice when we reduced our fee in 1992 for a procedure by 5.5%, one insurance company promptly reduced their reimbursement by 48.5% for that procedure, compared with their payment for a similar procedure in 1991! This insurance company also raised its premiums to their insured in 1992. Thus, the majority of Americans are paying more for their health coverage and getting reimbursed less!

We hear a great deal about leadership at the Federal level, from the White House and other officials of high offices. When it comes to insurance fraud, the federal government, through its Medicare program, provides such nefarious leadership!

As a practicing urologic surgeon, my Medicare reimbursements for most procedures were reduced by 18% in 1992 as compared to 1991. Some urologists' reimbursements were reduced even greater by Medicare this year.

Such reductions were ordered by Dr. Sullivan, Secretary of Health and Human Services, appointed by President Bush. Dr. Sullivan also proposed a cut of 30% for urologists and other surgical specialists who primarily care for Medicare patients for the year 1993.

The Medicare withholding from working citizens has steadily increased and the payments during their retirement period has steadily declined in the last eight years.

Since all funds collected for health care are deposited in the general fund, such withholding for legitimate medicare payments results in windfall surpluses to the Federal Government, which uses this to balance its budget and bail out the savings & loan institution without a tax increase!

When slogans like "No more taxes" are used, the politicians fail to tell the American public that it also means "No more services." Now for the solution...

Since the problem was created by our representatives in the U.S. and the state governments, they should be held accountable. If the McCarren-Ferguson premium fixing legislation is repealed, market forces by themselves will reduce health insurance premiums by 50-60%, resulting in a net health cost reduction of 60-70%.

In addition, in the State of Nebraska there is a law, which I believe is enacted as a payoff to the insurance lobby for its massive campaign financing, which mandates that every physician should carry a ridiculously high level of malpractice coverage to practice his profession!

The hospitals in Nebraska, which employ, on the average, 500-1,000 employees, and have 20-100 doctors providing services, are not required to carry any set amount of liability coverage!

This makes the physicians in Nebraska captive audience to the greed of the insurance companies. Since every increase in the professional liability premiums is

passed on to the consumer, I believe that this law makes every Nebraskan a slave to the greed of the insurance companies.

In addition, to prevent Congress from dipping into the health care dollars, every dollar collected and budgeted towards health care should be deposited in a Health Care Trust Fund outside the control of the Congress and the executive branch, like the Social Security Administration.

Any surpluses left over will be carried into the succeeding years to increase medical services and reduce the withholdings and other out-of-pocket expenses to the Medicare patients.

This problem of high health care cost is created by the federal and state legislature and it is incumbent upon them to redress this before the November election.

I urge you to write to incumbents of both parties of the U.S. Congress, the White House, and the Nebraska Unicameral to immediately repeal these laws (i.e. and trust exempt to insurance companies and mandatory malpractice coverage for doctors in Nebraska).

The U.S. and state legislature could call special legislative sessions to repeal these laws, which should not have been enacted in the first place!

Tell them that you will remember their actions, or lack thereof, when you go to the polls in November, 1992.