Health Care:
The Problem, the Politics and the Passion

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U.S. Healthcare: The Problem
August 14, 1935

- FDR signs the Social Security Act
- “Old Age” defined as age 65
- Supplemental income guaranteed by federal government

Why 65?
Estimated Life Expectancy (Years)

1935

- Males – 61
- Females – 64


10 Great Public Health Achievements – U.S. 1900-1999

- Vaccination
- Motor vehicle safety
- Safer workplaces
- Control of infections
- Decline in deaths from CAD and stroke
- Safer/Healthier foods
- Healthier mothers/babies
- Family planning
- Fluoridation of drinking water
- Recognition of tobacco as a health hazard

Source: CDC, MMWR, April 2, 1999, 48(12); 241-243
Changes in Mortality Statistics: 
U.S. 1900-2000

1900
• Pneumonia/Influenza
• Infectious Diarrhea
• Tuberculosis
• Life expectancy (1935): males – 61; females - 64

2000
• Heart Disease
• Cancer
• Stroke
• Life expectancy (2008): males – 79; females – 84

Source: National Vital Statistics Reports, U.S. Department of Health and Human Services

Social Security - Now

• Life Expectancy 79.7 (M), 84.5 (F)
• Majority of Population now receives benefits
• Majority of Population receives benefits for an extended period of time

• Using FDR’s standards – SS should start at age 85!
June 30, 1965 – Medicare Amendment to SS Act

What is Medicare/Medicaid?

- Medicaid – Supports low-income individuals (managed by the states; cost split between state and federal government)
- Medicare – Supports individuals > 65 (and end-stage renal disease). Covers about ½ of all medical costs.
- Medicare 4 parts: Part A (Hospital); B (Physician); C (allows private plans); D (prescription drug coverage)
Major Trends in the U.S. Health Economy Since 1950

• Advances in medical sciences/technology
• Substantial gains in health outcomes (longevity, quality of life)
• **Substantial increases in health care expenditures** *

*This rapid growth is one of the most important economic trends in the U.S. in the post-WWII era (1950-4.6% GDP; 2009-17% GDP)

Source: Fuchs V; *NEJM*; April 2012

2008 Medicare Statistics

• 1 out of every 3 recipients had surgery within last *year* of life (65 – 38.4%; 80 – 35.3%)
• 1 out of every 5 recipients had surgery within last *month* of life
• 1 out of every 10 recipients had surgery within last *week* of life

*Lancet*; October 2011;

Lead author – Ashish Jha, MD; Associate Professor of Health Policy, Harvard University

1,802,029 Medicare recipients deaths in 2008
Factors Affecting Long-Term Financing of Medicare

- Increasing Life Expectancy
- Size of Baby-Boom Generation
- Changing proportion of Workers to Beneficiaries
Texas Issues

- Texas ranks 46th in number of physicians per 100,000 population
- Texas ranks 48th in number of primary care physicians per 100,000 population
- Texas ranks 2nd in retention of medical school graduates

Source: Association of American Medical Colleges; 2011

West Texas Problems
Guaranteeing Health *insurance* does not guarantee healthcare *access*
The Patient Protection and Affordable Care Act (PPACA) or “Obamacare”

• Passed in 2010 (many components don’t take effect until 2013 and beyond)
• Insurance companies cannot turn down patients based on pre-existing conditions
• Children may remain on parents’ insurance until age 26
• No co-pay/deductible allowed on preventive services
• Additional .9% tax on all individuals earning >$200,000 (2013)
• $2,000 per employee tax on companies not offering insurance (2014)
• Additional 1-2.5% pharmaceutical, insurance and medical device excise tax (2014)

Components of Republican Proposal

• Allow patients to purchase ANY insurance policy in U.S. (McCarren-Ferguson Act of 1945 – gave insurance companies de facto monopolies)
• Allow patients to pay for all insurance with tax-free money
• National tort reform legislation
U.S. Healthcare: The Politics

- The Commerce Clause – Allows the federal government to regulate “those activities having a substantial relation to interstate commerce.”

Source: Thomas More Law Ctr vs. Obama; 6th Circuit Court of Appeals, 2011

Constitutionality of the “Individual Mandate” and the Commerce Clause

Democrats
- Use the inevitability argument - because everyone will eventually be ill, health care is not an “optional” product and therefore the government can mandate purchase of a health insurance product

Republicans
- Use the slippery slope argument – if the federal government can require that citizens (based solely on the fact that they are alive) purchase a product, then there is no limit to the federal government’s power
Political Realities

• No one will acknowledge that in order to contain costs, there will be uncomfortable trade-offs
• Many promise cost-containment while also promising unlimited access and unlimited choice
• The challenge – how to have a more honest conversation (there is no political advantage in talking realistically about our problems)
U.S. Healthcare: The Passion

• Free Speech
• Peaceful Assembly
• Free Press
• Religious Freedom
• Travel
• Own Property
• Vote by Secret Ballot
Rights?

- Free Speech
- Peaceful Assembly
- Free Press
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Human Rights?

- Right to Free Speech
- Right to Peaceful Assembly
- Right to a Free Press
- Right to Religious Freedom
- Right to Travel
- Right to Own Property
- Right to Vote by Secret Ballot
Inalienable Rights

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“We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are Life, Liberty and the Pursuit of Happiness.”
• Inalienable – *Incapable of being surrendered or transferred*

• *Human Rights*
• *God-given Rights*
• *Natural Rights*

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**Constitutional Rights**

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• Right to Peaceful Assembly
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Is Healthcare a Right?

Is Education a Right?
Is Food a Right?

Is Housing a Right?
Is Employment a Right?

Rights?

- Right to Free Education
- Right to Free Nutrition
- Right to Free Housing
- Right to Free Healthcare
- Right to Employment
Human Rights?

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Constitutional Rights

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**Political Rights**

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Political Rights *can be restricted* by the Government

- Article 6 – Eliminated opposition. Granted government authority to “lead and guide society”
- Article 39 – Allowed elimination of any activities deemed “detrimental to the interests of the state”
- Article 59 – Obliged citizens to comply with standards of social order as set forth by the government
- Government alone had the authority to determine policies for the government and society
- *No political or judicial mechanisms for protection of rights (i.e. no rights “inalienable”)*
Summary

- The changing demographics of our nation has accelerated the cost of providing care (increased longevity, size of baby boom)
- Improved technology both for longevity and quality of life
- Limited supply of doctors (especially primary care)
- Continued promise of unlimited access and unlimited choices
- Differing political/philosophical opinions on role of government in lives of individuals (liberty vs. security)

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