The Effect of OPM (Other People's Money) on Medicine

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Other People's Money (OPM) has a corroding and distorting influence on the exchange of goods and services. This is an immutable rule. The Medicare and Medicaid government insurance schemes are no exception to this rule.

The History of Attempts to Nationalize American Medicine

The federal government involvement in medicine began in earnest in 1934 under Franklin Roosevelt, and continued under Harry Truman.[1] The Social Security Act was signed into law on Aug 14, 1935, and gave us the Social Security Board (SSB) to study "related areas" of social justice.

Only one day later, on Aug 15, 1935, Roosevelt appointed a committee to pursue health-related issues. This committee, under Isidore S. Falk, was called the Interdepartmental Committee to Coordinate Health and Welfare Activities (ICCHWA), prefiguring the Obama czars. ICCHWA created the groundwork for the first national health insurance legislation, introduced by Sen. Robert Wagner (D-NY) in 1939.

Other bills, such as the 1943 Wagner-Murray-Dingell bill, built on this template. Sen. Wagner, Sen. James Murray (D-MT), and Rep. John Dingell (D-MI) wanted to explicitly establish universal *compulsory* health insurance at the federal level to cover "virtually all kinds of care."

Is it not curious that today's H.R. 3200 was "authored" by Rep. John Dingell, Jr., of Michigan's 15th District? His father, the original Dingell of the 1943 Wagner-Murray-Dingell bill, was also the representative from Michigan's 15th District. It is also of interest that the Association of American Physicians and Surgeons (AAPS) was formed in 1943 to combat the Wagner-Murray-Dingell bill.[2] AAPS was at the forefront of the efforts that killed this bill. AAPS had 33,000 members (at $10 dues) in those days.

The American people saw through this Ponzi scheme. The Democrats in the late 1940s pushed hard for national health insurance with Harry Truman's open support. The American voters gave their response in the off-year 1950 elections. Many Democrat incumbents supporting nationalized healthcare were defeated.

In the 1950s, Democrats began the policy of incremental nationalized medicine. They restricted their efforts to the elderly. In those days the AMA truly represented physicians and vigorously opposed the Democrats. But in 1957, the AFL-CIO and other Democrat allies redoubled their efforts. By 1964, after 30 years of effort by "progressives," liberals, socialists, and communists, the stage was set for compulsory health insurance of a segment of Americans. It was the foot-in-the-door approach, because the working American still opposed the idea.

After the assassination of President Kennedy on Nov 22, 1963, Lyndon Johnson started a "guns and butter" policy.[3] He conducted an ever expanding, micro-managed war in Vietnam: the guns. He boldly went where no president had gone before with the "Great Society": the butter.

The 1965 Medicare bill (H.R. 6675) was eerily similar to ObamaCare. No public hearings were held on the bill, keeping the public in the dark. The Congress blatantly lied about the intent to put federal government control over medicine and patient-physician relationships. Rep. Wilbur Mills (D-AR) actually inserted the lie in the bill:[1]

> *Nothing in this title shall be construed to authorize any Federal officer or employee to exercise any supervision or control over the practice of medicine or the manner in which medical services are provided.*

And so it was. The Medicare bill passed Congress on Jul 29, 1965. The next day, Lyndon Johnson flew to Independence, Missouri, to sign Medicare/Medicaid into law in the presence of Harry Truman.[2] He then issued the first and second Medicare cards to Harry and his wife Bess.

A Tale of Two Hospitals

I was in Columbia, Missouri, that summer of 1968 and recall the photo-op theatrics. I first saw the impact in 1971 when I interned at Washington University in St. Louis. I was a "ward" intern, the highly prized medical internship that provided charity care for Barnes Hospital. I found I was in the last such class of interns, because Medicaid recipients insisted on being housed on the private wards. I recall wondering how the hospital could afford to place the charity cases in the executive private suites. I was assured it was all right, because it was OPM, called the "government's money."

By 1980, I had moved to Los Angeles and had a private psychiatric practice. Here I saw the effect of the distortion of OPM in two private hospitals where I was attending staff. One hospital, Glendale Adventist Hospital, founded in 1905, took the government road in 1965 and encouraged Medicare/MediCal psychiatric admissions. They were inspected and overseen by the U.S. Dept. of Health and Human Services (HHS) and an alphabet soup of other federal agencies. The accommodations were two to four patients in a room. Food was barely palatable, and served cold on plastic foam with plastic utensils. The beds were narrow and

uncomfortable. Staff were often surly and distant. There was a small open-air porch and a common area about 25-by-20 feet.

The cost for government care was about $875 per day—plus add-on costs that would appear on the bill for trivial items.

The other hospital, Las Encinas Hospital, founded in 1904, remained private. It was located on beautifully manicured 27 acres with tennis courts, swimming pool, access to golf courses, and numerous paths into the gardens with chairs and benches where patients could sit and reflect. There was a central building, but private bungalows were available. The beds were plush. Staff were courteous and mindful. The food was served on linen-covered tables with real silverware, plates, and glasses. The chef had been recruited away from one of the major Los Angeles bank executive dining suites. The food was excellent, and I ate there often. Medicare/MediCal and many other insurance plans were not accepted. Distortion of expenses by federal agencies was minimal.

The cost for private care was a flat $115 per day—and there were seldom add-on costs.

I once asked an administrator of the private hospital why patients in the government-funded hospital got so much less for so much more? I was told—and it's obvious upon reflection—that it was because there was "cost-shifting."

In the government hospital, prices had to be inflated because the government would underpay, or not pay. In 2006, Medicare reported that U.S. hospitals billed Medicare on average 308 percent more than Medicare deigned to pay these hospitals for the 31 most common procedures.[4] To put it in dollars, a hospital has to bill Medicare $124,561 to be paid $39,361 for one type of heart surgery.

Further, doing business with the government meant higher overhead to please regulators. Thus, the cost of operation was shifted to the private insurers and individuals wealthy enough to afford $875 per day—*a cost nearly eight times higher than for the private hospital*. The government hospital did not have to offer value. It offered false value, false discounts and mark-ups, and numerous government certificates of approval. The government hospital was playing with OPM.

In the private hospital, excellence was maintained because it had to offer true value at a price low enough to attract customers. The private hospital was courting its patients' personal money.

OPM is corrupting. It is the "free lunch." It does not work.

Now comes ObamaCare, with a vision of Britain's National Health Service (NHS) for America. From the public protest, and Congress's stealth maneuvers to pass ObamaCare, it is apparent that the takeover of 17 percent of the U.S. economy is other than altruistic.

The British and the Russian Experiments

An examination of the NHS gives a clue as to the true objective of ObamaCare—power, jobs, and control over the economy. The NHS was the third largest employer in the entire world in 2009, employing more than one in 20 employed people in the United Kingdom.[5] To work for the NHS, one has to belong to the Hospital and Welfare Services Union. This union guarantees votes for politicians, despite deplorable healthcare. The alliance of public service unions with politicians leads to rules that insist that water run uphill, and apples fall up from the ground and onto the tree.

Just as unions killed General Motors, unions will kill the United Kingdom. The time to stop this tainted alliance is before it begins. Clearly, the Obama Administration plans to pass mandatory health insurance over the will of the people. The biggest fraud of ObamaCare is the claim that it must be passed as an "emergency," but not implemented until after Obama's re-election in 2013.

In 1992, I took a life-altering trip as a member of a 24-physician group touring the former Soviet Union to examine the state of Russian medicine. What I saw was the end-product of 75 years of nationalized medicine. It was frightening.

Russian physicians knew less than certified nurse practitioners in this country. They gave lectures on how diphtheria, tetanus, and typhoid look different in the elderly than in children. None of the U.S. physicians had ever seen a case, because America has vaccines and sanitation.

AIDS was diagnosed by catching a woman involved in prostitution, and making the assumption that she carried AIDS. Such women were assigned to a dormitory with other young women of similar history. If they showed signs of AIDS a year later, they remained. If not, they were released.

In St. Petersburg, a city of 6 million, there were only 500 nursing home beds. In questioning how this could be, one response was that a number would die in the winter snows. The most common and available medicine was vodka, which was obtained for pennies from kiosks every few blocks. These kiosks were open until at least 2 a.m., presumably for those with insomnia.

Antibiotics were rare. The only hospital we saw that approached Western standards was in Moscow. This hospital, the Institute of Cardiology, served foreigners, or Russian politicians, who paid with hard cash. In this hospital, the principal physicians were trained in Europe or America.

Conclusion

We have seen our future elsewhere in the world: the final outcome of a compulsory national health plan, such as ObamaCare.

Only open, vigorous, and continuous protest from now until after the 2012 election has any hope of avoiding the fate of the United Kingdom or other misguided utopian visions.

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