



Code blue for health care

Monday, October 15, 2007 3:12 PM EDT

Note: This story appeared in the Post-Star on Sunday, Oct. 14, 2007.

In the movie "Titanic," there's a point in which Cal stops to assess the ensuing panic among the scrambling passengers and stressed-out crew as the opulent ocean liner inches closer to its demise.

"It's starting to fall apart. We don't have much time," he says, aptly summing up the situation.

The recent dispute between Hudson Headwaters Health Network and two major insurance carriers over how much they pay for services is a strong signal that our health care industry may finally have reached the point where it's starting to fall apart.

This dispute captures all the elements of the health care system's problems in a single circumstance — high costs for medical care and prescriptions, too much flexibility in what insurers pay and what providers charge, and no mechanism to ensure that people with little or no coverage get the care they need.

In the past, the crisis seemed far off, and politicians could talk about it at election time without actually doing something about it. But now, the problem is coming home to roost.

If some kind of deal isn't struck, 60,000 local citizens will either be forced to forego medical attention, pay for it themselves, or travel many miles for the care they now receive close to home. In reality, the two sides will probably work out a deal eventually, as there's a lot of negotiating and posturing going on with this public dispute. But even knowing that, the crisis is real, and eventually it will require more than a Band-Aid to fix it permanently.

How much longer can health providers continue to provide care at current costs without being adequately reimbursed? Hudson Headwaters claims it's tens of thousands of dollars in the hole.

How much longer can insurance companies pay high fees charged for services, lab tests, evaluations and procedures? Health costs are now more than 15 percent of the nation's gross domestic product, double what they were in the 1970s when the crisis first began gaining national attention.

How much longer can employers continue to pay for their employees' rising health care costs? And how much longer can employees pay increases in their health care coverage, along with huge co-pays? Have you looked at your paycheck recently? As per capita costs for private health insurance soared 39 percent between 1999 and 2003, for instance, the average worker's hourly earnings only went up 14 percent. Companies and their workers are losing ground.

How much longer can taxpayers support a Medicaid system that actually pays more than private insurance companies for care in some cases? Medicaid costs, after rising only 2 to 3 percent a year in the late 1990's, are expected to increase three- or four-fold by 2010, according to the American Legislative Exchange Council. By 2020, Medicaid is expected to bankrupt many states, the council predicts.

And how much longer can people who are uninsured or underinsured pay for medical services without the cost-discounts provided to large insurance carriers? Those who don't get discounts now

help offset what insurance companies pay. Those who pay this disproportionate share are often those who can least afford it.

To use the Titanic metaphor one more time, the system will founder. It is a mathematical certainty.

The problem is everybody's fault. And the solution, according to experts, isn't going to be easy or cheap, no matter what they come up with.

The presidential candidates for 2008 each have their own health care reforms packages, many of which center on improving administrative efficiency using technology, offering more incentives for prevention, and providing some kind of government subsidy to keep costs low and make care affordable for all. Some proposals include providing health care for everyone through a government-run system (which sounds good until you think about how well the government runs anything). In some proposals, private providers would operate the system and the government would manage it. In other proposals, the government would run the whole thing. Still others in the race have called for a market-driven system without government involvement or support.

Whatever the solutions are arrived at, they have to come quickly now. The crisis has been building for years. But as the Hudson Headwaters situation demonstrates very pointedly, the crisis may finally be reaching its breaking point.

Our government leaders need to make this their very top priority.

What else could be more important than the citizens' health?