



Written by [William F. Jasper](#) on July 7, 2014

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Corrupting Healthcare: Public-private Partnerships

Full-blown, government-run socialized medicine may be the ultimate goal of the political designers of ObamaCare, but the road toward that object runs along the current path of corporate fascism, in which the big, politically connected HMOs, hospitals, and insurance providers profit at the expense of patients, doctors, and taxpayers.

[Surgery Center of Oklahoma](#) (SCO) co-founders Drs. G. Keith Smith and Steven Lantier understand this full well, and they are unsparing in their criticism of both Republican and Democrat politicians for advancing this fascist-style corruption of healthcare. As in other sectors of the economy, this politicized medicine often runs under the more attractive-sounding label of “public-private partnerships” (PPPs), in which those lobbies providing the biggest political contributions (bribes, essentially) get to call the shots and write the legislation, giving themselves unfair advantage and eliminating the competition. Both state and federal governments have gotten in on this scam.

“There is no question that the vast majority of blood is on the hands of the federal government, to the extent that they have tinkered with this system for the benefit of their crony pals,” Dr. Smith told *The New American*. “The state governments have gotten in on the action, as well, by enacting, for instance, Certificate of Need laws. So, let’s say you want to open a surgery center that would emulate the Surgery Center of Oklahoma, and you live in the state of Georgia. Well, then you run into this commission, these guys who are hospital administrators, who don’t want you to compete with them.”

Dr. Smith continues:

They don’t want you to open, and they get to decide whether you get to open. Well, there is no mystery about why that Certificate of Need process exists. There is also no mystery about how it came about. So, any attempt by the government — at any level, state or federal — to thwart the coming into the market of upstarts, of new players, that is completely designed — regardless of what is said — that is completely designed to hamper competition and keep the competition at bay, so that the current, really unsustainable mess continues. But the Certificate of Need laws stick out as the most obvious move that states could make, to just completely get rid of those.





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According to Dr. Smith, more than 30 states have Certificate of Need laws. “I think my last count was, there are 37 states that have those,” he says. “Some states have it in some sectors and not in others. They may say we can’t have any more lithotripsy machines unless you go through the commission, or they may say we can’t have any more surgery centers, or we can’t have any more hospitals, or MRI machines. So sometimes they are selective. Some states are not selective at all, because the grip of the big health corporate syndicate is so tight that, in some states, the Certificate of Need applies to just about everything.”

As an ardent “free marketer,” Smith finds it particularly irritating when critics blame all of this corruption, sky-high costs, and abysmal quality in healthcare on the free market.

“This is not a failure of the free market; it’s an absence of the free market,” he reiterates. “If you want to see the market at work in healthcare, you look no further than LASIK surgery or plastic surgery, where the prices are falling and the quality is going up. That’s the way every other industry works. So that was part of what we had in mind when we put our prices online, was to show that, this is the free market. And when you embrace the free market, you have the chance of this wonderful value proposition, where the quality is high and the prices are low.”

Surgery Center of Oklahoma operates under a simple philosophy. “We’ve avoided leverage from payers and from the government from the day we opened in 1997,” Dr. Smith explains. “We don’t care for leverage. That’s why we decided we would never take a dime of government money when we opened. Those were our two operating send-offs: We decided that we would never take any government money, because of the strings attached and all of the mess, and that we would be honest in our pricing. Those were the founding girders for our launch, and we’ve never looked back. So, because we don’t take federal money, we don’t have to deal with electronic medical records, which basically is the federal government’s way of getting your medical records, and your having lost completely your confidential relationship with the physician. So, the electronic medical records are a dream for the federal government, and just like the NSA, it’s a total lack of privacy.”

SCO opted out of that bureaucratic nightmare from day one of its launch, 17 years ago. “We avoid all that red tape, and we do that intentionally,” says Smith. “And by practicing the way that we are, and avoiding the dalliances with the government and the big carriers, we are able to just look patients in the eye and treat them as patients.”

There are many reasons why Drs. Smith and Lantier decided to operate the SCO in the way that they do. “We did it because we wanted the poor and the uninsured to know they could come here — there was an island, an oasis where they would be freed from the threat of bankruptcy for any sort of procedure they would have,” Dr. Smith explains. “And then we really wanted to pull the veil back on the healthcare scam in this country, and I think that’s beginning to happen. People are beginning to realize that it is a syndicate. And then the last thing I wanted to do was, I wanted my fellow facility administrators and physicians to know, you can do this, too. We want everybody in the United States to do this. I’m not doing this because I just want to be the only one and soak up all the business; we want everyone to do this, because it’ll be healthy for everybody in the country, and even for the country as a whole, if the government will stay out of the way and let it happen.”

The SCO’s competitive price pressures are holding hospital administrators’ feet to the fire and have already forced many hospitals to lower their prices and become more transparent in their business



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practices. “I’ve had patients e-mail me and say, ‘I was going to come to your facility, but I printed out your price list, and I took the price list in one hand and a plane ticket in the other hand to my hospital and told them this is where I’m going unless you step up,’” Dr. Smith relates. “In one case, in Georgia, a man was quoted \$40,000 for a procedure on his prostate that we do here for about \$4,000. As he was walking out, the hospital agreed to do the procedure for \$4,000. Very insightfully, in the man’s e-mail, he said, ‘You saved me \$36,000 and you didn’t even do my surgery.’”

ObamaCare’s “Meaningful Use”

One of the many harmful features of ObamaCare, which Dr. Smith refers to as the Unaffordable Care Act, requires physicians and hospitals to acquire electronic health record (EHR) systems or face draconian cuts in their reimbursement from Medicare. “This was, in essence,” says Smith, “a mandate and an expensive one, doctors not uncommonly spending \$100,000 or more on these systems.” As a carrot, the federal government promised to pay “incentives” to partially (if not fully) reimburse the physicians and hospitals for buying these systems, but only if they met certain criteria, “meaningful use” being the catch-all phrase for these criteria. “Meaningful use has several parts, culminating in the transmission of confidential patient data (without the patient’s consent) to the federal government,” Smith notes. “There you have it: ‘Doctor, buy this or else. Now that you have bought it, you can have your money back — if you betray your patients.’ That is ‘meaningful use’ in a nutshell.”

The hands of the big corporate hospitals are apparent here. “Notice also that ASC’s (Ambulatory Surgery Centers, such as SCO) do not qualify for reimbursement of the purchase of these systems, although they do qualify for the punishment for not having a system,” Smith points out. “This is not very subtle, is it? Think the hospital lobby had anything to do with this?”

Dr. Smith is particularly critical of former House Speaker and Republican presidential candidate Newt Gingrich, whose Center for Health Transformation has been in the forefront of promoting federal legislation (together with Democrats Hillary Clinton and Rep. Patrick Kennedy, son of the late Sen. Ted Kennedy) mandating adoption of EHR systems. “The EHR lobby, led by Newt Gingrich, very effectively created a purchase mandate for their product, always a money-maker,” Smith wrote in his blog. “The demand therefore far outstripped the supply and many systems which were trash were sold and were replaced with new ones almost as fast as they were installed. None of the systems effectively ‘talk’ to each other, as the companies all claim their software as proprietary and will not cooperate or play well with others. Hospitals use this tool to gouge even more effectively, making lab tests and nutrition consults part of the admission orders, rather than discretionary when needed. Medical records are now an unintelligible cut and paste mess, with pertinent patient information impossible to find.”

For Dr. Smith, the prescription for America’s healthcare problems is simple and obvious: Take the politics, the politicians, and the bureaucrats out of medicine and allow healthcare to function in a free market system that promotes honesty, quality, efficiency, and affordability.

Photo: Surgery Center of Oklahoma

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