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Written by **Kurt Williamsen** on March 20, 2017

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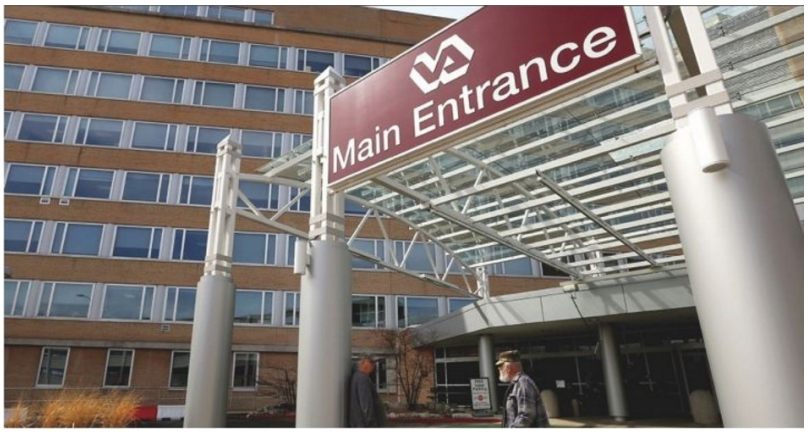
Government-run Healthcare



A great healthcare debate is happening in America over whether the healthcare system should be improved via tweaking ObamaCare — a methodology that the new GOP-designed healthcare plan, dubbed the American Health Care Act, seems to be following — or whether an entirely new system should be created. This is one of a series of five articles about how the healthcare system could be changed. The first article, "Healthcare: Which Fix Should We Follow?", explains the goals that a healthcare system should shoot to achieve and lists the four main types of reforms available to the country. The other four articles, including this one, give background and facts about each type of reform and how many goals it would secure. The other articles are entitled "ObamaCare Unraveled," "Does Single-payer Signal a Solution?" and "Free Market Healthcare Reform."

Emotionally speaking, the logic of government control over healthcare is obvious: Somewhere in the United States, at any given moment, is a family that is living with the reality of a child or mother or father or friend who is not only experiencing excruciating torment from disease or injury or from the treatment for that ailment, but the family's assets have already been depleted, though wellness is not in sight. Take a local girl whom we'll call Annie. At 16 years old, Annie was a vivacious girl and a track star before illness struck her. Almost overnight, she was overwhelmed with breathing, swallowing, and speech issues. She was placed in intensive care for weeks at a time on multiple occasions, almost dying several times. She was confined to a wheelchair (where she has stayed for about a decade), yet doctors have not been able to determine a cause of her problems, let alone cure her. Though her parents had insurance, they quickly burned through their maximum benefit, having gone through millions of dollars in treatments. To try to pay for the girl's continued care, her parents put on fundraisers and neighbors donated money — all while the family was forced on a regular basis to drop everything and rush the girl to one hospital or another. Her parents, for their part, would gladly give their lives if only such an act could provide a cure for their daughter. When the girl turned 18, the parents' burdens were partially lifted when she became a ward of the state, and the state took over payments of her medical bills.

It seems heartless to even suggest that there should be a limit to the amount of care offered to a sick individual, especially a child, as long as there is a hope of help. Yet setting emotion aside and using the criteria listed earlier, we can see that things aren't quite so simple.

There will always be a limit to what America can afford to spend on healthcare, and choices will always have to be made about what type of treatments any one person should receive. In fact, as healthcare expert John Goodman said in his book *Priceless*, which is about fixing the healthcare system, if all America merely followed the recommendations for medical *testing* suggested by the U.S. Preventive Services Task Force, the testing would consume nearly every working hour of every single doctor in the country "to counsel and facilitate" the procedures — and likely drain the country's entire healthcare budget without actually treating anyone for anything. Too, making government "the great healthcare provider" assumes that government is not only more honest in its dealings with the public than private institutions, but that government employees have the wisdom not only to direct the care of all Americans (absent medical training or any one-on-one interaction with patients) but that adding the layer of government in the healthcare process will reduce costs, instead of increasing costs.

Even if one were to take for granted that it is *good* that government takes something from one American (their hard-earned tax dollars) and gives them to another person who didn't earn them (in the form of healthcare services) and that government has the integrity of angels, nothing would seem to indicate that a singular role for government in medical care would mean more care or better care or more inexpensive care.

The examples of federally directed medical care that we do have in the United States are woeful, at best.

Visiting the Veterans Administration

Of the examples of medical provision that are directly managed and controlled by the federal government, each is a failure at providing desired care inexpensively. The most notorious of these is the Veterans Administration (which in order to control costs actually doesn't accept all veterans as enrollees). Most Americans are at least aware of the Veterans Administration-system scandal of about three years ago wherein VA staff falsified wait lists so that it appeared that the facilities were seeing patients within acceptable timeframes while many veterans literally died while waiting for care. (Almost three years later, the wait lists are still reportedly being falsified and the whistleblowers who reported the problems have been persecuted by their co-workers.) But Americans may not know that such behavior is reflective of the overall failure of the VA, in specific, and top-down medicine, in general.

In the fallout from the VA scandal, a Commission on Care was tasked with recommending fixes to the VA system. When it came out with its report in June 2016 on how to fix the system over the next two decades, it had this to say about the initial problems at the VA:

Two years ago, a scandal over VHA [Veterans Health Administration] employees manipulating data systems to cover up long delays in scheduling care left the veterans' health care system reeling. The White House and Congress investigated the situation and identified chronic management and system failures, along with a troubled organizational culture.

Those problems occurred despite issues with poor care and unsanitary conditions going back for many years. CNN — which has such a left-wing bias that it was widely dubbed the "Clinton News Network" during the recent presidential run-off — reported in a 2014 article entitled "The VA's Troubled History" that major failures at the VA have been recurring regularly since 1945 and that since that time there have been at least 25 instances when the VA has been caught having large-scale problems with

unsanitary conditions (spreading diseases), poor care, long waits, corruption (including bribes and kickbacks), enormous waste, inefficiency, falsifying wait lists, denial of services, physicians with suspended or revoked licenses, unnecessary surgeries, doing medical research on veterans without patient consent, loss of sensitive records of millions of veterans, and more. The list is far from comprehensive, skipping over the numerous congressional hearings held to improve the service of the VA.

Veterans advocate Pete Hegseth pointedly demonstrated the problems with the VA with the opening of an April 2016 article he wrote on the topic entitled "The VA Scandal: Two Years On":

The Veterans Affairs-scandal headlines speak for themselves. The *Daily Beast*: "Veteran Burned Himself Alive Outside VA Clinic"; azfamily.com: "Dead veterans canceling their own appointments?"; *New York Times*: "Report Finds Sharp Increase in Veterans Denied V.A. Benefits," "More than 125,000 U.S. veterans are being denied crucial mental health services," and "Rubio, Miller ask committee to back VA accountability bills."

Are these headlines from 2014, when the VA scandal broke? The sad answer is no. All these headlines — and so many more — are from the past *ten* days, a fact that also speaks for itself.

And even that's not the end of the VHA's troubles: There are massive cost overruns on building projects; there are workers on paid leave, rather than being fired for bad conduct (costing millions of dollars a year); and bonuses having been given after failure to accomplish required tasks, etc.

The VA's excuse, of course, is that it is perpetually understaffed and underfunded, but that doesn't seem to be the cause of the problems so much as it is a case of a persistent culture of corruption and malfeasance.

According to a Veterans Health Administration report entitled "VHA Workforce and Succession Strategic Plan 2016," the Veterans Health Administration, as of 2015, had, in its entirety, approximately 315,000 employees and 5,866,100 veteran patients (patients, not enrollees). That's about 19 patients per year per staff member (most staff members are not doctors or nurses) — indicating that the VHA is top-heavy with administrative staff (wasteful). Making this situation more egregious is the fact that the VHA counts a veteran as a patient, even if the veteran's care is "purchased in the community" and the VHA merely pays for the care. The VHA had available $66.4 billion for medical care and running associated programs, such as lunch facilities and stores at VHA hospitals, of which $50 billion was directly allocated to "Medical Services" — which includes psychiatric patient treatment — meaning that the average amount of money spent per patient treated was approximately $8,523. (This figure is lower than the actual amount spent because veterans' ailments and injuries not sustained in service often require co-payments from veterans to treat, so more money actually goes toward each patient's care than the figure shows.)

According to the U.S. government's Office of Quality Safety and Value report "2012 VHA Facility Quality and Safety Report," the VHA has 2.9 full-time physicians (as well as part-time ones) for every 1,000 unique patients — nearly a full-time physician for every 333 patients, which includes *outpatient cases* as well as inpatient cases. In contrast, in non-VHA hospitals, according to the *Annals of Surgery*, general surgeons actually perform a mean of 533 procedures annually. Also, comparatively speaking, VHA hospitals take in far *fewer* inpatient cases (read "costly" and "difficult to treat") than do non-VHA hospitals. VHA's 152 hospitals treat 585,478 inpatient cases a year — on average, 3,851 inpatient cases

a year per hospital, of which 14.7 percent are psychiatric cases — and they treat, along with more than 800 VHA Community-Based Outpatient Clinics spread throughout the country (more than 952 medical facilities total, not counting private facilities paid to treat veterans), 50,367,926 outpatient cases.

Compare those figures to numbers provided by Becker's Hospital Review's "50 Things to Know About the Hospital Industry." In 2011, the nation's 5,724 hospitals alone, of which 1,566 have 29 beds or fewer, treated 34,658,000 inpatient cases a year — on average, 6,055 per hospital a year — and they treated 652,736,000 outpatient cases. In 2010 alone, hospital emergency rooms saw 132,680,000 cases, of which 17.2 million were admitted to the hospital and 2.1 million were in critical care.

The discrepancies in volume are notable, and this obviously isn't because veterans are getting the gold standard of care.

The *Washington Post*, which pulled heavily for Hillary Clinton in the last election, gave her two Pinocchios (out of four) for her claim in which she said that surveys show that most veterans are happy with their VA care. It had this to say:

The Gallup poll that most directly relates to the issues unearthed by the scandal found that 55 percent of veterans found it somewhat difficult or very difficult to access VA care.

And the causes of the VHA's consistent failure — entrenched interests, a lack of accountability, and human nature — should prompt everyone to question how government-run healthcare could ever work well.

Pete Hegseth, who confronts VHA failings regularly as part of being an advocate for veterans, notes that because the VHA system is a political system essentially controlled by lobbyists, even the worst flaws don't get fixed because some group or another always benefits from the status quo and fights to keep things the way they are:

The VA's congressional committees, in order to keep their bipartisan veneer and find lowest-common-denominator consensus, avoid tough, necessary reforms and instead just throw more money at the problem. Committee staff quietly quash ambitious plans in favor of bills that look tough, but are not. And of course government unions — like the American Federation of Government Employees — mobilize to attack reformers. Union jobs and dues, not quality services for veterans, are their lodestar.

But the most troubling — and effective — opponents of reform are veterans' service organizations. Almost all the D.C.-based veterans' groups (excepting my former organization, Concerned Veterans for America) reflexively defend the status quo.

CNN confirmed at least one instance of a veterans group standing in the way of more availability of care for veterans in its July 2016 report entitled "Billions Spent to Fix VA Didn't Solve Problems, Made Some Issues Worse":

The American Legion cautioned against some of the [Commission on Care's] recommendations on increased access to private care through the VA.

"These 'choices' also come with additional expenses to the veteran. Converting VA health care to an insurance payer will increase out-of-pocket expenses for veterans who rely solely on VA for all of their health care needs," the organization said in a statement.

Political control over healthcare virtually guarantees that no major beneficial changes will be

implemented to improve care or lower costs.

Logically, how could it? With a you-scratch-my-back-and-I'll-scratch-yours mind-set and politicians continually taking the path of least resistance, *talking* about fixing the problem will always trump *actually fixing* the problems. As Jonah Goldberg said for *National Review*,

Elected officials are supposed to be held responsible for the actions of the government, right? Well, which politician should we fire for the endless stream of outrageous VA scandals of the last few years? The president? Leave aside the fact that he [wasn't] on the ballot in 2016; not a lot of voters put reforming the VA bureaucracy at the top of their list of priorities.

Is there a congressman or senator who might lose an election because of the VA scandals? If there is, I can't figure out who it might be. Every representative and senator has raced to the cameras to express their outrage, and not one is accepting a scintilla of responsibility for the problem. But they are all responsible because they have simply ceded authority to the bureaucrats themselves.

Probably nothing highlights the enduring nature of the status quo better than the lack of repercussions meted out when nearly system-wide falsifying of scheduling records came to the forefront, again as Goldberg reported:

There is only one guaranteed way to get fired from the Department of Veterans' Affairs. Falsifying records won't do it. Prescribing obsolete drugs won't do it. Cutting all manner of corners on health and safety is, at worst, going to get you a reprimand. No, the only sure-fire way to get canned at the VA is to report any of these matters to authorities who might do something about it.

That, at least, is what the U.S. Office of Special Counsel recently reported to the president of the United States. The Special Counsel's office is the agency to which government whistle-blowers go to report wrongdoing.

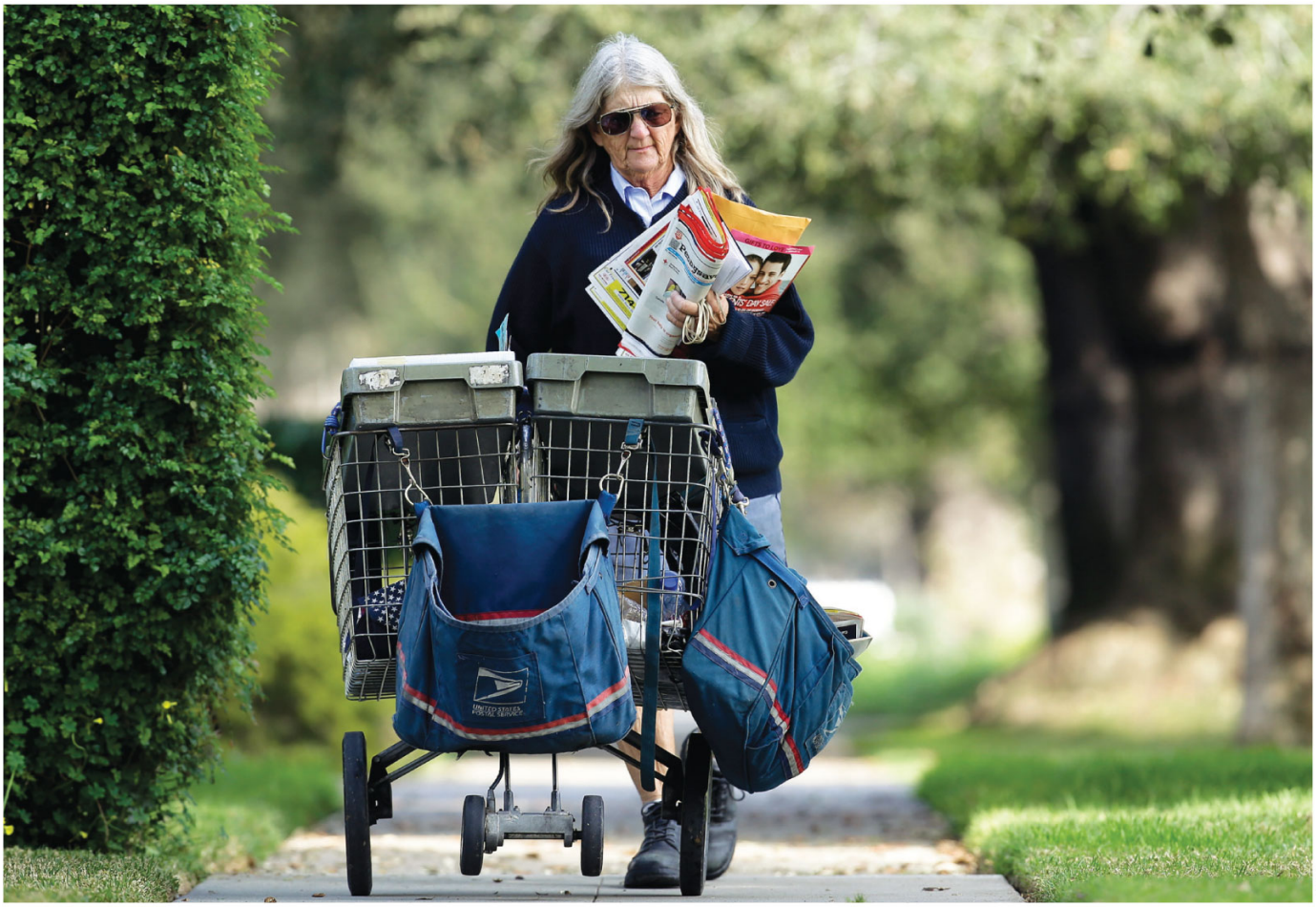
"Our concern is really about the pattern that we're seeing, where whistle-blowers who disclose wrongdoing are facing trumped-up punishment, but the employees who put veterans' health at risk are going unpunished," Special Counsel Carolyn Lerner recently told National Public Radio.

Despite the multitude of high-level managers guilty of perpetuating the wait-list fraud in seven states, only "four low level employees" were fired as of April of 2016, according to a story then by the *Washington Examiner*, with claims based upon then-just-released reports by the VA Office of the Inspector General. Moreover, according to House Veterans' Affairs Committee Chairman Jeff Miller (R-Fla.), the Inspector General's Office only released this information after being pressured by Congress and the media the day after *USA Today* reported that wait times were still being manipulated — so even the IG's office was seemingly hoping the problems would just blow over, though being left unaddressed. (And this was more than a year after Veterans Affairs Secretary Robert McDonald told *Meet the Press* that 60 people had been fired related to wait times — an apparent lie.)

Failure, malfeasance, and coverups are intrinsic to government-run healthcare because of the nature of the system and of humans. Because the system is *not* designed in such a way that medical providers are looking after their own self-interests (financially speaking, here) by providing medical consumers the greatest amount and quality of service for the lowest money, and is instead enabled to meet the desires of the lobbyists with the greatest political clout (with loads of civil-service dictates thrown in to interfere with getting rid of undesirable employees), employees best able to grease palms, make

political alliances with stakeholders, and bury innovation will squirm to the top. The result will ever be as we see it: inefficiency, waste, fraud, high costs, unaccountability, etc.

Backing up such a forthright claim is the fact that such failure to provide quality care to the most possible patients at the lowest costs is apparently endemic to government-run systems.



AP Images

Par for the course: Grand-scale government failure is an everyday occurrence. Social Security, Medicare, and Medicaid are going broke. Meanwhile, the Post Office can't compete with private package-delivery systems, the government funds one environmental boondoggle after another, and the national transportation infrastructure is rotting. Yet many people still believe government should handle healthcare in the country.

Indian (Lack of) Health Service

Here in the United States, the other government-run healthcare entity — the U.S. Indian Health Service (IHS) — is even worse than the VHA, likely because American Indians aren't numerous enough to have much political clout.

Under interpretations of treaty law, the federal government has taken on the sole responsibility to care for tribal members in the United States — it furnishes the money, the direction, and the medical providers. And by most every judgment, it is failing in that task.

A Senate investigation, in conjunction with the Department of Health and Human Services and the

Office of the Inspector General, determined that the Indian Health Service has intractable, long-term deficiencies, as reported by Senator John Barrasso (R-Wy.), the chairman of the Senate Committee on Indian Affairs, and Senator John Thune (R-S.D.) in a July 2016 *Wall Street Journal* article entitled "Government Hospitals Are Failing Native Americans":

Needless patient suffering, fatal delays in medical treatment and retaliation against whistleblowers. These are among the well-publicized failures investigators found at hospitals run by the Department of Veterans Affairs. Yet they are also the shameful hallmarks of another federal health-care system: the Indian Health Service.

Part of the Department of Health and Human Services, the Indian Health Service is required by treaty to deliver health care to Native Americans around the country, with more than two million depending on this federal agency. Unfortunately, it appears to be failing. Tribal members have told the Senate Committee on Indian Affairs about alarming conditions at hospitals run by the IHS. During the committee's investigation, which began last summer, we have heard accounts of nurses unable to administer basic drugs, broken emergency-resuscitation equipment, unsanitary medical facilities, and seriously ill children being misdiagnosed.

… The situation has gotten so bad that inspectors from the Centers for Medicare and Medicaid Services have issued multiple Statements of Deficiencies over the past few years identifying four IHS hospitals in the Great Plains that are putting patients in "immediate jeopardy." Our investigators have found evidence that the IHS, like the VA, maintains a culture of cronyism and corruption. Many staff members collect government paychecks without fear of accountability.

Tribal leaders have written to the Department of Health and Human Services identifying underperforming supervisors and upper-level management personnel who deserve firing. Our committee's investigation found no sign that these employees were terminated. Instead, poorly performing employees are transferred to other facilities and, in some cases, even given pay raises and promotions with no record of bad performance ending up in their work file.

… Simply sending more money to IHS is not a solution, and it ignores the magnitude of the problems. According to HHS, Indian Health Service funding has grown by 43% since 2008. Some IHS hospitals in the Great Plains Area — which includes Iowa, Nebraska, North Dakota and South Dakota — actually had money left over at the end of the last fiscal year, and chose not to spend it on patient care.

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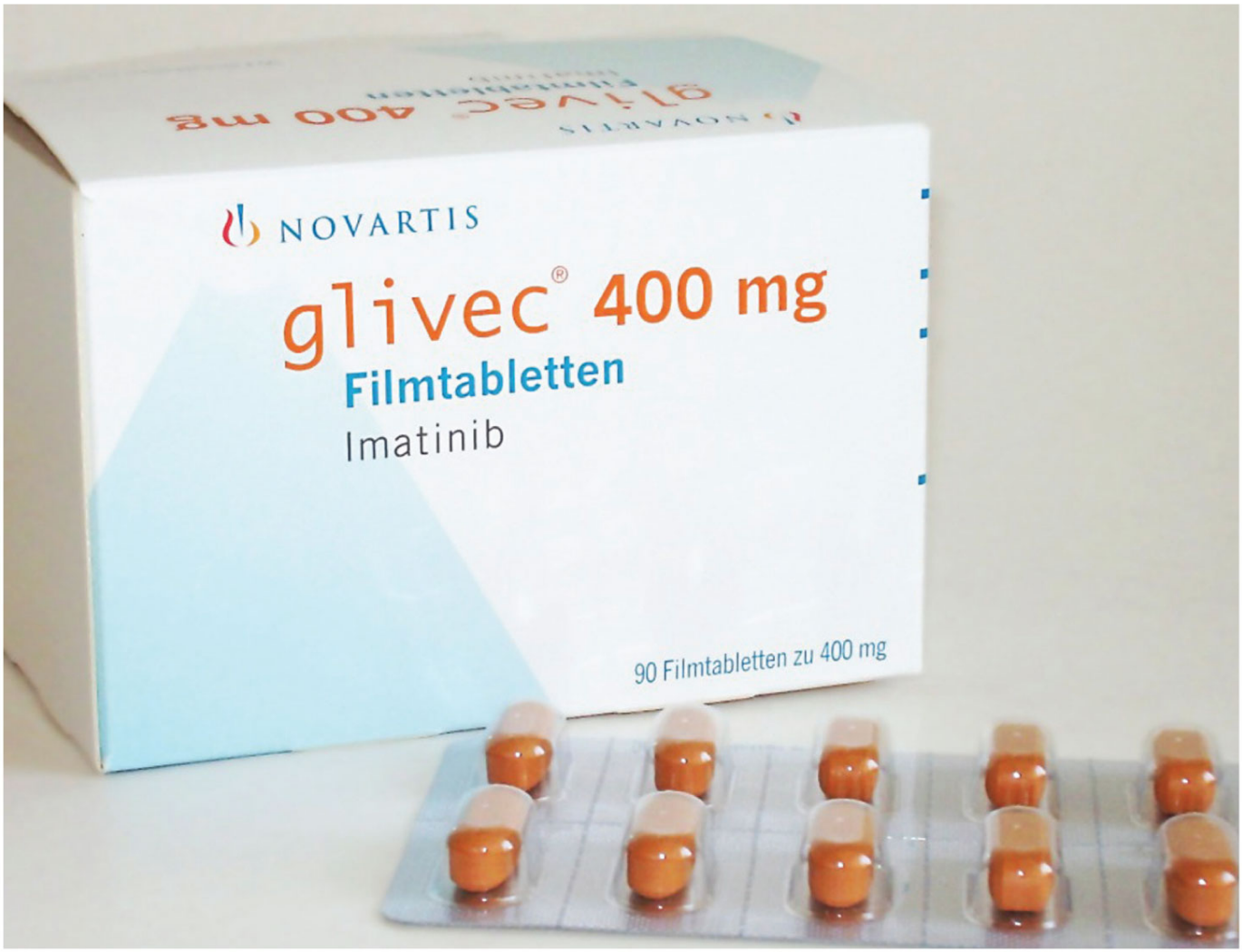

FDA (Foolish Drug Access): Under the FDA, the generic form of Gleevec (also glivec), a leukemia drug that sells for $146,000 for a year's supply but costs $159 to manufacture, can now be sold for chronic myeloid leukemia but not to treat a group of cancers called gastrointestinal stromal tumors. Too, the FDA has so many regulations covering drug manufacturing that drug companies must literally get the FDA's permission to increase output when there is a shortage.

Of course, Congress increased its spending on IHS only after years of virtually ignoring it, leading to many deaths. In 2009, the Colorado Springs *Gazette* gave some history of what a lack of funds could do:

One of the main problems is that many clinics must "buy" health care from larger medical facilities outside the health service because they are not equipped to handle more serious medical conditions. The money that Congress provides for those contract health care services are rarely sufficient, forcing many clinics to make "life or limb" decisions that leave lower-priority patients out in the cold.

"The picture is much bigger than what the Indian Health Service can do," says Doni Wilder, an official at the agency's headquarters in Rockville, Md., and the former director of the Northwestern region. "Doctors every day in our organization are making decisions about people not getting cataracts removed, gall bladders fixed."

On the Standing Rock Reservation in North Dakota, residents were eager to share stories about

substandard care.

Rhonda Sandland says she couldn't get help for her advanced frostbite until she threatened to kill herself because of the pain — several months after her first appointment.

… [Harriet] Archambault died in 2007 after her medicine for hypertension ran out and she couldn't get an appointment to refill it at the nearest clinic, 18 miles away. She drove to the clinic five times and failed to get an appointment before she died.

According to Indians who use the Indian Health Service, basing their testimony on their own experiences and government data, the clinics lack needed supplies; they have backlogs in maintenance that cost many millions of dollars; they have staff turnover and hiring problems (exacerbated by bureaucratic hiring rules), along with short-handed staffs; the average length of time between major facility renovations is 37 years — four times the national average; and preventive care, such as mammograms and colonoscopies, isn't covered by the system.

Even *Newsweek*, which propagandizes for government control of healthcare, was severely critical of the Indian Health Service in the 2016 article "Poor Cancer Care for Native Americans Might Be a Treaty Violation." In that article it observed:

There's a cruel joke often told in Indian country: "Don't get sick after June." The sick truth beneath those words is that by summertime the Indian Health Service — tasked with providing basic health care to the nation's 2 million Native Americans and Alaska Natives — has typically blown its meager fiscal year budget for its Catastrophic Health Emergency Fund.

… There's another sinister saying among Native Americans: If you need quality health care in Indian country, commit a crime. After all, the U.S. government's per capita investment for the IHS is about one-third of that for the Federal Bureau of Prisons — and even though it's not exactly world-class, health care inside correctional facilities is better than what natives typically receive outside.

Government control over healthcare has proven to be fatally flawed, as well as just plain fatal, in many cases. But, Americans are assured by groups such as Physicians for a National Health Program (Read: doctors who want a single-payer healthcare system), a concept dubbed "Medicare for All" can remedy all of the problems inherent in both the VHA and Indian Health Service systems while still providing the leverage of the federal government. The next article will cover the ability of single-payer healthcare to take care of the sick inexpensively, efficiently, and well.

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