

Everyday Life—Can We Pay For the Health Care We Need?

By Humphrey Taylor

It will take some years for the political wounds inflicted by the defeat of the Clinton health reform proposal of 1993-94 to heal. For the next several years we will debate relatively modest, incremental reforms such as the patients' bill of rights, Medicare and Medicaid reform. Universal health insurance—or anything like it—is too hot to handle.

However, that does not mean that most Americans are happy with the system we have or that they do not want major reforms. And the same is true of many other countries. Most people whose opinions have been measured believe their health care systems need major changes. Indeed, as one looks at the data, it is clear there is a worldwide crisis of confidence in the way health care is financed.

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The fundamental problem is that governments everywhere, and the private insurance system in the United States, are rationing care without actually admitting it. As *The Economist* recently wrote, “The biggest problem everywhere is to deflate the public's unrealistic expectations about how much care can be provided at a given level of expenditure, whatever the public-private split.”

Ten years ago, Harris research in ten countries found that in most countries many more people were much happier with their health care systems than they are now. In April, May and June of 1998 only a quarter, or less, of the people in the five English-speaking countries surveyed believed that their health care systems were working “pretty well and that only minor changes were necessary.” The great majority in all five countries believed either that “fundamental changes” were needed or that it was necessary to “completely rebuild” the system.

Every country rations care, in one way or another, but no government admits to doing it. At a recent international meeting in Washington convened by the Commonwealth Fund, I asked senior government officials from the five English-speaking nations covered by our survey if their countries were rationing care. None of them

denied it. I also asked them if they had told the public they were rationing care. None of them had done so.

No wonder people are dissatisfied. If the system rationed food, shelter, clothing, or other vital goods and services without telling people we were rationing them, it would be extremely unpopular. If you pretend that medical services are not rationed, or are afraid to tell people that they are, it should not surprise you that many people are unhappy.

Different Means, Same End

Of course, different countries ration care differently. In most countries the government determines, or limits, what the national (or, in Canada, provincial) systems will pay for. In this country, private insurance, Medicare and Medicaid ration care for their beneficiaries when they decide what they will or will not cover. We also ration care for 43 million Americans by not providing them with any health insurance at all.

But unlike all other developed countries, the United States delegates the rationing of care for many of its citizens to employers, insurers and, now, managed care plans. And when health plans try to ration care—which means not paying for some services which patients want, and physicians believe should be provided—we demonize managed care for doing it.

As we look at the differences among public attitudes to health care systems in different countries it is interesting to see that, of the five English-speaking countries cited, the British are the least unhappy. They are the least critical of their national system in spite of the fact that Britain spends a lot

Americans Aren't the Only Ones Dissatisfied With Their Health Care System

Question: Which of the following statements comes closest to expressing your overall view of your country's health care system?

	Australia	Canada	New Zealand	United Kingdom	US
The system works pretty well and only minor changes are necessary	19%	20%	9%	25%	17%
There are some good things in our health care system but fundamental changes are needed	49	56	57	58	46
Our health care system has so much wrong with it we need to completely rebuild it	30	23	32	14	33
Not sure	2	1	2	3	4

Source: Survey by Louis Harris & Associates for the Harvard School of Public Health and The Commonwealth Fund, May/June 1998.

less on health care than the other countries surveyed. One reason is that Britain has discussed issues of rationing—if not using the R-word itself—more openly, and for much longer, than the other four countries.

The gap between finite resources and consumer demand for medical services has been growing and will surely

increase. The discovery and development of new medical technologies, new tests, new surgical procedures, new drugs and new treatments is accelerating because of the biotech revolution and our ever-increasing investment in biomedical research—and that is wonderful. Many of these new advances not only keep more people alive, however; they also cost a lot more money. So the need

to ration care, and to deny some people some care which would help them, must also increase.

Until we tell the people what we are doing and why, they will probably become more and more unhappy. A former British Prime Minister once said to me, only half in jest, “When in doubt, tell the truth.” In a democracy, it sometimes pays to level with the voters.



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