

## Universal Health Care II

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Just last week, I was once again reminded that the American public is in the dark on national health policy. Being in the dark makes it so much easier for entrenched interests – the pharmaceutical and insurance industries in the lead – to lobby against whatever progressive measures are proposed, not to even mention public health. Yet everyday, headlines scream ever louder about our growing public health problems, and about the disparities in access fueled by educational and financial disparities.

And that is particularly unfortunate at this time when a critical mass of policy experts, columnists, and legislators seem finally to be serious about doing the right thing: Designing a national healthcare system that rights all the wrongs that we've known only too well, for too long.

What reminded me about our national blindness was a column by Paul Krugman in last Friday's New York Times (1-27-06), entitled "Health Care Confidential." (1) Krugman, a professor of economics at Princeton, calls the success of the Veterans Health Administration (VHA) "one of the best-kept secrets in the American policy debate," and asserts that it provides a "useful" example for reform, adding that VHA provides evidence "that a government agency can deliver better care at lower cost than the private sector." The VHA's success, he writes, is "completely counter to the pro-privatization, anti-government conventional wisdom that dominates today's Washington," and "pundits and policy makers don't talk about the veterans' system because they can't handle the cognitive dissonance." He adds that "farsighted thinkers are already suggesting" that VHA "represents the true future of American health care," not "President Bush's unrealistic vision of a system in which people go 'comparative shopping' for medical care the way they do when buying tile."

Now that the VHA has been rediscovered, I feel that I'm back where I started in health policy, in the early 1970s in New York City. At that time, community leaders believed that the country was on the verge of developing a national healthcare system, and they wanted it to embody the progressive principles and values characteristic of the City. The Community Council of Greater New York established a Health Task Force composed of policy experts and stakeholders representing the major constituencies, and I served on its Delivery System Subcommittee. The Health Task Force was charged with drafting a plan for an ideal national healthcare system, and what we designed was a totally public system without a role for private insurance. It seemed much easier then to reach consensus on such issues. Our Subcommittee chair was a physician who was employed by the VHA. In 1978, while I was assistant director in the Health Systems Agency of New York City, the whole professional staff (numbering 140 at the time) believed we were the advance unit for the same impending development, and that it was already long overdue.

My approval in seeing what Prof. Krugman wrote is not only because the VHA model offers a

universal, integrated system, but because the profit motive is nowhere to be found within it. In place of the marketing imperative to compete, it has a moral imperative to excel. In Northern California, Kaiser Permanente has many features in common with the VA system, and many patients select Kaiser as their provider of choice.

Proof of its success is manifest. Krugman's column was preceded by a news article about that success in The Washington Post ("VA Care Is Rated Superior to That in Private Hospitals," by Rob Stein, 1-20-06). (2) For the last six consecutive years, customer satisfaction with its system exceeded that for the private sector in an annual survey conducted by the National Quality Research Center (University of Michigan). Those customers are a categorical constituency, providing it with an incentive to invest in prevention and more effective disease management. And in 2003, the New England Journal of Medicine published a study that compared VHA facilities on 11 measures of quality with fee-for-service Medicare, for 1997-99. On all 11 measures, the quality of care in its facilities proved to be "significantly better." In 2000, the VA outperformed Medicare on 12 of 13 indicators. (3) And the health plan industry's National Committee for Quality Assurance that ranks health-care plans on 17 different performance measures that reflect good, evidence based medicine, has found that in every single category, the VHA system outperforms the highest rated non-VHA hospitals.

This important story was first reported in an excellent article entitled, "The Best Care Anywhere," by Phillip Longman in The Washington Monthly (Jan/Feb, 2005). Longman writes,

"The system's doctors are salaried, which also makes a difference. Most could make more money doing something else, so their commitment to their profession most often derives from a higher-than-usual dose of idealism. Moreover, because they are not profit maximizers, they have no need to be fearful of new technologies or new protocols that keep people well. Nor do they have an incentive to clamor for high-tech devices that don't improve the system's quality or effectiveness of care.

And, because it is a well-defined system, the VHA can act like one. It can systematically attack patient safety issues. It can systematically manage information using standard platforms and interfaces. It can systematically develop and implement evidence-based standards of care. It can systematically discover where its care needs improvement and take corrective measures. In short, it can do what the rest of the health-care sector can't seem to, which is to pursue quality systematically without threatening its own financial viability.

The system runs circles around Medicare in both cost and quality. Unlike Medicare, it's allowed by law to negotiate for deep drug discounts, and does. Unlike Medicare, it provides long-term nursing home care. And it demonstrably delivers some of the best, if not the best, quality health care in the United States with amazing efficiency. Between 1999 and 2003, the number of patients enrolled in the VHA system increased by 70 percent, yet funding (not adjusted for inflation) increased by only 41 percent. So the VHA has not only become the health care industry's best quality performer, it has done so while spending less and less on each patient." (4)

## **References**

(1) <http://topics.nytimes.com/top/opinion/editorialsandoped/oped/columnists/paulkrugman/index.html>.

(2) <http://www.washingtonpost.com/wp-dyn/content/article/2006/01/19/AR2006011902936.html>.

(3) <http://content.nejm.org/cgi/content/abstract/348/22/2218>.

(4) <http://www.washingtonmonthly.com/features/2005/0501.longman.html>.