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True News

Current events clarified

Health Care

“Let’s solve it with more guns!”

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The Pattern

- A group of self-interested individuals claim to want licensing and a state monopoly in order to “protect the public.”
 - The public has not complained.
- The state grants licenses and monopolies.
 - Lawyers, accountants, doctors, teachers, postal workers etc etc etc
- Result: *The public gets completely and utterly screwed.*
- *Government claims to lower costs, but always increases them...*

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AMA

- Early in the 20th century, the American Medical Association was openly discussing another health care crisis.
- Medical care was too widely available!
- Responding to the demand, many people were choosing to be doctors, others were providing simpler care requiring less training, midwives were common, and competition was keeping AMA member incomes lower than desired.
- The AMA successfully lobbied the state to have the exclusive right to decide who should be a doctor, and to require that many types of care be performed by such a licensed doctor.
- They also obtained control over the licensing of medical schools and hospitals.
- Quickly, many schools were closed (including a disproportionate share of those that accepted women and minorities as students), and nurse and midwife “competitor” put out of business or restricted to limited subservient roles.

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AMA Cont

- “Lodge” doctors, referring to those who made contracts with the enormous number of mutual aid societies that served the needs of poor and middle class working people, were threatened with the loss of their licenses or hospital privileges if they didn't cease providing low cost care under these contracts.
- Today, many procedures are performed by doctors which nurse practitioners, midwives, paramedics, or pharmacists could competently perform.
- The AMA is also trying to close down low cost clinics being opened by nurse practitioners in department stores such as Wal-Mart, or at least require that doctors be hired to oversee operations.

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Health Care

- The US government has been “protecting the consumer” since the mid-19th century, when it colluded with doctors to create the state union monopoly of the AMA.
- Minton Friedman: 56 percent of all hospitals in America were privately owned and for-profit in 1910.
- After 60 years of subsidies for government-run hospitals, the number had fallen to about 10 percent.

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More Money = Lower Quality

- As true in state healthcare as it is in state education.
- Medical expenditures rose by 224% 1965–1989
- Number of hospital beds per 1,000 population fell by 44%.
- Number of beds occupied declined by 15%.
- Also during this time of almost complete governmental domination of the hospital industry (1944–1989), costs per patient-day rose almost *24-fold* after inflation is taken into account.

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Lower Costs That Will Never Happen

- Friedman: The American Medical Association must cease restricting the supply of medical doctors.
- In addition, the United States needs to rely on off-shoring with a twist: rather than sending Americans abroad seeking medical services, allow more foreign doctors to come to America to practice medicine.
- A medically trained and licensed doctor from a developed nation will provide much better care to a poor American than no doctor at all.
- Moreover, too many services that could easily be provided by nurses are instead provided by doctors, a practice that is exceedingly wasteful.

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State Estimates are Always Lies

- Think Obamacare will lower costs?
- In 1970 the government forecast that the hospital insurance (HI) portion of Medicare would be “only” \$2.9 billion annually.
- Actual expenditures: \$5.3 billion, this was a 79 percent underestimate of cost.
- In 1980 the government forecast \$5.5 billion in HI expenditures; actual expenditures were more than four times that amount — \$25.6 billion.
- This bureaucratic cost explosion led the government to enact 23 new taxes in the first 30 years of Medicare.

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Government “Solutions”

- Senior citizens are spending about a third more than they used to for medical care as a result of five budget and tax bills passed during the Reagan administration, according to a congressional report.
- The legislation encouraged states to curb soaring Medicare costs, leading to a 49 percent increase in out-of-pocket payments for hospital, skilled nursing and home care from 1980 to 1985, adjusted for inflation, the report said.

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Medicare...

- Medicare has a \$34-trillion unfunded liability. And because of rising unemployment, its hospital-stay program will go broke two years earlier than previously predicted.
 - That's how much more Medicare money government has promised than it has budgeted. It's the price of about 30 Iraq Wars.
 - Total Ponzi!
- The average Medicare beneficiary today collects two to three times more money than he paid in.

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Say “AAAAAA!”

- In 1960, the government covered 21.4% of personal medical care expenditures. Americans covered 55.2% out-of-pocket. Most of the rest came from private medical insurance.
- In 2000, the government covered 43.3% of personal medical expenditures, through Medicare, Medicaid, SCHIP, and other government programs. Out-of-pocket spending accounted for only 17.2 % of the total.
- Over the same 40-year period, total personal medical spending increased by more than *ten times*, from an inflation-adjusted \$111 billion in 1960 to \$1130 billion in 2000.

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GNP 1929-1990

Growth in Real Health Care Expenditure and GNP, by Decade (% per year)

Aging = 15% Vs 780%	<i>Growth in real health care dollars, per capita</i>	<i>Growth in real GNP per capita</i>	<i>Health care share of GNP at end of period</i>
1929-1940	1.4%	0.0%	4.0% ^a
1940-1950	4.0%	3.1%	4.5%
1950-1960	3.6%	1.5%	5.3%
1960-1970	6.5%	2.5%	7.3%
1970-1980	3.8%	1.7%	9.1%
1980-1990	4.4%	1.7%	12.2%



Technology?

- Some say that it is because of increased technology that healthcare costs are rising so fast.
- However, the purpose of technology is generally to lower costs over the long run.
- The IT sector has increased technology vastly, without a similar rise in GDP consumption.

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Drugs!

- FDA does not protect consumers, but rather causes their deaths.
- 1962, laws passed making it almost impossible to get a new drug approved.
- In 1948 one well-known pharmaceutical company (Parke & Davis) had to submit 73 pages of evidence to secure the licensing of a drug.
- In 1968, this same company had to submit 72,200 pages of data, transported by truck, in an effort to have an anaesthetic licensed.

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1962

- 1962 Kefauver-Harris Amendments
 - Account for 85% of current pharmaceutical costs
 - Kill over 100 times more people than they save
 - Have probably doubled current health care costs
 - Make treatment, not prevention, the cornerstone of medicine

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FDR Lags

- “As the FDA has grown larger, and its regulations more detailed, the cost and time needed to approve a new drug have increased dramatically. It now takes 15 years to get a new drug approved. It cost nearly \$1 billion (capitalized) to bring the average new drug to market.”
- Since 1962, almost *5 million* people have died who could have been helped by a drug in development.
- For example, the FDA's tardy approval of the first beta blocker for heart disease, needlessly killed an estimated *30,000* Americans during the three years it was available in Europe, but not the U.S.
- “The FDA probably killed more people, by delaying this single drug, than it saved during its entire existence. Licensing laws are a cure worse than the disease.”

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Medicide

- “The death toll from losing half of our innovations from 1962 to 2003 is somewhere between 4 and 16 million people depending upon the assumptions used. Adding the 4.7 million deaths due to an extra 10 years of development time suggests that as many as one out of three people who died of disease since 1962 may have done so needlessly.”
 - Dr. Mary Ruwart

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Health Costs

- If pre-amendment trends had continued, drug prices would be about 15% of what they are today.
- The 1962 Amendments imposed a cost equivalent to 25-55% of today's health care costs
- We'd have more innovation and twice as many drugs to choose from.
- Pharmaceuticals replace more expensive medical interventions like surgery, so that every dollar we spend on drugs lowers health care costs by \$2-\$3.

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The Moral

- House, MD: “Last Resort”
- A sick man uses a gun to take a doctor and some patients hostage to get treatment.
- The immorality of this is clear.
- “If I strap a bomb to my chest to I get seven doctors attending to me?”
- *Violence is not the way to solve problems.*

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The Long Haul

- There is no way to stop what is coming.
- Statist violence escalates until the violence is visible.
- Keep talking about the gun in the room.
- Once it is seen, it will be lowered.
 - References: <http://www.fdrurl.com/tn46>

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