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OPINION:

THE RISE AND FALL OF AMERICAN HEALTHCARE

Medicare ushered in the greatest explosion of medical advances in the history of mankind for twenty years and guaranteed the destruction of that very system and its hallmark of physician as patient advocate.

In the 1950s I contracted pneumonia at age ten. Our general practitioner, Dr. Wilson, who delivered my brother and took out my father's gallbladder, admitted me to the hospital and saved my life with antibiotics developed during World War II. My neighbor died suddenly of a heart attack at 56 years old. One of my classmates lost two fingers in a lawnmower.

In the early 1960s, friends and acquaintances died in car accidents. Fifty thousand people annually died of multiple traumas, and there was not a single emergency room in America to handle these injuries. As a lowly orderly during my college years, I walked by a hospital room and heard breathless words, "Help! Help! I am going to die!"

A 22-year-old girl who had just given birth was leaning forward in her bed and fighting for breath, eyes wide with terror. "I cannot breathe, I am going to die," she said.

"Hold on. You will be fine," I said as I yelled for help. She died seconds later in my helpless arms. It was not unusual for mothers and/or infants to die during labor.

The ethical rule in those days was: "Charge the patient according to their ability to pay." In essence, the wealthier were subsidizing the physician's care of the needy, "*Balance billing*," *in today's jargon.* Medicine was primitive by today's standards, and people generally died younger and cheaper (sudden heart attack, trauma, premature births, etc.).

Along came the social engineers. The ideal was healthcare for all, a noble cause. Harry S. Truman is considered the father of Medicare, though it was Lyndon B. Johnson who finally threatened and bullied to get it passed without it being read.

President Harry S. Truman said:

> "Under the plan I suggest, our people would continue to get medical and hospital services just as they do now on the basis of their own voluntary decisions and choices. Our doctors and hospitals would continue to deal with disease with the same professional freedom as now. There would, however, be this all-important difference: whether or not patients get the services they need would not depend on how much they can afford to pay at the time…

> "None of this is really new. The American people are the most insurance-minded people in the world. They will not be frightened off from health insurance because some people have misnamed it 'socialized medicine.' I repeat – What I am recommending is not socialized medicine. Socialized medicine means all doctors work as employees of government. The American people want no such system. No such system is here proposed."

As all politicians before and after, Truman had no idea what he was talking about. We now know all roads lead to Rome (socialized medicine).

Battle at the Garden: John F. Kennedy vs. Dr. Edward Annis

On May 20, 1962, JFK gave a speech at Madison Square Garden (MSG) televised by the three major networks for free. He promoted the King-Anderson Bill, which today we call Medicare. Again, a politician woefully ignorant of what he spoke.

> "They (meaning the American Medical Association, AMA) do not comprehend what we are trying to do. We do not cover doctor's bills here. We do not affect the freedom of choice. You can go to any doctor you want. The doctor and you work out the arrangements with him. We talk about his hospital bills. And that is an entirely different matter…" [1]

This concept that "we are not trying to get between a patient and his doctor, we simply want to pay the hospital bills of the elderly" was shortsighted ignorance of the long-term effects of this social engineering. This is akin to "if you like your doctor, you can keep your doctor. If you like your insurance, you can keep your insurance." [2]

The AMA requested rebuttal time. They were told to take a hike. They ***rented*** Madison Square Garden and ***paid*** one network to show up. Edward Annis, MD, spoke eloquently for the AMA to an empty Garden and to one of the most watched TV audiences of the times. He explained directly to the people.

> "This is not healthcare insurance. It will put the government smack into your hospitals defining services, setting standards, establishing committees, calling for reports, deciding who gets in, who gets out, what they get, and what they don't get. Even getting into the teaching of medicine…
>
> "This King-Anderson Bill is a cruel hoax and a delusion. It wastefully covers millions who do not need it. It heartlessly ignores millions who do need coverage. It is not true insurance. It will create an enormous and unpredictable burden on every working taxpayer. It offers sharply limited benefits. It will undercut and destroy the wholesome growth of private voluntary insurance and prepayment health programs for the aged, which offer flexible benefits in the full range of an individual's needs. It will lower the quality and availability of hospital services throughout our country.
>
> *"It will stand between the patient and his doctor.* And it will serve as a forerunner of a different system of medicine for all Americans. If our government wants to move toward welfare state medicine, let them tell us so honestly. Why sneak it in piece by piece on the backs of old people first?
>
> "The King-Anderson crowd intends to take us all the way to a new system of medicine for everybody. And don't mistake it, England's nationalized medical program is the kind of thing they have in mind for us eventually. Today, after 14 years of national medicine, more and more people in England are buying private health insurance on top of paying the heavy compulsory tax for government medicine, which they don't use. These people want private medical care…there are few such things that touch so close to God and the *relationship between a doctor and his patient is one of them.*"[3]

As a result, the Bill was defeated on July 17, 1962, by a vote of 52 to 48.

President Lyndon B. Johnson coerced passage in July 1965 with the intention of providing health insurance to people age 65 and older, regardless of income or medical history. A noble cause, but nobody read the bill before passing it, except Dr. Annis.

In the late 1990s I was on a local TV show with Dr. Annis. During a break, I whispered, "You are the Nostradamus of medicine. What was in the King-Anderson Bill that enabled you to predict the insolvency of Medicare and the coming government takeover of healthcare in 1962?" He smiled, "Cost-plus financing. It was a license to steal." Enlightened, I thought back to my training in the early 1970s when money flowed like water.

Medicare ushered in unbridled spending for two decades before approaching insolvency in the late 1980s.

My senior year externship at Massachusetts General Hospital in Boston first exposed me to the greatest explosion of medical advances in medical history. Open-heart surgery, cardiac catheterization and revascularization, organ transplants, modern burn care, tracheal resection, and microsurgery were all coming into existence with unlimited funding.

Upon graduation in 1973, I interned at the University of Maryland to experience the opening of the first shock trauma unit in the world. Before that, there was not a single emergency room equipped to handle multiple traumas in the entire United States! This was the first use of helicopters to transport civilian casualties in the country!

Survival rates for the fledgling open-heart service at the University of Maryland were dismal that year. The following year, back at Mass General, open-heart survival rates were over 90%. There was a Fellow in the basement training for the first heart transplant (South Africa beat us to that one).

We were starting re-implantation of fingers and limbs with microsurgery. We were mapping transposition flaps and microsurgical flaps, discovered that placing catheters in the lung and heart would not kill patients, and immunosuppression made kidney transplants commonplace. We saved children with 90% third degree burns at the Shriners Burn Institute. CAT scans, MRIs, and modern radiation machines did not exist but eventually became commonplace. In the early 1980s I was able to reattach an ear and cure brown recluse spider bites with Hyperbaric Oxygen Chambers in small town Stuart, Florida, in patients with no insurance without question or resistance! Money was not a consideration.

But, as predicted by Dr. Annis, the system became insolvent by the early nineties. These miracles of modern medicine were self-destructive. The elderly were now living well past age 65, placing increased burdens not only on Medicare but also on Social Security. Neonatal intensive care units saved many babies that would place a burden on government assistance for special needs. High tech equipment and expensive surgical and medical treatments were being expected as a right, not a privilege, by an exploding population. Hospitals and many providers became addicted to the easy money and abused the system. Why not? Cost-plus was guaranteed profits.

The Golden Age of healthcare was over. The Age of Doctor as Patient Advocate, **cost be damned**, had to be destroyed!

Faced with Medicare insolvency, the insurance lobby persuaded Hillary Clinton to have *secret meetings, without physician input, to destroy the doctor-patient relationship*. The argument was that physicians drive the cost. They choose what hospital, what consultants, what tests, what treatments, and what aftercare patients get. Their only duty is to the patient, *regardless of cost*. This had to be stopped!

The Plan was to force all Americans into HMOs (Health Maintenance Organizations), create regional alliances to price fix by region, and criminalize charging over the set rates. Medical schools were threatened with loss of funding, if they did not produce more general practitioners than specialists. [4]

Though Hillary-Care failed ultimately, it brought a sea change in healthcare. Before Hillary, you could go to any doctor and any hospital you desired. Your doctor could suggest the best hospitals and referrals to see. Your doctor's only duty was to his patient. Only 15% of Americans were in HMOs. If you were a victim of insurance denial of appropriate care, you could sue for damages.

After Hillary, patients were owned by the insurance companies. The insurance companies would determine what doctors and what hospitals you could use, what treatments you could and couldn't get. More than 50% of Americans were forced into HMOs. Your doctor could no longer refer you to the best hospital or consultants if they were "out of network." If patients were injured by denial of care, they could only recoup the actual cost of the denied care, but no damages! The Doctor-Patient bond had been successfully severed in more than 50% of the insured![5]

Medicare was always a price-fixed delivery system. It initially paid about one-third of conventional insurance, but when the squeeze came in the early 1990s, it started annual cutbacks. Many hospital and sophisticated surgery reimbursements are now below the actual cost of delivery.

- In 1991, code 14060 (flap repair to rebuild your nose after cancer removal) paid about $1,200. Now, that same code pays about $600.
- It outlawed balance billing by physicians. [6]
- It does not mandate who gets in, but it forces patients to get out of hospitals by paying only for a limited number of days. In the 1970s and 1980s I could keep a patient in a Clinitron[7] bed for three weeks and get 98% take of extremely difficult lower extremity skin grafts. Now, patients are discharged in 24 to 48 hours, so I just stopped grafting unusually complicated cases. Now, they are condemned to months of outpatient wound clinic care.

The crusade to destroy the Doctor-Patient relationship proceeded despite Hillary's failed attempt. **The Commission to Eliminate Fee-For-Service**, led by Honorary Chairman Sen. Bill Frist, MD, (R-TN), was code for *eliminate private practice in America* and place all physicians on salary. The thinking was that runaway costs of healthcare due to an increasing aging population and expensive technologies and treatments required rationing of healthcare. But physicians will not ration if they have a duty to the patient first. If they were all on salary to a delivery entity, they could be forced to ration or lose their job. If there were no private practice alternatives, they would have no choice.

For the past two decades, hospitals have aggressively been buying up medical practices. The goal is to establish Accountable Care Organizations (ACOs). This, for instance, could be a hospital network that has all doctors on salary to deliver the full spectrum of services. Private practitioners are

being elbowed out slowly but surely. General practitioners (GPs) cannot admit a patient to the hospital without "hospitalists" taking over. Hospital surgeons cannot refer to private surgeons, etc. Even the Concierge model will be wiped out.[8]

Medicare is approaching developing ACOs with the following offer. In order to dump/transfer[9] a Medicare patient into an ACO, it must have three things.

1. **Electronic Medical Records (EMRs)**
2. **A "Quality Care Protocol"**
3. **A "Protocol for the Elimination of Non-Compliant Physicians"**

This is the ideal rationing system. The computer will eventually dictate all allowed testing and treatments according to a "*quality,*" or more likely "*cheapest way to do it*" protocol. Providers will ration according to the computer or they will fall into the "*protocol for elimination of non-compliant physicians.*" In the past, physicians were reappointed every two to three years. Now they are reappointed every year. If you are a vocal patient advocate and buck the system, you are not fired, you just do not get reappointed in the next annual cycle.

There are three ways to ration healthcare:

1. **Dumb down the system.** Nurse Practitioners are replacing GPs, and GPs are replacing specialists. Nurse Practitioners are lobbying to practice without the supervision of physicians in many states. Technicians are replacing nurses.
2. **Slow down the system.** This is essential for all rationed systems. Actuarial tables show there is a natural attrition rate based on time and age. A percentage of 65 year olds will die of natural causes over time. The longer you delay a hip replacement, the fewer patients will be alive to receive treatment. Small percentages result in huge savings on a large scale.
3. **Less time per patient.** Managed Care is demanding that physicians and Nurse Practitioners limit time per patient. See more in less time. The General Practitioner's Union in England is demanding more time per patient. The current 9 minutes per patient there is unacceptable; they demand 15 minutes per patient![10]

In the new system, no one has a doctor. You have a shift. The doctor you see on the morning shift has absolutely no responsibility for you when his/her shift is over. If you have a problem at night or on the days that he/she is off, they cannot be bothered. A Nurse Practitioner does your history and physical, further fractionating care. A system like this requires that all doctors are created equal. They are not.[11]

The computers coordinating care are currently filled with prefabricated entries to save time, with too many errors. Electronic medical records currently interfere with patient care due to the keyboard input interface. Doctors and nurses must stop patient care to input data on a keyboard. When technology advances so that providers can interact with the computer by wireless headset simultaneously examining and treating patients and providing contemporaneous findings and instructions, then patient care will benefit. That's a long way off. The keyboard and prefabs are not good for patient care.

Free medical school education will become a necessity. Becoming a clinical physician or surgeon will not be a satisfying career. Salaries are plummeting. Imagine going to work and being told to follow the protocol, use the cheapest drugs, cheapest surgery, spend less time per patient, see more patients per hour, delegate to nurses and techs, and do not innovate better techniques that are expensive. Give less quality to more people and do not complain or buck the system or you will find yourself in the *protocol for the elimination of non-compliant physicians.*

Where is the pride and honor in that? As the Dean of a medical school said back in the 1990s when Hillary was pushing everyone into HMOs, "*We are no longer looking for the best and the brightest. We are looking for foot soldiers.*"

A glimmer of light in this trend to give less quality care to more people is artificial intelligence. The "Watson" computer now used in cancer treatment may be able to replace highly trained physicians in the future. Watson can read x-rays, lab tests, medical literature, correlate treatments, and provide results at lightning speed. It may end up being the "best practices" protocol of the future and free up the "brightest and the best" to pursue other careers and research.

Politicians and bean counters have never understood healthcare delivery. We are now faced with the "Trojan Horse" (pre-existing coverage). Patients with pre-existing diseases comprise 10% of the insured under Obama Care (the unaffordable healthcare act no one read). They are consuming 67 cents out of every dollar! *It was designed to destroy the insurance industry, and it has.*

Everyone is aware the insurance companies are suffering massive losses, and the government is bailing them out with tax dollars at an unsustainable rate. Few are aware that while the insurers are suffering massive losses, they are cheating providers (hospitals, doctors, wound care clinics, etc.) by capricious denial of payments![12]

Republicans are still trying to preserve and bail out the insurance companies. Pre-existing coverage makes that impossible. Removing pre-existing coverage to save the insurance companies is political suicide. Leaving it, eliminates the need for insurance companies. *The only alternative is single payor, not because it is a great idea or quality care, but because there is no alternative.* Insurance companies that do not insure risk, are not insurance companies. They cannot profit without massive bailouts, forever. They are a needless drain on the system. The Trojan Horse has won. Insurers are now a drain on the system, and a single-payor system is coming, like it or not, as predicted by Dr. Annis in May 1962.

- President Truman said: "Socialized medicine means all doctors work as employees of government. The American people want no such system. No such system is here proposed."
- President Kennedy said: "We do not affect the freedom of choice. You can go to any doctor you want."
- Hillary Clinton said: "My plan covers all Americans and improves healthcare by lowering costs and improving quality."
- President Obama said: "If you like your doctor, you can keep your doctor. If you like your insurance, you can keep your insurance."

No politician ever understood healthcare delivery. It was used and abused as a political tool. The endless money of Medicare ushered in the Golden Age of healthcare, and at the same time doomed it to the mediocrity of nationalized healthcare. The day of the doctor as patient advocate is evaporating. Private insurance is doomed in universal coverage. Artificial intelligence and technology may change the way we deliver healthcare, but there will be a long period of pain before that. We are already joining the world in delivering less quality to more people. Politicians are oblivious.

No one listened to the warning of Dr. Annis, the Nostradamus of American Healthcare. The AMA is often demonized by historians for opposition to Medicare, but they understood healthcare delivery and the destructive nature of cost-plus financing. Watch his speech on ***YouTube***. I blossomed in the Golden Age of Medicine and bear witness to the Fall.

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[1] Kennedy speech MSG May 1962
https://youtu.be/VXUJErr_vfo

[2] Obama promises on Affordable Care Act proved a deception.

[3] Edward Annis, MD, speech MSG May 1962
https://youtu.be/hqVkOlhbsEM

[4] By 1990 the knowledge base was so enormous, that a specialist could not master his own specialty in an entire lifetime. We required specialists and subspecialists to keep abreast and were producing them at about 6 specialists to 4 GPs. Hillary demanded 6 GPs to 4 specialists. "Even getting into the teaching of medicine," as predicted in the 1962 speech.

[5] RAPE OF THE HEALTH CARE DOLLAR, Luis F. Villar, MD, FACS, 1998

[6] It was a criminal offense to accept anything above the Medicare rate. Difficult reconstructive cases were unprofitable. Rich and poor were turned away. Before, balance billing would allow us to treat the poor at the expense of the rich to the benefit of all.

[7] A bed that floats a patient on a mattress of air blown through beanbag like beads, resulting in no pressure points on the patient.

[8] Concierge doctors are paid outside the insurance system for VIP attention. However, all the tests they order are paid by insurance. ACOs will not recognize the orders and treatments by Concierge doctors.

[9] Medicare is desperate to transfer patients to private insurance to stem the financial bleeding. Older sicker patients are crushing the system. The very success of modern medicine is leading it to spiraling insolvency.

[10] news.bbc.co.uk/2/hi/health/2225316.stm ***GPs demand more time with patients***. Pressures of aging population and immigration are crushing the system. The Oxford University researchers also found the average consultation time with a GP had increased by five percent, with most appointments lasting almost nine minutes.

[11] How I learned Not All Doctors are Created Equal, ***Facebook*** , Luis F. Villar, MD, FACS

[12] I reviewed a $88,000 bill for a foot saved by HBOT (hyperbaric oxygen therapy) at a wound care center. The patient paid a $6,000 deductible. The insurance company only paid the providers $10,000 and notified the patient he was not responsible for any of the unpaid bill! This means the wound care center will eventually close down. The insurer is not paying its bills, while collecting bailout money for its losses. This means the system is poised for imminent collapse.