

INVITED PAPER

PUBLIC – PRIVATE MIX IN HEALTH AND SOCIAL SERVICE POLICY: LESSONS LEARNED IN THE UNITED STATES

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Since committing myself to Julian to make this presentation I have struggled with two problems... which of the many issues confronting health and social service policy in the US ought I attempt to review... and, have we, meaning we in the US, really learned from some of the consequences of our national and local health policy? What I am about to say is by no means an agreed upon conclusion by those in my country who design health and service policy, or daily engage in the delivery of health and social services. As you in Poland know so well... freedom and democracy are highly possessed values in developing and maintaining civil society... yet they often inhibit expeditious decision – making and intended social policy outcomes. The democratic process and free choice make it possible for certain counter – veining forces to impede, even destroy those values once so fiercely sought. Sought after values like private or for profit auspice, the free market, and free choice, often decrease in value when defiled by personal and corporate self interest. Much like *the English commons*... once shared by all... it became a tragedy of the magnitude even greater than its origin. More on this later...

In the first few years of the current decade many of us in the US had great hope for the transformation of health care from its fragmented and unequal delivery to a system of universal care more equal to all, irrespective of economic or social status. Those dreams soon faded with the confusing rhetoric of the Clinton presidency and its national *Health Security Commission*. Four years ago the US was on a course leading to ever increasing privatization and commercialization of health care; rising numbers of uninsured; and a deteriorating health care safety net for vulnerable populations. The Parliament [Congress] took a look at the road ahead... and instead of heeding the caution signs, stomped on the accelerator. The resulting and pending crisis we now are

facing pose very difficult dilemmas for those who cherish a compassionate vision of health care.

Us health policy has always been distinguished by its treatment of health care as primarily a *commercial good*... to be bought and sold like other market commodities. In all other industrialized nations, including Poland, health care is regarded more as a *social good*, like public education, pensions for the elderly, or public safety, each to be afforded the whole population. Therefore, despite the fact that the US health care industry is more heavily subsidized by government than in most other nations, we tend to regard government regulation as illegitimate interference with private markets. According to the congressional budget office, national expenditures for health care in 1997, [health & medical programs including those under social insurance, public aid, veterans, and other social welfare...] reached an all time high of 11.8 percent of the GDP. This anomaly and muddled understanding has historically and repeatedly interfered with efforts to make health care more uniform and equally accessible. Debate about health as a purchased commodity, or health as a social good, delayed the passage for two years of the US Social Security Act... which finally passed the Congress and was signed by President Roosevelt in the spring of 1935, only after the universal health care title was taken out. More than sixty years later the debate continues... but is being driven and controlled by financial and corporate self interests most often hidden from the people.

In the US private insurers supplement the payment or fee – for – services by the patient to the provider in the purest market place fashion. The patient purchases the insurance... pays the premium... the insurer then pays for the care at inflated cost to the insured. The only radical shift from this domination of health services by *private health industry* control came in the mid – sixties with the passage of universal public

health care for persons over 65 years of age, and in certain cases the very poor... *Medicare and Medicaid*. Medicare, while bearing about 80 percent of the cost for most elder care is more and more coming under severe restraints from the health care industry in terms of what care, and what quality of care, will be provided. Medicaid, while by no means the equivalent of universal care for the poor, allows states to decide what services, and at what level of economic income the poor might access health care. In spite of these two national programs there are today in the US, 41 million individuals with no insurance and no guaranteed access to regular or emergency health care. Over two thirds... 6 of every 10 of these individuals are children.

In 1994, President Clinton's Health Security Act died an ignominious death in the Parliament [Congress], as rising popular support was easily overwhelmed by entrenched financial interests. Corporate America, having blocked government reform and action, is itself transforming the health care system in the US. The scope and depth of this emerging change in health delivery has been largely overlooked by our national and local news media, who are currently riveted instead to the personal behavior of the President and members of the Congress. This has resulted in Americans knowing little about the effects of private economic decisions being made in board rooms of the US Health Industrial complex that so critically affect their lives and the quality of life in their communities. Change is occurring through the growth of for – profit managed care, conversion of public and non – profit health resources to for – profit ownership, and the consolidation of health care providers into ever larger corporate entities. The US Health Industry is booming as never before... the only private and corporate industry outpacing it is, *prisons and corrections*. Last year according to the US Chamber of Commerce the health industry, including insurance providers, was the most profitable ever for the hospital industry.

Question... with all of this change or reform driven by the private for – profit health industry, what have been the outcomes for *health care*? Are Americans better... more healthy because of it? Are we any closer to valuing health as a social good than we were sixty years ago? Much of what I read, plus personal and distant experiences, suggest that US health care is not faring so well. Are their lessons to be learned then?

The public health infrastructure is eroding, health care professionals have less autonomy to deliver the care their patients need, and communities are losing control over local health resources to corporate chains or franchises accountable only to their

stockholders. Meanwhile... there are 41 million uninsured and under or nonserved Americans in the nation... a nation that controls most of the wealth of the global community and prides itself on being at the cutting edge in health technology. Such a condition is especially ominous because it is occurring during a period of low unemployment, portending even worse news during any future period of decreased economic expansion and stability.

Answers to policy questions about health and social service care, from too many US politicians is to pour gasoline on the fire. Despite the fact that the federal government is projecting huge budget surpluses... far more than would be required to fund a prudently designed program of universal health care under social security, the leadership of both houses of the US Congress, with little argument from the President or his party, are proposing to cut billions of dollars from Medicaid and Medicare. No one is speaking about fundamental reform. One modest proposal from the President... *A Consumer Bill of Rights...* to impose limited consumer protections on health insurers, and HMO's [Health Maintenance Organizations] ... probably better identified as *mismanaged care organizations...* faces tough sledding in the Congress.

What lessons have we learned...? Other issues which intention and time have not permitted review here, but which reflect new concerns about current health policy include... security of patient's medical and health records; long term consequences of large uninsured populations especially in the large urban areas of US cities; and, the problem emerging from large databases that are held by managed care organizations, pharmacy – benefit owners and managers; and, employers and government regulators operating without federal laws protecting against disclosure or misuse.

The policy debate, the issues and forces driving the debate, and lessons learned from the US experience continues and will of course be heard and examined around the globe. The best advice may well be to consider not *what to do or replicate*, but *what not to do or how not to become entrapped*, by our policies. Since Julian invited me to address some social policy questions and some lessons learned for health and service care I feel obligated to give some advice... albeit an enormous presumption on my part, knowing something about you, who are my audience. Anyway, here are some principles I boldly suggest may provide part of the answers we seek.

1. Avoid nostalgia for *the good old days*. Some are suggesting that we need only reverse the trend to managed care, or

privatization, and all will be right. In fact, the fee – for – service system that predated managed care had severe problems of its own. Managed health and service care... even with some limited *private for - profit* collaboration can be socially and economically beneficial, but only if carefully designed and implemented. As we enter the debate and consider policy we need to ask... *who will be helped or harmed most?*

2. *Keep close to the victims.* Some of what is advertised as *consumer protection* is, in fact, designed only to restore the profit making privileges of health care providers... the doctor, the hospital, the insurer. The test of any reform should be... *does it benefit the patient, especially the uninsured and those denied equal and adequate care due to economic or social status?*
3. *Get involved.* I can think of no better rule to live by... whether in an old democracy like mine or a new one like yours than to get involved at any level of policy debate and formation... national, provincial, or local. In my experience it is really the state or providence, where health and social service policy increasingly will be made. If you spend much time in the US today you will soon learn how inconsequential Washington is to improving the quality of life of Americans in the cities, towns, villages, and country side.

Those lessons I have most learned from being an elected member of a state congress or parliament, and from teaching social policy for nearly 30 years are about the power of the common folk. They are lessons about the options available in free and democratic societies for shaping public policy and those laws which directly impact on the circumstances of the lives of individuals, families, and especially children. The great lesson is... *you count! You can have a voice!* You all know this lesson and principle better than we Americans for you have exercised it more recently. Too many of us have forgotten it! You are living the consequences of *getting involved*, whether that was marching in solidarity with the common folk, or stepping out front with the church when policies of economic and social injustice were challenged. Transformation in your nation took place from the bottom up. It once did in mine. If we learn anything it may be that... the good news is that people who vote, once that franchise is available... become increasingly uneasy about the mercenary and selfish motives that too often shape and frame the most

important infrastructure of civil society... health, social services and the quality of life.

Now... I return to the *tragedy of the commons*. You remember the English lesson here. In the 15th and the 16th centuries it was the common pasture or square shared by the livestock of everyone. The commons today is any resource which is shared by and for the good of the community, the people. It is the air we breath, the environment around us... it is the valued resources that insure healthy individuals, families, and communities. The logic of the commons is that every member has the right to use, take, and share the social and communal good gleaned from the commons. The logic of the commons break down when certain conditions prevail... [a] resources decline, [b] the4 collective enjoying the social good of the commons begin valuing personal good over social good.

As the English village grew in size and more individuals and groups begin to value personal gain and power over the common good, the overgrazed commons no longer could provide for the common purpose... thus the tragedy of the commons. The policy chosen to resolve this tragedy was... *private ownership*... a series of laws of *enclosure*. Not a bad policy for those of us who believe in the free market and the competitive nature of the exchange of goods and services. It worked, or seemed to, so long as resources were infinite, and the goal was the acquiring or maintenance of goods such as land and wealth. But some social goods and services... those goods or services which if not satisfied result in serious social and economic consequences to the larger society... are not so easily parceled out as is land.

Centuries ago it was not so difficult for the rich and the poor to share the resources and the services of public health. This was prior to private special interests staking out territory and specialization. Besides, the commons in those days was vast, and the relative numbers sparse. Then a tragedy of the commons was rare. Today the scene is far different. Principles of distribution, equality, access, and quality, each have gotten lost in the rush to claim the commons for private and often self – promoting economic gain. Dr. Will Durrant, the great historian said... *the health of a nation is a far greater measure of value than the wealth of a nation.*

I close with this thought... it summarizes much of how I currently feel about the nation and place I love. Don't allow the tempting proclamations of others to lead you toward a vision of self directed greed... *I'll get mine, you take care of yourself*... or the rejection of mutual support and responsibility. My forefathers

Metzger: Health care, social service policy.

carried from your continent three centuries ago the idea of mutual and communal responsibility... but three centuries later those values have given in to self centered – ness, greed and, too often, every individual for themselves.

To the many caring persons in the room... especially you physicians, remember and help the rest of us to remember, the empowering yet common spirit of your oath... *whatever you do, do no harm...*