WHEN N.B.C. FIRST ASKED ME TO DO A TELEVISION SERIES, THEY WANTED ME TO FOCUS UPON THE STATE OF THE ART OF AMERICAN MEDICINE.

AS A FORMER PIONEER IN THE FIELD OF PEDIATRIC SURGERY, I THOUGHT IT WOULD BE FASCINATING TO BRING BEFORE THE AMERICAN PEOPLE THE FULL RANGE OF THINGS THAT MODERN MEDICINE COULD DO FOR THEM. BUT IN MY YEARS AS SURGEON GENERAL, I SAW ALL TOO CLEARLY THAT 37 MILLION AMERICANS COULD NOT AVAIL THEMSELVES OF MODERN MEDICINE. SO I SHIFTED THE FOCUS OF MY EFFORTS TO THE PROBLEMS WITH OUR HEALTHCARE SYSTEM, OUR HEALTH POLICY. THERE COULD HAVE BEEN ANOTHER SURGEON GENERAL'S WARNING:

"WARNING! THE AMERICAN HEALTH CARE SYSTEM CAN BE HAZARDOUS TO YOUR HEALTH!

I KNOW WE DON'T LIKE TO HEAR --OR VOICE-- CRITICISM OF OUR PROFESSION. BUT WE HAVE BIG PROBLEMS.

IN THIS EXASPERATION ON BOTH SIDES OF THE STETHOSCOPE.

YOU HAVE YOUR REASONS WHY YOU ARE EXASPERATED. $\beta \cup \gamma$, why are patients exasperated? 1. THE PUBLIC HAS HIGH EXPECTATIONS FOR MEDICINE AND HEALTH. THEY HAVE A GREAT DEAL OF FAITH IN NEW TECHNOLOGY, AND THEY CONTINUE TO HAVE FAITH IN THE MAGIC OF MEDICINE. <u>BUT</u> IN THE REAL WORLD WE CAN'T ALWAYS DELIVER.

-)

THEN, TOO

2. HIGH EXPECTATIONS ARE FAST OUTRUNNING OUR ABILITY TO PAY FOR THEM. AND THE AMERICAN PEOPLE ARE ENGAGED IN DEBATE ABOUT ASPIRATIONS VERSUS RESOURCES.

3. ALTHOUGH THERE HAS BEEN A RISE IN NEW TECHNOLOGY, THERE HAS BEEN A DECLINE IN ITS USEFULNESS TO A LARGE NUMBER OF PATIENTS.

IN ONE OF HIS PLAYS, GEORGE BERNARD SHAW ASKED WHY WE PAY DOCTORS TO TAKE A LEG <u>OFF</u> BUT WE DON'T PAY THEM TO KEEP A LEG <u>ON</u>. NOW, OVER 80 YEARS HAVE PASSED AND WE <u>STILL</u> HAVEN'T COME UP WITH A GOOD ANSWER.

OUR TECHNOLOGY-DRIVEN REIMBURSEMENT SYSTEM --WHETHER BY GOVERNMENT OR OUT-OF-POCKET -- IS STILL PREDICATED ON TAKING THE LEG <u>OFF</u>.

OUR HEALTHCARE SYSTEM MAY FUNCTION WITH COMPASSION AND COMPETENCE --EVEN EXCELLENCE-- FOR SOME INDIVIDUALS. BUT FOR TOO MANY AMERICANS OUR HEALTH CARE SYSTEM IS A TYRANNY, MORE A CURSE THAN A BLESSING.

4. PATIENTS, OFTEN AFTER AN UNCONSCIONABLE WAIT OF HOURS OR EVEN DAYS IN THE EMERGENCY ROOM, ASK THEMSELVES NOT ONLY "WILL I RECOVER?", BUT ALSO "HOW WILL I PAY FOR THIS?"

"WILL MY INSURANCE PAY FOR THIS? WILL MY ILLNESS COST ME MY SAVINGS, MY HOUSE?"

HEALTH INSURANCE HAS BEEN LIKENED TO A SHELL GAME.

YESTEDAYS S.F. ÉRAMINER SAW THE DUSSATUSFUCTION WITH HEALTH INSUMANCE DOT THAE UP 4 COLUMNS ON THE FRONT PAGE, PUSH THE PERSION GULF ELSEWHERE, AND SQUEPLE BUSH, CONCRESS + THE DEFICIT TO 2 COLUMNS. AND THATS JUST ABOUT WHERE AMERICA THIMES THE EADHASIS SHOULD BE. 5. OUR PRICES MAKE PEOPLE ANGRY. THEY MAY SIGH ABOUT CONSTRUCTION AND EDUCATION COSTS, BUT THEY DON'T GET ANGRY WITH CONTRACTORS OR PROFESSORS, AS THEY DO WITH DOCTORS.

PART OF THE ANGER, THE DISSATISFACTION MAY BE UNAVOIDABLE.

NO ONE WANTS TO BE SICK,

AND TO HAVE TO PAY FOR IT MAKES IT WORSE.

TRUE, THE PRESS IS OBSESSED WITH THE INCOME OF DOCTORS. FOR EXAMPLE, NOT LONG AGO I READ AN ARTICLE IN THE NEWSPAPER OF MY OLD HOMETOWN, PHILADELPHIA, WHICH POINTED OUT THAT WHILE THE PRESIDENT OF THE UNIVERSITY OF PENNSYLVANIA MIGHT BE A TRIFLE OVERPAID AT \$220,000 A YEAR, FIVE PROFESSORS OF SURGERY MADE BETWEEN \$440,000 AND \$620,00. YOU SEE, THE REPORTER LOST SIGHT OF THE FACT THAT HE WAS WRITING ABOUT THE SALARIES OF COLLEGE PRESIDENTS AND TOOK OFF ON DOCTORS' INCOMES INSTEAD. HE OBVIOUSLY WANTED THE PUBLIC TO HAVE A HARD TIME SWALLOWING THAT.

 $\beta \not \sim \beta$ The public has a hard time swallowing that.

IF WE COULD SEPARATE INCOME FROM THE PUBLIC'S PERCEPTION OF DOCTORS, A LOT OF THE PUBLIC HOSTILITY WOULD DISAPPEAR, EVEN THOUGH DOCTORS DON'T MAKE AS MUCH AS TOP CORPORATE EXECUTIVES, ENTERTAINERS, ATHLETES, AND LAWYERS WHO RAKE IN LARGE CONTINGENCY FEES FOR LAWSUITS AGAINST DOCTORS, LAWSUITS ABOUT A MALOCCURANCE THAT EVERYONE USED TO CALL AN ACT OF GOD.. BUT THE PUBLIC IS MORE CRITICAL OF DOCTORS, AND WE PIHERIC (A D COULD DO A LOT MORE TO LEAD PATIENTS TO UNDERSTAND THEY ARE GETTING HIGH-QUALITY, HIGH-EFFICIENCY, CONSIDERATE, SENSITIVE CARE FOR THEIR MONEY, INSTEAD OF 6 PATIENTS TELL US THEY CAN'T FIND A SHRED OF EVIDENCE TO PROVE THAT THE QUALITY OF CARE IS IMPROVING AT THE SAME RATE THE COST OF THE CARE ESCALATES. EVEN YOU WOULD AGREE THAT HOSPITAL CARE AND PHYSICIAN CARE AREN'T TWICE AS GOOD AS THEY WERE EIGHT OR NINE YEARS AGO, EVEN THOUGH NOW THEY COST ABOUT TWICE AS MUCH. WE SEEM TO LIVE WITH THE PERCEPTION OF A SYSTEM OF HEALTH CARE THAT'S DISTINGUISHED BY A VIRTUAL ABSENCE OF SELF-REGULATION ON THE PART OF THE PROVIDERS OF THAT HEALTH CARE -- THAT IS, HOSPITALS AND PHYSICIANS -- AND DISTINGUISHED AS WELL BY THE ABSENCE OF SUCH NATURAL MARKETPLACE CONTROLS AS COMPETITION IN REGARD TO PRICE, QUALITY, OR SERVICE. 7. AS FOLKS VOICE THESE CRITICISMS AND REALIZE THAT 37 MILLION OF THEIR FELLOW CITIZENS HAVE <u>NO</u> ACCESS TO HEALTH CARE THEY SAY THERE'S SOMETHING TERRIBLY WRONG WITH A SYSTEM OF HEALTH CARE THAT SPENDS MORE AND MORE MONEY TO SERVE FEWER AND FEWER PEOPLE.

IN THE PAST MOST AMERICANS TURNED CONFIDENTLY TO THEIR INSURANCE TO PAY THE HEALTHCARE BILL. BUT THOSE DAYS ARE OVER. THEY ARE EXASPERATED ABOUT THAT, AND FEEL POWERLESS TO DO ANYTHING ABOUT THAT UNREGULATED INDUSTRY.

AS FAR AS INSURANCE IS CONCERNED, WE HAVE THREE GROUPS IN THIS COUNTRY: THE INSURED, THE UNINSURED, AND THE UNINSURABLE.

THE LARGEST GROUP, FORTUNATELY, IS THE 160 MILLION AMERICANS WHOSE HEALTH INSURANCE IS PROVIDED THROUGH EMPLOYERS -THEIR OWN OR FAMILY MEMBERS--, AND THE SMALL FRACTION WHO PURCHASE THEIR OWN INSURANCE. THESE PEOPLE USUALLY ENJOY ACCESS TO THE BEST MEDICINE IN THE WORLD, AS LONG AS THEIR INSURANCE HOLDS OUT, OR THEIR PREMIUMS ARE NOT RAISED BEYOND REACH.

BUT EMPLOYERS NOW ASK EMPLOYEES TO ASSUME MORE OF THE COST OF HEALTHCARE, THROUGH HIGHER DEDUCTIBLES AND CO-PAYMENT--APPROPRIATELY--, OR GIVE UP CERTAIN SERVICES.

THEN EMPLOYEES DIG IN THEIR HEELS AND SAY. "NO!"

HEALTH BENEFITS WERE <u>THE</u> MAJOR REASON FOR 78 PERCENT OF THE WORKING MEN AND WOMEN WHO WENT OUT ON STRIKE LAST YEAR...PRODUCTION WORKERS AND MINERS AND PUBLIC EMPLOYEES AND TELEPHONE WORKERS AND SERVICE WORKERS AND SO ON.

THEY ASKED FOR MORE MONEY IN HEALTH BENEFITS...AND MANAGEMENT SAID IT COULDN'T AFFORD TO PAY IT. AND THEY CAN'T. WHEN THOSE STRIKES ARE SETTLED AND OVER MORE MONEY DOES GO INTO EMPLOYEE HEALTH BENEFITS, AND THOSE INCREASED COSTS ARE EXPRESSED IN THE MARKETPLACE AS HIGHER PRICES FOR THE GOODS YOU PURCHASE AND UTILITIES YOU USE. YEARS OF FULL INSURANCE COVERAGE HAVE LED TO HIGHER FEES WITHOUT CONSUMER RESISTANCE. WE CAN NEVER CONTAIN COSTS IF DOCTORS CAN BILL UNENDINGLY BECAUSE EMPLOYEES CAN SPEND EMPLOYER INSURANCE FOR TREATMENT. THEN TOO, I AM EMBARRASSED BY PHYSICIANS WHO MILK THE SYSTEM FOR MONEY.

WE SHOULD NEVER JOIN PHYSICIANS AND HOSPITAL ADMINISTRATORS WHO ATTEND SEMINARS ON HOW TO MANIPULATE THE CODING SYSTEM OF CPT (CURRENT PROCEDURAL TERMINOLOGY) TO MULTIPLY THEIR COMPENSATION.

THE FINANCIAL SIDE OF OUR PRACTICES MUST EXEMPLIFY HIGH ETHICS, HONESTY, AND PROFESSIONALISM. THE TWO THIRDS OF OUR POPULATION COVERED BY EMPLOYER-PURCHASED HEALTH INSURANCE ARE THE PEOPLE WHO HAVE THE MOST CLOUT TO CHANGE THINGS FOR THE BETTER. BUT FIRST THESE PEOPLE --AND YOU AND BUSINESS AND INDUSTRY-- MUST IDENTIFY THE LEADERSHIP TO BRING HEALTHCARE COST UNDER CONTROL.

IT IS NOT THE PRESENT LEADERSHIP.

THEY ARE THE ONES WHO GOT US INTO OUR CURRENT PROBLEMS OF PROFLIGACY AND POOR CARE. NOR IS IT BIG BUSINESS AND LABOR.

I THINK THAT THIS IS THE WRONG COALITION.

THE COALITION THAT NEEDS TO BE FORMED COMBINES BUSINESS AND ORGANIZED HEALTH CARE. $w_1 \tau_H S \in \mathcal{C} \times \mathcal{C} \times \mathcal{T}$ $o_1 = \tau_H \in \mathcal{C} \times \mathcal{C} \times \mathcal{T}$ for cerul way.