

## THE WALL STREET JOURNAL. CLASSROOM EDITION

### DEBATE: HEALTH-CARE COSTS

**1. Focus** Have students find the meaning of each of these words before they begin to read: *bias, capitation, competence, diminished, dispensed, ethical, incentive, and rendered.*

Explain to students that they will be conducting a debate on whether doctors should consider costs when treating their patients. Inform them that they will be responsible for arguing one side of the issue. Remind students that a well-prepared debater supports a position with valid evidence, logical arguments, and responsible appeals to emotion.

**2. Instruct** The authors have both researched the delicate balance between cost and care in the treatment of patients. Have students conduct further research on health-care costs from credible sources before conducting the debate.

Remind students that they should use the following debate format: The affirmative side will:

- State the problem to be solved. Why is this problem significant?
  - Explain who or what is harmed if this problem is not resolved. Use factual evidence to quantify the harm.
  - Propose a plan of action. Explain why it is better than the current system.
  - Provide factual evidence to show how the plan will solve the problem.
- The opposing side will:
- Refute the arguments of the affirmative side, using factual evidence to quantify and support its position.
  - If necessary, support the status quo's ability to solve the problem.

**3. Close/Reteach** When the debate is concluded, encourage students to discuss their opinions on the issue. Ask them whether they were persuaded by the other side's arguments. Conclude by having students write their own statements supporting or opposing using cost as a factor in patient treatments.

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## CLASSROOM EDITION

### DEBATING CURRENT ISSUES: *Health-Care Costs*

As health-care costs have skyrocketed in recent years, both patients and caregivers have had to ask a difficult question: Should cost be a deciding factor in medical treatment? In this debate from *The Wall Street Journal Classroom Edition*, Abbie Leibowitz, an executive at Health Advocate and former chief medical officer at Aetna, and Dr. David Rogers, a physician in private practice, discuss the role of costs in the health-care system.

#### **YES** *Should doctors consider cost when treating a patient?*

BY ABBIE LEIBOWITZ

**I**t is absolutely reasonable and ethical for physicians to consider the costs of care when evaluating treatment options.

The principle of “first do no harm” that all doctors are taught has broader implications than just its application to the patient. Do no harm in your treatment of the patient for the patient’s sake, do no harm in treating your patient from a public-health perspective, and do no harm to the system of health care we all depend upon.

As a percentage of our gross domestic product, the U.S. has the most expensive health-care system in the world. Medical-insurance premiums in the private sector have been increasing far faster than the pace of general inflation. They are projected to double between 2003 and 2012 to \$3.1 trillion or 17.7% of the nation’s GDP. Such increases are unsustainable and are a prescription for an economic and public-health disaster.

As costs increase, payors—whether the government or employers—shift more financial responsibility to the individual in the form of diminished benefits or increasing co-payments and deductibles. The increasing burden of paying for otherwise uncompensated care is like a hidden tax on those who pay for medical services. Providers simply build these costs into the rates they charge those who pay.

Is it good care to so burden a patient with expenses that could have been avoided? Is it good care to prescribe

an expensive brand-name product when there is an equally effective generic equivalent that costs less than half as much? If because they cannot afford the cost of care or medicine, patients do not get their prescriptions filled, have we helped them? We have no choice but to exert a conscious control over medical costs.

Resources are not limitless. When given the choice of equally effective diagnostic tests, treatment approaches, or medication options, physicians must consider which is likely to cost less. Our patients’ needs are our first priority, but the health-care system we all depend upon is also our “patient.”



Doctors must consider both the costs and benefits of treatments when choosing the best treatment for a sick patient.

#### Debate Activity

Debating Current Issues folder, p. 5 asks students to find facts to support either side of the health-care debate.

#### Economic Assessment Rubric

Economics Assessment Rubrics folder, pp. 14–15 provides sample evaluation materials for participation in debates.

## Background

### About the Authors

Abbie Leibowitz is an executive at Health Advocate, a company that helps patients cope with health-insurance troubles. Ms. Leibowitz argues that balancing cost and care is the only way to stabilize the health care system. On the other side of the issue is David Rogers, a physician in private practice who says doctors should have one primary concern: their patients’ health.

**NO****Should doctors consider cost when treating a patient?**

BY DAVID E. ROGERS, M.D.

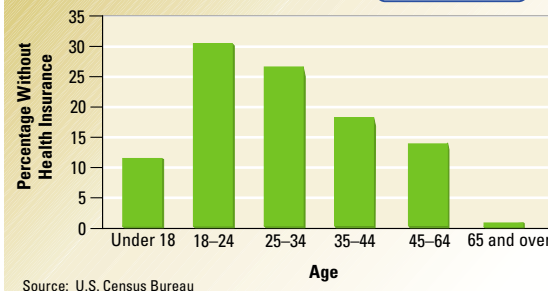
As stated in the American Medical Association's Declaration of Professional Responsibility, one of the duties of all physicians is to "Treat the sick and injured with competence and compassion and without prejudice." "Without prejudice" means to avoid any bias that could possibly interfere with or reduce the quality of care the patient receives. In my opinion, this would include considering costs when making treatment decisions.

Of course, a physician should not provide any unnecessary care just because the cost is covered. On the other hand, limiting or withholding care or choosing potentially inferior options just to reduce cost would be unethical. For physicians, the quality of the patient's medical care should always be the first and foremost consideration. I have always felt that "managed care" created cost-related, ethical dilemmas for physicians trying to act in a patient's best interest.

One economic model that brings physicians into direct conflict with cost considerations is the capitation system that is the basis of managed care. This is a system where a uniform or set fee is paid to the physician per patient (per capita) and in return the physician agrees to provide all the health care needed for those covered patients. The payment is not reduced if few services are necessary, so the physician makes more money when fewer services are rendered. However, the payment is no greater than if many services are provided. Physicians in this situation may actually be forced to operate at a loss. From a business standpoint, the incen-

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**Increasing health-care costs have led to higher prices for health insurance. As a result, more and more younger Americans do not have health insurance.**

tive is to take care of only well patients and provide as little service as possible. Fortunately, most "capitation" agreements have disappeared because physicians refuse to compromise their patients' care in such a way.

One example of where cost has played a role in medical decision-making can be found at your local pharmacy. Often, doctors will prescribe a brand-name drug and the patient will find that the generic version of the drug has been substituted. That's because many insurers require that if a generic version of a drug is available, that is what should be dispensed.

In most situations, generic drugs are just as effective as their brand-name counterparts. But there are many instances where the patient does not get the same desired effect.

We all like to say we are worried about costs—until we are the one who is sick or injured. When that happens, all we care about is getting well, regardless of the cost.

**DEBATING THE ISSUE**

1. Why does David Rogers disagree with "managed care"?
2. What data does Abbie Leibowitz cite to show that the health-care system is facing a crisis?
3. **Drawing Conclusions** The two authors disagree about whether a doctor's obligations extend beyond the patient to the overall public-health system. With which author do you agree? Why?
4. **Reading Graphs** Which age group's members are most likely to lack health insurance?

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**Interdisciplinary Connections: History**

**Health-Insurance Funding** In 1965, the U.S. Congress created the Medicare program. This program pays for hospital care and physician services for people over the age of 65 as well as covering some specific disabilities and diseases. Wage earners pay for this health-insurance system by taxes withheld from their paychecks. The federal and state governments fund Medicaid, another health-insurance system for low-income families. In 2002, Medicare had 41 million enrollees and spent more than \$230 billion. In 2000, 9.4 percent of people under 65 years of age were

covered by Medicaid, an increase from the 8.8 percent covered in 1998, according to the National Center for Health Statistics.

**Making the Connection** Have students discuss the role of state and federal governments in paying health-insurance costs. When it comes to allocating tax revenue to fund government programs, what priority should these health-insurance programs receive? Why? What other alternatives could the government adopt to provide health coverage and keep costs down?

**Differentiated Instruction** L2

Of the 41 million people uninsured in the U.S. in 2001, 23% were under the age of 19 and 8% were between the ages of 55-64, according to the Kaiser Commission on Medicaid and the Uninsured/Urban Institute. Why do students think there are so many uninsured young people? Tell students they have just been offered a job that doesn't provide health insurance but pays \$9 an hour for a 35-hour week. How concerned would students be about the lack of health coverage? How many would buy their own health insurance? Why? If they chose not to buy health coverage, how would they handle medical emergencies such as an appendectomy? **LPR**

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PHSchool.com Students can find additional links related to the debate by visiting the *Economics: Principles in Action* site at [PHSchool.com](http://PHSchool.com).

**Answers to . . .**

1. Dr. Rogers objects to the capitation system.
2. There is a growing population of nearly 45 million uninsured Americans who don't buy health insurance because they can't afford their share of the cost, or they work for employers who don't offer this benefit. Over the past three years, medical insurance premiums in the private sector have increased faster than inflation. They are projected to reach 17.7% of the nation's GDP or \$3.1 trillion by 2012.
3. Answers will vary but should refer to details from the debate sources.
4. Age 18-24