

reaffirmed his commitment to 'a basic level of high quality health care' and his opposition to proposals for compulsory national health insurance.

For there is within Congress all-party agreement that far too much public money is spent on the health care of the old (under the Medicare scheme), and on the poor (under Medicaid). Fuelled by the system of paying for medical attention, the number of mal-practice suits, the explosion in the range and expense of new diagnostic and therapeutic techniques, the power of consumer demand, and an ageing population, spending on health has soared to over £230bn a year, until it now accounts for almost 11 % of America's GNP - about double the proportion in Britain.

Medical inflation has been outstripping the general increase in the cost of living with ease: last year the cost of a hospital bed rose by 11 %, more than three times the rate of inflation. In California it increased by 22%. Insurance companies provide cover for some 60% of Americans, and they merely jumped their premiums up by 15%. Medicare and Medicaid, however, are publicly funded. The federal government already spends some £44bn on Medicare alone and Congress was faced with forecasts that the cost of the scheme would almost double to £86bn within five years. In one month a bill that promises to overhaul the health care system in the USA was approved by both Houses in Congress. The Reagan administration tentatively estimates that these changes will save some £15bn over five years.

#### • HEALTH CARE REAGANOMICS

No phrase like Margaret Thatcher's 1983 'The health service is safe with us' has acquired anything like that prominence in this year's US presidential campaign.

Quite the contrary. As Professor George Silver, professor of public health at Yale University has observed: 'If at a time when the pressures of high medical costs have never been greater. . . and when the Reaganite welfare policies have deprived more and more low income people from eligibility (for health care and other benefits) the Democratic Party does not feel the necessity even to speak out on the subject, more than medical professional obduracy is at work.'

Indeed, the only proposals in Walter Mondy's manifesto that would have any direct impact on health care are the commitment to preserve the age for free medical care at 65 years, and the pledge to spend more on those who suffer from Sickle Cell Aneamia - largely blacks, Hispanics and people from the Eastern Mediterranean. President Reagan, content to stand on his record, has simply

This change, which may also offer a better guide to efficiency than any currently available, is being closely watched by the DHSS in England. Under the old system hospitals had a virtual license to print money. They charged their patients, the insurance company or the government for whatever diagnostic test, operation, or drug was given. The incentive was for doctors to use to the full every sophisticated and expensive aid available. The new method is based on 'diagnostic related groups' (DRGs) and is supposed to reverse all that. Researchers at Yale University examined 250,000 medical records and found that any of the 14,000 or so diagnoses and procedures mentioned in the International Classification of diseases could be fitted into one of 467 DRGs, and that these were a sufficiently reliable guide to the sort of treatment given and the length of stay in hospital. It only remained to fix a price for each DRG, with an allowance for teaching, urban or regional status and hospitals would find that if they spent more than the permitted norm on a patient they would lose

money, if less they would make a profit.

It is clear, however, that this system, which insurance companies have also introduced, may establish other incentives too: to cut corners rather than costs; to encourage those who would previously have been speedily discharged from hospital to stay on to consume the average level of resources they have paid for; to restrict access for those with multiple disabilities and more severe illnesses - those who would inevitably require more medical attention than the average.

Although the US's per capita spending on health care is roughly four times that here, provisional estimates suggest that in 1982 more than 50 million Americans were at some point in the year without any form of health insurance (including Medicaid) - 22 million more than in 1980. Usually, 86% of the time, it is employers who pay for health insurance, so when work dries up, as it has in the old manufacturing industries, the gates to the medical system swing shut. Thus the health department in Ohio forecasts that 20,000 babies a year will be born to parents who have lost health cover due to the recession. Public money already underwrites the health care of some 49 million Amer-

icans, (23.5 million elderly people, 15 million poor and 10.5 million veterans); there is no discernible enthusiasm to extend the facility to the 30-50 million Americans excluded from the system altogether.

Many of the families still covered by Medicaid have to wait several months for their certificate to arrive and without one, treatment of any sort is difficult to obtain when it is not refused outright. Even with a certificate family doctors are often reluctant to take Medicaid patients onto their list. Medicaid reimburses hospitals at more or less the going rate, but general practitioners providing ante natal care receive just £9.23 per consultation. Thus, perhaps not surprisingly, the department of health of Hartford, Connecticut found in a survey that 87% of obstetrician-gynaecologists refused Medicaid patients. In 1982 the health care grants given by the federal government to American cities were cut by 42%, and 10% fewer people were provided with health care, according to the Children's Defence Fund, a national pressure group.

Inequalities in health match the unequal access to medical care. In 1982 the number of babies who died in the first year of life, the infant mortality rate (IMR), was 9.9 per 1,000

live births for whites, and 19.9 for blacks. The proportion of babies weighing less than 5.5lbs at birth, a good indicator of vulnerability to disease, was 58 per 1,000 for whites and 122 for blacks.

In Detroit, 63.1% of the population are black and the level of infant mortality was 25.2 in 1980, 26.2 in 1981 and 26.9 in 1982. Over the same period the number of black mothers receiving no or inadequate ante natal care increased from 149 to 172 per 1,000, and the number of low birth weight babies rose from 128.4 per 1,000 to 147.7. By contrast white infants improved their position.

And what would the Democratic Party do for these disadvantaged people, more vulnerable to disease and less able to secure medical care than their healthier and more prosperous fellow citizens? 'Our goal,' the party's manifesto says, 'is to strengthen families and to reverse the existing incentives for their destruction. We therefore oppose laws requiring an unemployed parent to leave the family or drop out of the workforce in order to qualify for assistance and health care.' There are few votes this year for any major financial programme for the poor.

Peter Parker

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