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QUOTAS ON QUALITY HEALTH CARE

The Clintons' health care task force blames part of the rising cost of health care on the emergence of too many medical specialists. The Clintons' proposal would decree that no more than 45% of medical school graduates would be allowed to go on to become specialists. The rest would be forced to become general practitioners. Furthermore, the limited slots for advanced training would be allocated by area of specialty and by medical school, and the students would be selected under racial and ethnic quotas.

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The proposed limitation on access to knowledge and the infringement of individual liberty in choosing a career is frightening. Imagine the uproar if the government were to limit slots in seminaries, alter the proportions among religious denominations, and allocate students by formula to the various positions. Imagine any effort by the government to limit the number of persons studying or practicing law, engineering, plumbing — indeed any other profession. That would be unthinkable. Somehow, though, common sense flies out the window when it comes to health care, especially now that government funding and regulation have come to dominate the field.

The specialist provision is both bizarre medicine and bizarre economics. How can something cost too much and be in glut? Normally, over-supply is associated with depressed prices. For example, a bumper harvest of wheat results in lower wheat prices, a bane to the farmer but a boon to consumers.

On the other hand, an increase in demand for an item raises prices. If a fad sweeps the nation, the price of the adored item zooms, or shortages develop. Witness the not-available-at-any-price-the-week-before-Christmas phenomenon of the cabbage patch dolls of a few years ago.

When customers demand more of a product or service, they bid up the price, signalling producers to supply more. Enormous advances in medical technology have made better treatments possible. The public is eager to buy those treatments. But specialists have to be trained to deliver the new techniques. The higher earnings of those so trained encourages more students to enter those fields. Thus the consumers (patients) have called forth a greater supply of the specialists. This is the only explanation consistent with higher prices and higher production — a demand-driven expansion of the industry.

The Clintons seem to think, instead, that the specialists invented themselves, and somehow force patients to come to them and pay higher prices. The idea that there are simultaneously too many specialists and that they are nonetheless able to charge too much flies in the face of every known economic law.

The Clintons' proposal attacks symptoms without any regard to or understanding of their

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cause. The plan seeks to reduce health care costs primarily to limit Federal spending on Medicare and on the plan's proposed subsidies to Medicaid recipients, the poor, and small businesses. Toward that end, the plan would limit access to advanced, high tech, and more costly medicine for all patients, even those paying their own way. If doctors are not trained in advanced medicine, they won't prescribe it, and that will hold down the cost. But surely that can't help the patient. Keeping physicians in the dark can hardly shed light on a patient's condition.

Going to a general practitioner first may not always be appropriate or economical, and may even be dangerous. A patient who calls his GP at 3 a.m. to report severe chest pains is usually told to go straight to the hospital to see the cardiac experts; he is not told to take two aspirin and come in for an office visit in the morning.

The benefits of seeing a specialist are pointed out forcefully in a recent article by Malcolm Gladwell[1]. He points out that, when someone has back pain, the cause may most often be simple muscle strain, but the same symptoms could be due to a crushed disc or even to various cancers or an abdominal aneurysm. The latter three causes are less common, but obviously more urgent to diagnose and treat correctly, with the latter two causes requiring the services of radiologists, oncologists, or vascular surgeons. A back specialist may be familiar with the subtle differences in symptoms that might distinguish one cause from another, and know when to refer patients to advanced specialists and treatments, as needed. If the patient is forced instead to consult a "primary care physician" who is not aware of possible complications and/or is being pressured not to consult with expensive specialists, a dangerous condition may go untreated. The specialist's training and experience can make the difference between life and death.

Supposedly, a major goal of cost containment is to hold down the unit cost of health care to facilitate access to care for those who cannot now afford it. In practice, the Clintons' plan would impede access to quality health care to hold down the total cost to government. With fewer Medicare and Medicaid recipients seeing specialists and receiving the more expensive tests and treatments that specialists would know about and see the need for, government's direct health care outlays would be reduced. With more doctors forced to be "primary care specialists", the fees they charge would fall as well. It appears that the Clintons' real concern is the absorption of government revenue by government health care spending, revenue they would prefer to spend on other more politically attractive uses. Politics is no reason to prohibit anyone from buying advanced care to stay alive or maintain quality of life.

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Endnote

1. "As Managed Care Marches In", *The Washington Post*, March 1, 1994, Health section, p.8.