Government Involvement in Health Care

PHRM 831

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Today’s goals:

• Describe the constitutional basis of government's involvement in health care.

• Explain the commonly used justifications for government's involvement in health care.

• Understand the role of social values in determining the nature and degree of involvement by government in health care.

• List the different roles that governments play in health care.
I-Constitutional Basis for Government Involvement

• In today’s environment, it is easy to see government involvement in health care

• Presence is so pervasive it is easy to expect or to assume government involvement in health care as normal and the ways things have always been.

• It rarely occurs to people to ask “why is the government involved?”

• I’ve a $1000 cash for anyone who can find “health care” in the constitution
Government & Health Care- WHY?

- A free market for health care
- The desire for profit
- Governmental control of medicine
- The need for regulation
- Is health care a commodity, or is it a right?
A. Federal Government

- No debate that government should be involved in HC at the public health sector - ie, sanitation., water treatment, sewage, waste removal, environment, etc.
- Government, philosophically, is supposed to meet those needs of society that can’t or won’t be met by independent actors - like military defense
- issue is in the realm of the government’s involvement in personal health services - services provided to individuals for their personal health
In the past two decades, the federal government has seriously considered putting price restraints on the RX industry.

What are they doing, putting price restraints on a private industry? Why not APPLE, too?

What is the justification for the involvement of the federal government in health care when the concept of health care doesn’t appear in the constitution?
Control is power

• And if the government has control, it has power
• Lots of reasons people would want to gain that power, and through it, control.
• At the personal level (meaning people working in government), there is a strong bias towards the growth of government.
1. Welfare Clause

• "provide for general welfare"
• A very vague concept that can be “pushed” to justify actions
• Not specific to health care, by any means
2. Commerce Clause

- "Congress shall have the power to regulate commerce arising among; foreign nations, the several states and Indians."

- Was evoked for the sulfanilamide poisoning to create the Food and Drug Administration- but only because of interstate commerce in the product.
State Governments

- Retain broad powers not given to the federal government
- 1. Police Power – “to enact and enforce laws to protect and promote the health, safety, morals, order, peace, comfort and general welfare of the people.”
Further Constitutional Justifications

• Sorry, that’s all, folks
• That’s the entire extent of constitutional justification for governmental involvement in YOUR health care-
• “provide for the general welfare”, “to regulate commerce between the states”, and the state’s right to “enact and enforce laws to protect and promote the health, safety, morals, order, peace, comfort and general welfare of the people.”
The PPACA “ObamaCare”

• One final note-
• The PPACA require(d) everyone to purchase health insurance- the “Individual Mandate”
• This was the great debate before the Supreme Court, and, as you can see, there’s not a lot in the Constitution to support it
• Was finally allowed under the right of Congress to impose taxes – so that the IM is a tax, not an aspect of Health Care
II. Justifications for Government Involvement

• Given the tenuous constitutional basis for government involvement, why IS the government involved so heavily?

• A number of arguments are given for the need and importance of governmental involvement in the HC system
A. Economic Efficiency

- Efficient allocation
- Existence of market imperfections in the HC industry
- Elasticity of demand
- Lack of free market functions
- Physician control of demand, etc.
- Bottom line: market is not efficient, needs government regulation to determine where resources are used
B. Social Equity

• Equitable distribution

• Despite tremendous differences in our individual abilities to purchase health care, shouldn’t we all have access to something so important?

• Health care as a right
C. Safety

- Is what is being provided sufficiently safe?
- Major driver of regulation
- Due to the nature of politics, may be used to further the aims of those motivated by a primary interest in A & B, but who use SAFETY as the political trump card in the debate.
- Imagine if you can a politician publically arguing against safety.
III. Role of Social Values in Government Involvement

- Judgment on what is “right” about the level of government involvement depends on personal philosophy
- Two contrasting viewpoints are prominent in public policy, especially health policy
- "Libertarian and Egalitarian"
- See if any of this reminds you of any public figures
A. Viewpoint A - "Libertarian"

- an advocate of the doctrine of free will; one who upholds the principles of liberty esp. of thought and action
1. Personal Responsibility

• Health Care is a privilege or reward given by society for accomplishment - result of personal effort.
• Person is personally responsible for earning reward
• If you are good enough to earn it, you should have it
• And if you’re not, well, you’re not.
• HC is like any other commodity
2. Social Concern

- Sometimes disease is a result of circumstances, without judgment - there are “worthy” poor & sick - and “unworthy”.
- Society should express its concern via charitable mechanisms.
- Although that charitable HC shouldn’t be as good as what can be purchased - otherwise, no one would pay for it.
- What is the motivation for someone to pull themselves up by their bootstraps?
3. Freedom

- the ultimate good to a libertarian
- government involvement at any level is never a good thing - limits freedom
- so loss of freedom should be avoided at almost all costs
4. Equality

• Does NOT mean equality of rewards- that would be communism, or socialism
• What would be the motivation to improve?
• Create a system where personal achievement can overcome inequalities
• where the playing field is level, play the cards dealt to you- but everyone plays by the same rules
• equality of opportunity! Anyone can grow up to be president of the U.S.
B. Viewpoint B - "Egalitarian"

- A belief in human equality esp. with respect to social, political and economic rights and privileges
1. Personal Responsibility

- HC is an inherent right, shouldn’t be part of the reward system
- health is a prerequisite for achievement
- so you can’t be held responsible for not having health
- the level playing field, everyone starts with the same hand
2. Social Concern

• Charity is demeaning to the recipient and engenders reliance on charity
• society should be committed to providing a system were charity is not needed and self-sufficiency is promoted
3. Freedom

- Not just the absence of governmental intervention
- freedom is the presence of REAL opportunities to make real choices
- so a child in the ghetto/Appalachians is not free to make choices until those choices are real opportunities for them.
4. Equality

- equality of prerequisites for competition
- remove the barriers that isolate some people
- if that requires government involvement, then regulation may be called for
Viewpoints

• The point here is that each viewpoint maintains the same social values
• but they see them differently & deal with them differently.
• IS Health Care the right of every American?
• Even if the disease treated is a “self-caused” condition?
• How shall we define that? Based on behavior?
  What about genetics?
C. Contributors to Government's Involvement in Health Care

- Who and what are the players that mediate and control the government’s involvement in Health Care?
1. Legislatures/Legislative Branch

- create and enact laws and oversee implementation
2. Executive Branch

- promulgate regulations, implement, and administer laws
- Enforced by the executive branch of the government
- the FDA is part of the executive branch
- charged with enforcing the laws passed by the lawmakers
- but- if the executive branch and the legislature are different parties, how the laws are enforced may differ a lot from the original intent of the law
3. Judiciary

- Interprets laws and adjudicates disputes arising from laws
- Plays referee between legislature and executive branch
4. Special Interests

- provide information
- lobbying efforts-political action committees, political contributors, etc.
- finance campaigns- one reason the recent change to allow unlimited giving by corporations is so important
- Thus, the pharmaceutical industry can influence the process as it effects them because they have a lot of money.
- Some argue special interests often end up actually writing a lot of the legislation passed in the U.S. Congress
5. Society

- That’d be you and me
- elect officials (IF we vote)
- are the people who the laws will ultimately effect
IV. Goal of Health Care  "The Promotion of Health"

- We have seen that personal values influence the interpretation of what the government’s role should be
- Still, the reason for government involvement in health care, to aid in the advancement of health, is fairly straightforward-
- Or is it?
A. Three Definitions of Health:
1. WHO

• "a state of complete physical, mental, and social wellbeing and not merely the absence of disease or infirmity."

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2. WEBSTER

- "sound physical or mental condition."
3. DUBOS

- "a [state of being] enabling imperfect men to achieve a rewarding and not too painful existence while they cope with an imperfect world."
Definitions

• What definition you adopt depends on you
• These definitions range quite a bit—might be appropriate for what is bought and paid for versus what is given as a right?
• May give a partial explanation of why multiple government programs, sponsored by different people and run by different people, according to regulations enforced by different people, sometimes conflict or work in harmony
Remember-

• When you work in the health care field,
• MANAGE YOUR EXPECTATIONS!
• Its isn’t that things don’t work as well as they should or could-
• All things considered, it’s a miracle that they work at ALL
V. Four Roles of Government in Health Care
A. Regulator

• in example, the Food and Drug Administration
• decide quality standards for manufacturing & marketing
• determine access by deciding what is RX and what is OTC
• Because of the burden of doing business it creates, indirectly determines cost of RX products
B. Financer

• in example, Medicare, title 18, Medicaid, title 19

• between 40-50% plus of ALL health care expenditures financed by government
C. Provider

- historically, only to a few privileged groups
- the military, veterans, Native Americans or certain low-income or indigent populations
D. Purchaser/Consumer

- Some role in purchasing health care for government employees
- in example, buying health insurance for government employees
- Congress..
A final issue……..

• Knowing what you do now about the US Health Care system-
• Do you see us as supporting HC as a right?
• Or do you see it as a privilege?
• No matter what YOU believe, you need to explain to me the tremendous variability in the quality of HC available in this country.
QUESTIONS?