



A message from . . .

The President

HIGH COST OF DEFENSIVE MEDICINE

THIS month, I would like again to address the broad issue of cost of health care. This topic has been very prominent in the news recently. It is obviously one of the prime concerns of the national administration and our state government, as well as private citizens and the medical profession.

We understand from statistics compiled by the U. S. Department of Health and Human Services that total health care expenditures, public and private, rose 15.1 per cent from 1980 to 1981. We also note, although this is *not* emphasized, that health care expenditures have been rising steadily since Congress created Medicare and Medicaid in 1965 and, a figure noted but *not* emphasized, the average increase from 1976 to 1981 was 13.9 per cent. I am at a loss to see how politicians this year panic over the differential increase of 1.2 per cent from the average 1976 to 1981 figures, especially as HHS states price inflation was responsible for 70 per cent of the increase, and aging of the population for 20 per cent of the increase. Perhaps the reason is that approximately 42.8 per cent of total health care cost was spent by Federal, state and local governments, according to their figures. Perhaps their concerns stem from the realization that the promises they made regarding health care in the past decade are coming home to haunt them, and the bill is far higher than they had anticipated.

Be that as it may, I would like to address another aspect of the cost of medicine which has not been looked at by the politicians, bureaucrats and regulators in their attempt to control the rising cost of health care. This is the field of defensive medicine—the tests that are done not for good clinical reasons but in order to protect the practitioner from legal action and to insure that if legal action is commenced he will be found to have done as much or more than one could or should do.

The rationale for ordering these defensive tests and procedures may be indefensible clinically,

but it certainly *is* defensible from a practical, legalistic point of view. One has only to look at the ever-increasing amounts of money awarded to plaintiffs (and incidentally, plaintiffs' lawyers) for relatively minor problems. Examples, such as \$800,000 for a misplaced navel or \$150,000 because of a scar at an IV site, abound; therefore, the reason for ordering ETKTM (Every Test Known To Man) to CYA (Cover Your A--) is apparent.

I read with interest in the media that physicians' fees rose approximately 9.8 per cent this year while inflation is predicted to be 5-6 per cent and, therefore, our fees are considered to be excessive. Nowhere, however, do I read certain other figures. For example, medical malpractice insurance will average increases in the range of 25 per cent in our state for next year, and utility fees, prices of supplies, and of our phone service show no signs of decreasing, regardless of the decrease in the CPI.

This leads me to believe that a good place to halt the rate of increase in medical care would be to have some attention from the politicians, bureaucrats, regulators and media to provide tort reform to help decrease at least one parameter of the ever-increasing spiral of costs. After all, physicians' costs, like any other professionals', are passed along to our patients, for we have no other sources of revenue. Ultimately, if government at all levels pays 42.8 per cent of the bill, the cost of these exorbitant awards is borne by every taxpayer, and this is the fact that needs to be brought to his or her attention.

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