
The Medical-Industrial Complex

By Editor Test *Wed, Dec 23, 2009*

Thirty years ago, Arnold Relman coined the term, "medical-industrial complex." He calls the Senate health care bill "half a loaf," but hopes it passes.

In 1980, Arnold S. Relman, M.D., then the editor of the *New England Journal of Medicine*, described the devolution of his profession into a profit-driven business. In a famous editorial, he called the health care industry a "medical-industrial complex." He didn't mean it as a compliment.

His 2007 book, "Second Opinion: Rescuing America's Health Care" (Public Affairs), called for the end of for-profit medicine in the U.S. This week I telephoned Dr. Relman at his home in suburban Boston—he's a professor emeritus of Harvard Medical School—and asked for his opinion of the health care bill that the Democratic leadership of the Senate has promised to pass by Christmas.

"It's a mixed bag," he said. "My wife, Marcia Angell, who writes about health care and appears a lot on TV, differs with me on this issue. We both believe that in the long run we need a single-payer system, and a revised and reformed delivery system to get rid of fee-for-service and private insurance and the commercial aspect of health care.

"She agrees with Howard Dean that the current effort is so inadequate that it would be better to see it disappear and start over. I disagree. I believe that what comes out will be very inadequate and will not attack the cost problem, and that it has many deficiencies.

"But I believe that it's better than nothing and it would be a serious mistake if Congress failed to do anything. If we get nothing out early next year, it will be years and years before we attack the problem again.

"If we do get a bill out, it will not control costs. There is not a prayer that it will affect the continuing inflation of costs. What will happen is what's happening here in Massachusetts. They passed a law over three years ago which almost wiped out un-insurance. Only two percent have no health insurance. But the state is going broke because of rising costs.

"It's bad in Massachusetts. They can't afford to cover all the uninsured with the present system, and that's what will happen in the United States as a whole if this legislation is passed. We may get more people insured but we won't be able to afford it.

"But that's better than nothing, because we'll have to do something. Business—that is the 80% of the economy that has nothing to do with health care—will see that they've been screwed by the industry and the public will see that we need a tax-based insurance system.

"The private insurance system is a parasite. There's overwhelming evidence that they don't contribute anything for the money they take out of the system. We'll need them to go into some other business. We'll

have to pay them off or buy them out. That will become clear over the next couple of years after this is passed.

“My profession is slowly waking up to the fact that it can’t keep the current system. They will have to trade fee-for-service for salaried positions, so that we have lots of Mayo Clinics all over the country. Ten years ago, the overwhelming majority of doctors reflexively opposed any kind of government system. Now they’re beginning to have second thoughts.

“It’s better to have something passed. More people will get covered. Costs will go up more rapidly than before. And maybe we’ll begin to make changes we should have made years ago. My wife says, ‘You’re dreaming. If it gets passed, people will say, Look at how bad the government messed things up.’

“Marcia and I have both testified in Washington. Single-payer was off the table from the beginning. [Sen. Max] Baucus made it clear he wouldn’t hold single-payer hearings. He invited Marcia to come down and meet with him personally, and talk about single-payer. He listened sympathetically and said, ‘If we were starting from scratch, I’d be for single-payer. But there’s too much water over the dam, and we have to make deals with the AMA, the insurance industry and the drug industry.’

“My wife takes a dim view of that. But I’m saying that half a loaf is better than none. It remains to be seen what, if anything, will come out of it. Even if the Senate does pass a bill, we don’t know what will happen in the conference with the House. In the afterword of the new edition of my book, I say I can’t predict what will happen, but if anything comes out it still won’t solve our problem.

“Money is driving everything. As I wrote in 1980, medicine has become a commodity in trade. It’s extremely profitable the way that it’s organized, and as long as we allow investors and profits to drive the system we’re hopeless. Costs will continue to rise and rise because government is going to put more money into the industry. The good side is that more people will be covered, more people will have insurance, and that’s good enough to start with.

“But we have to start working as soon as it passes. We have to get started on real reform. Ultimately we will turn things around. I’m not sure the only solution is single-payer tax-supported insurance. We need no insurance at all—just universal access, a budget that we have to live by, and not-for-profit multi-specialty medical groups with plenty of primary care and salaried doctors. We can afford it if we get rid of the waste, fraud, profits and overhead. The problem is not the money. It’s the system.”