

Editorial:

Canadian Power Play

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Socialists, who live in an otherwise free society, frequently complain that “we spend more per capita on healthcare than any other nation on earth, and yet we are not any healthier for it.” The cure that socialists propose, of course, is always more government control: “universal coverage” or “single payer” (government-run medicine)—in short, more socialism. Socialism, however, creates an insatiable perceived deficiency of government control, which, in turn, begets a vicious downward spiral of deterioration and destruction.

In April of this year, the Ontario Hospital Association coauthored a report concluding that “Ontario pays more for MDs than other provinces.”¹ According to the CEO of the Ontario Hospital Association, “Based on per capita calculations we spend \$2.2 billion more on doctors in Ontario than they do in other provinces.”¹ Moreover, according to a former deputy minister of health, “In comparison to other provinces, there doesn’t seem to be rhyme or reason because you’re not getting anything more.”¹

Costs

Single-payer socialized medicine in Canada operates on a global budget. In Ontario, the budgeted amount for medical care for fiscal year 2009 to 2010 is \$43.5 billion, which represents “42 cents out of every dollar in program spending.”¹ And Premier Dalton McGuinty noted: “We’re running a \$21.3 billion deficit. It’s going to take us some time to get out of that.”²

The problem with a global budget is that it represents a fixed “collective pie,” and socialists are always scrutinizing everyone to be sure none of the “pie eaters” are consuming more than “their fair share” of the public pie.

Physicians, a political minority, are viewed as “one of the biggest cost drivers of the system,” and the Ontario Hospital Association’s report suggests that shaving 10 percent off the difference between what Ontario pays its physicians and what other provinces pay could save up to \$220 million.¹ According to a former deputy minister of health, “You’ve got a population there that is utilizing a big chunk of the health-care pie expenditure.”¹

Demonizing Physicians

The Ontario Hospital Association (OHA) believes that medical errors and poor management by physicians are the cause of excessive costs. “Proper wound management, preventing medical errors and having better crisis care available to keep the mentally ill out of emergency wards are just a few ways the province could save millions.”¹ Socialist medical systems, with fixed global budgets, are constantly looking for more ways to create barriers to access to care, to delay access to care, and to otherwise ration care, so as not to exceed the global budget.

More Control Proposed

The Ontario Hospital Association believes it has the answer to poor quality care provided by “overpaid” physicians. If only the government would put hospital chief executive officers (CEOs) in charge of the practice of medicine, the OHA believes hospitals could force physicians to provide much higher quality care at a more affordable cost.

“The report also suggests that doctors’ relationships with hospitals should change. Instead of having privileges granted to them, they should sign contracts, which would provide for greater accountability.”¹ Increased accountability, of course, would not be to patients, but to the socialist collective pie.

Socialist systems often depend on a pyramid structure of control, with the presumably omniscient, intellectually superior government bureaucrat at the top, and power managers at lower levels of the pyramid controlling the serfs at the bottom. The mid-level power managers in this case would be hospital CEOs, who would be responsible for controlling the physician serfs.

Hospital CEO Salaries

While proposing that physicians should be paid less for what they do, hospital CEOs in Canada, on the other hand, believe that they are entitled to salaries that far exceed the earnings of most physicians. According to one report, “...a hospital executive in the Toronto area pocketed nearly \$3 million in compensation over five years, including two years of double-digit increases.”²

And while “the provincial government threatens to freeze the salaries of public-sector workers—including the front-line RNs providing care,” the Ontario Nurses’ Association noted the example of an Ottawa Hospital that cut 200 RN positions recently while the hospital CEO’s salary increased 42 percent since 2003.³ According to Sharleen Stewart, president of the Service Employees International Union, “Hospital CEOs are behaving like a modern-day French monarchy.”⁴

Despite the fact that physicians are subject to a cap on their earnings, and a harsh clawback for income that exceeds earnings allowed by government, calls for a cap on hospital CEO salaries in Canada are viewed by the government as detrimental to the pyramid system of government control. According to one news report, “The premier seemed reluctant to cap executive pay, saying it’s up to hospital boards to control their salaries.”² Thus, as is always the case in socialist systems, some are more equal and deserving than others.

If a program of financial management and implementation of electronic health records, which socialists claim is the key to quality care, is used as a measure of performance, evidence suggests that government bureaucrats and hospital CEOs in Canada have clearly been a miserable failure. One news report noted “concerns over

rising hospital deficits, emergency room closures and lingering resentment over the eHealth scandal, in which \$1 billion was spent to develop electronic health records with very little to show for it.”² Although “provincial law forbids hospitals from running deficits, about 40 percent couldn’t balance their books last spring, according to the Ontario Hospital Association.”² Remember, these are the so-called smart folks that some want to put in charge of physicians so as to provide better quality care.

Comparisons

Even before the socialist and unconstitutional “ObamaCare” bill was passed, laws and regulations designed to support a socialist takeover of medicine in our country have been put in place. Attempts by government to control costs via government price-fixed fees have failed to control rising costs.

Catchy misleading terms like “pay for performance,” “best practices,” and “evidence-based medicine” have been used to portray physicians as not performing well, so as to justify paying them less for what they do, and to provide financial punishment for those physicians who arrogantly serve the needs of individual patients rather than following cost-containment initiatives like “best” practices and “evidence-based” medicine designed by bureaucrats to serve collective society.

Government control over physicians in our country consists of a combination of economic manipulation, laws allowing hospitals to abuse the peer-review process as a means of controlling physicians (sham peer review), and a multitude of other control measures (HIPAA, PECOS, NPI, SGR, RBRVS, balance-billing laws, and “correct coding” or “bundling” initiatives), which can best be described as death by a thousand paper cuts.

Government payments to hospitals are grossly out of proportion to payments provided to physicians, an economic manipulation by government that is squeezing independent physicians out of business, or worse, forcing them to submit to complete control by hospital CEOs as employed physicians.

Hospital CEO salaries in the U.S. are also far more than most physicians earn. According to one article, “The 2009 median base salary for a health system CEO is \$657,000.”⁵ IRS data from 2006 found that “top executives at 20 of the larger hospitals in the IRS survey received an average of \$1.4 million.”⁶ Notable top earners included the CEO of the University of Pittsburgh Medical Center, who earned \$3.95 million in 2007; the CEO of the Cleveland Clinic, who earned \$7.5 million; and the CEO of Chicago’s Northwestern Memorial Hospital, who earned a whopping \$16.4 million.⁶

Although some in Canada favor a law mandating that all physicians practicing in hospitals be employed by hospitals, no such law is required in the U.S. as the government has already largely accomplished the goal of a pyramid control structure, with hospital CEOs as power managers effectively serving under government bureaucrats. Additionally, Medicare demonstration projects are already underway that propose to send a bundled government payment to hospitals to be distributed to physicians as the hospital administration sees fit.⁷

Our government has also implemented what amounts to a global budget in the Medicare program, which uses a sustainable growth rate (SGR) formula to systematically underpay physicians. Physicians currently face a staggering 21 percent cut in Medicare

fees, which gets worse with each temporary “fix” Congress passes. Despite pleas by government-dependent physicians to eliminate the SGR, Congress recognizes the reality that there simply is not enough money, and that printing more money, taxing people more, or incurring more government debt will destroy our economy and put us on par with other countries like Greece, which is facing a financial crisis of epic proportion.

Our government has also implemented a provision similar to the Canadian clawback with respect to physician incomes. Those physicians in Medicare who receive large sums of money from the Medicare program will increasingly be targeted by private bounty hunters, Recovery Audit Contractors (RACs) hired by the government in order to claw back money paid to physicians based on alleged coding irregularities.⁸ If physicians decide to fight overpayment determinations made by RAC contractors, they may be subject to criminal fines and prison time under the False Claims Act.

Conclusion

There are many different ways of accomplishing a socialist agenda. There is the overt method whereby a country passes a law mandating socialized medicine, such as in Canada. There is the method, recently used in our country, whereby a law is passed that is designed to destroy the private sector and lead to a socialist takeover of medicine—“ObamaCare.” And, there is the gradual, piecemeal approach that has been used in our country, which puts the socialist infrastructure in place before people recognize what has happened.

The recent Canadian Power Play and its government-manipulated counterpart in our country exemplify the pyramid structure of control, and the role mid-level power managers play in controlling physicians and the practice of medicine in socialist systems.

It also highlights the fact that socialism always begets more and more central control in pursuit of quality care and cost control, neither of which socialism will ever achieve.

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