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Correspondence

High Quality at a Low Price?

In answer to Dr. G. Keith Smith's question,¹ it is amazing to me that Congress, let alone the lay public, or any "health uneducated" person would consider that we can end up providing "high-quality, low-price care."

Why are CEOs of every major corporation in the United States (let alone the world) paid the highest dollar amounts possible? Why not compensate them at the lowest end of the pay scale? If we think that low prices are capable of providing high quality, would we not be paying individuals in such positions of leadership the lowest possible amount? Couldn't we simply be counting on their "good nature," and their drive to work to better a given system based upon their beliefs and loyalties, without providing them with high compensation and huge "parachutes"?

In concept, this entire issue of "low pay and high quality" is exactly what is driving physicians away from medicine; and is driving patients who seek good care to the offices of nonparticipating physicians.

Such a sham is perpetrated on the American public by our leaders in government, and unfortunately, in academia as well. The only thing that our current system of healthcare financing provides for adequately is the continuing profits of health insurance companies.

Laurence Mack, M.D.

Massapequa, N.Y.

Author's Reply. I believe Dr. Mack misunderstands my remarks regarding the effect of competition on pricing, and I have kindly been given the opportunity to clear this up. The price deflation that is so desperately needed isn't on the physician payment side. It is on the facility or institutional side. As this is where price gouging lives, this pricing is the most vulnerable to the free market's price-lowering power.

Another point is worth making. True and rational prices are never imposed from the top down, but are rather the result of a free and competitive market. Remember that the market-clearing price is that wonderful but moving place where the buyer and the seller find their optimal position simultaneously. No government

apparatchik or insurance carrier can identify this price, particularly as it changes regularly, depending on market conditions. Participating in insurance plans signals an acceptance of the prices imposed and, I would argue, signals a willingness to have future (always lower) prices imposed.

Before the 1960s many (if not most) hospitals were owned and controlled by the physicians who worked in them, having established their own facilities in response to the demands of the community. There was rarely any push to extract payment from patients in order to line the institutional pockets, as any action of this sort would be seen as offensive to the patients who had trusted the physician with not only their care, but also with their financial well-being. The explosion of medical costs dates back to the Hill-Burton Act, which inflicted government hospitals on countless communities. It is this institutional pricing that cannot stand the light of day, as our facility has demonstrated. The low-cost, high-quality care at Surgery Center of Oklahoma represents lower facility pricing, not lower physician pricing.

G. Keith Smith, M.D.

Oklahoma City, Okla.

1. Smith GK. How can there be low price but high quality? *J Am Phys Surg* 2014;19:17.

It's "Crony Socialism," Not "Crony Capitalism"

My thanks to Keith Smith for his leadership in promoting freedom and true capitalism in medicine by founding the Surgery Center of Oklahoma. The Center prospers by honoring contracts, fostering competition by posting procedure prices online, and working for independence from government over-regulation. In the title of his article in the fall issue,¹ however, I believe he misuses the word "capitalism." Every example he gives involves manipulating government power to disadvantage or control others. This would be more accurately described as "crony socialism" or "crony fascism."

Robert J. Čihák, M.D.

Brier, Wash.

1. Smith GK. Industry consolidation: the smoking gun of "crony capitalism." *J Am Phys Surg* 2011;18:88-89.