11/c

SPEECH

AMERICAN PHARMACEUTICAL ASSOCIATION

WASHINGTON DC

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I AM DELIGHTED TO BE HERE WITH YOU THIS MORNING. I FEEL AT HOME WITH YOU. IN MY FORTY YEARS OF CLINICAL PRACTICE I REMEMBER BEING ON THE SIDE OF THE PHARMACIST OVER AND OVER AGAIN. WHEN I BECAME FAMILIAR WITH THE INDIAN HEALTH SERVICE AS SURGEON GENERAL I WAS DEEPLY IMPRESSED THAT WE PUT A HEAVY CLINICAL RESPONSIBILITY ON PHARMACISTS AND THAT THEY BORE IT WELL.

RECENTLY I HAVE BEEN TALKING TO PHYSICIANS AND THE PUBLIC ABOUT THE DETERIORATION OF THE OLD DOCTOR-PATIENT RELATIONSHIP. JUST LAST WEEK I LEARNED SOMETHING ABOUT THE REASON,- THE PUBLIC HAS VOTED PHARMACISTS THE MOST TRUSTED PROFESSION.

CONGRATULATIONS!

NOT LONG AGO, A TALK ON HEALTHCARE IN AMERICA TO THE AMERICAN PHARMACEUTICAL ASSOCIATION, A VITAL COMPONENT OF THE HEALTHCARE SYSTEM IN OUR COUNTRY, WOULD HAVE BEEN A SOURCE OF PRIDE AND COMFORT.

WE'D FEEL GOOD ABOUT OURSELVES AND OUR HEALTH CARE SYSTEM.

NO LONGER.

IN A WORD --WE HAVE BIG PROBLEMS.

SOMETIMES I USED TO WONDER IF THERE SHOULD NOT HAVE BEEN ANOTHER SURGEON GENERAL'S WARNING:

"WARNING! THE AMERICAN HEALTH CARE SYSTEM CAN BE HAZARDOUS TO YOUR HEALTH!

TO BEGIN WITH, THIS IS A TIME IN WHICH WE HAVE VERY HIGH EXPECTATIONS FOR MEDICINE AND HEALTH.

WE'VE PUT A GREAT DEAL OF FAITH INTO NEW TECHNOLOGIES, NEW PHARMACEUTICALS, NEW SURGICAL PROCEDURES, AND SO ON, AND WE CONTINUE TO HAVE FAITH IN WHAT I LIKE TO CALL THE MAGIC OF MEDICINE.

WE ROUTINELY EXPECT MIRACLES TO HAPPEN -- EVEN THOUGH THE REAL WORLD OF MEDICINE ISN'T ALWAYS ABLE TO DELIVER.

WE HAVE THAT SITUATION RIGHT NOW WITH AIDS.

FOR THE PAST 8 YEARS, SCIENTISTS AND CLINICIANS HAVE BEEN WORKING AROUND-THE-CLOCK TO UNDERSTAND AND CONQUER THE DISEASE OF AIDS.

THE PUBLIC EXPECTS US --EXPECTS YOU-- TO DELIVER THE MIRACLE DRUG, THE MAGIC BULLET TO STOP THIS DISEASE.

BUT IT STILL REMAINS SOMEWHAT OF A MYSTERY AND I DOUBT THAT WE'LL GET FULL CONTROL OVER THE AIDS VIRUS BEFORE THE TURN OF THE CENTURY.

BUT, AS FAR AS THE GENERAL PUBLIC IS CONCERNED, THE AIDS SITUATION IS THE EXCEPTION AND NOT THE RULE.

THE AMERICAN PEOPLE STILL MAINTAIN HIGH HOPES FOR WHAT MEDICINE AND HEALTH CARE CAN DO FOR THEM.

BUT I THINK IT'S ALSO BECOMING CLEAR THAT THOSE HIGH EXPECTATIONS ARE FAST OUT-RUNNING OUR ABILITY TO PAY FOR THEM.

IN OTHER WORDS, WE HAVE A CLEAR GAP IN OUR SOCIETY TODAY BETWEEN WHAT WE WOULD LIKE TO SEE HAPPEN IN HEALTH CARE ... AND WHAT CAN REALISTICALLY HAPPEN IN HEALTH CARE.

AND SO THE AMERICAN PEOPLE ARE ENGAGED IN A DEBATE IN RESPECT TO ASPIRATIONS VERSUS RESOURCES.

THIS IS A DEBATE THAT TOUCHES ON MANY ASPECTS OF AMERICAN LIFE... BUT I'LL FOCUS JUST ON HEALTH CARE, WHICH IS PROFOUNDLY AFFECTED BY THAT GROWING TENSION BETWEEN ASPIRATIONS AND RESOURCES.

MANY OF OUR GREAT EXPECTATIONS COME FROM OUR ABIDING FAITH IN EVER-IMPROVING MEDICAL TECHNOLOGY.

BUT NOW, I BELIEVE THE PUBLIC WONDERS IF MEDICAL TECHNOLOGY MIGHT BE A MIXED BLESSING.

THANKS TO AN EXPLOSION OF NEW KNOWLEDGE IN SCIENCE AND TECHNOLOGY OVER THE PAST SEVERAL DECADES, WE KNOW HOW TO DO MANY NEW AND FASCINATING THINGS:

BUT KNOWING HOW TO DO SOMETHING HAS NEVER BEEN ENOUGH.

PEOPLE ALSO WANT TO KNOW WHY ... OR WHY NOT?

AND TODAY, AS THE COST OF OUR MAGIC TECHNOLOGY SOARS, WE'RE ASKING "WHY?" MORE OFTEN AND MORE INSISTENTLY.

IN REGARDS TO PROLONGING LIFE, FOR EXAMPLE, BOTH THE LAY PUBLIC AND THE MEDICAL PROFESSION ARE EVEN NOW DEBATING THE WISDOM OF USING SO-CALLED "EXTRAORDINARY" MEASURES TO SAVE OR PROLONG THE LIVES OF PERSONS PROFOUNDLY TRAUMATIZED OR TERMINALLY ILL.

FOR MANY PEOPLE WHO MUST DECIDE THE FATE OF LOVED ONES, HIGH-TECH MEDICINE SOMETIMES ACTS LIKE A FRIEND ... AND SOMETIMES IT ACTS LIKE AN ENEMY.

HENCE, SOME PEOPLE ARE TURNING TO LEGAL INSTRUMENTS LIKE THE SO-CALLED "LIVING WILL" AND THE "DURABLE POWER OF ATTORNEY" TO PROTECT THEMSELVES FROM RUNAWAY MEDICAL TECHNOLOGY, IN THE EVENT THEY ONE DAY HAVE A TERMINAL ILLNESS OR INJURY.

HENCE, IN MANY REAL-LIFE SITUATIONS, TECHNOLOGY IS A MIXED BLESSING ... AT BEST ... AND CAN BE A CURSE, AT THE WORST.

IS OUR SOCIETY STILL READY AND WILLING TO DELIVER HIGH-QUALITY, TECHNOLOGY-INTENSIVE MEDICAL CARE TO EVERYONE, REGARDLESS OF COST?

I'D HAVE TO SAY THE ANSWER I GET AS I TRAVEL AROUND THE COUNTRY IS, "PROBABLY NOT."

WHAT WE HAVE, THEN, IS A RISE IN THE NEW TECHNOLOGIES AVAILABLE TO PHYSICIANS ...

BUT, AT THE SAME TIME, A DECLINE IN THEIR SIGNIFICANCE FOR A SUBSTANTIAL NUMBER OF PATIENTS.

IN ONE OF HIS PLAYS, GEORGE BERNARD SHAW ASKED WHY WE PAY DOCTORS TO TAKE A LEG OFF BUT WE DON'T PAY THEM TO KEEP A LEG ON. NOW, ALMOST 80 YEARS HAVE PASSED AND WE STILL HAVEN'T COME UP WITH A GOOD ANSWER.

OUR TECHNOLOGY-DRIVEN REIMBURSEMENT SYSTEM --

WHETHER BY GOVERNMENT OR OUT-OF-POCKET -- IS STILL

PREDICATED ON TAKING THE LEG OFF.

AND TO FURTHER COMPLICATE THE ISSUE, THE STRUGGLE

BETWEEN OUR ASPIRATIONS AND OUR RESOURCES HAS ALSO

COME AT THE WORST POSSIBLE TIME,

A TIME WHEN DEMOGRAPHIC TRENDS ARE RUNNING AGAINST US.

TODAY, FOR EXAMPLE, FOR EACH PERSON WHO IS OVER THE AGE OF 65, THERE ARE 5 YOUNGER, TAX-PAYING WAGE-EARNERS TO PAY FOR THAT ONE PERSON'S MEDICARE COVERAGE.

IN ANOTHER 20 YEARS, HOWEVER, FOR EACH PERSON OVER THE AGE OF 65, THERE WILL BE ONLY 3 YOUNGER, TAX-PAYING WAGE-EARNERS CONTRIBUTING TO MEDICARE.

THAT MEANS THAT IN A CLIMATE OF SCARCITY, AMERICANS WILL HAVE TO WORK OUT AN EQUITABLE SHARING OF NEEDED MEDICAL RESOURCES BETWEEN ONE POPULATION GROUP THAT IS GROWING -- THAT IS, THE ELDERLY, PEOPLE OVER THE AGE OF 65 -- AND THE POPULATION GROUP THAT IS COMPARATIVELY SHRINKING -- THAT IS, CHILDREN UNDER THE AGE OF 18.

OVER THE PAST 8 YEARS I'VE DEALT WITH ADVOCATES FOR CHILDREN AND I'VE DEALT WITH ADVOCATES FOR THE ELDERLY. THEY ARE BOTH VERY DEDICATED AND VERY PERSUASIVE GROUPS. AND BOTH WILL BE QUITE RIGHTLY COMPETING FOR A LARGER PIECE OF A SMALLER PIE.

THIS HAS CHILLING ETHICAL IMPLICATIONS, AND WE MUST GUARD AGAINST LETTING OUR ETHICS BE DETERMINED BY OUR ECONOMICS,

AND NOT THE OTHER WAY AROUND.

I'M SURE YOU PEOPLE WHO DEAL WITH THE EVERYDAY ISSUES OF HEALTHCARE PROVISION LOOK DOWN THE ROAD AS I DO AND SEE THE PROBLEMS ON THE HORIZON.

SOME CRITICS WILL SAY THAT THE CHIEF CAUSE FOR THE CRUNCH IS THE BUDGET DEFICIT. ONCE WE GET RID OF THE DEFICIT, SAY THESE CRITICS, WE WILL ALSO GET RID OF THAT GAP BETWEEN ASPIRATIONS AND RESOURCES ... BETWEEN DREAMS AND REALITY.

MAYBE ... BUT I DON'T THINK SO.

WELL BEFORE WE TALKED ABOUT A BUDGET PROBLEM, WE ALREADY HAD A HEALTH CARE ECONOMY THAT CONSISTENTLY RAN AT AN ANNUAL INFLATION RATE THAT WAS 2 TO 3 TIMES THE INFLATION RATE FOR THE REST OF THE AMERICAN ECONOMY. BUT WE DIDN'T SEE IT ... OR, IF WE DID SEE IT, WE PREFERRED NOT TO WORRY ABOUT IT.

TODAY, WE STILL HAVE AN INFLATED HEALTH CARE ECONOMY ...

BUT WE ALSO HAVE INFLATED HEALTH CARE ASPIRATIONS. AND

WE SIMPLY CAN'T AFFORD ANY INFLATION AT ALL.

WHEN I OR OTHER PEOPLE TALK LIKE THIS, OUR CRITICS COME

BACK AT US AND SAY THAT THINGS REALLY AREN'T THAT BAD ...

THAT ALL WE NEED TO DO IS PUT A REIMBURSEMENT CAP ON

THIS ... OR CHANGE THE ELIGIBILITY REGULATIONS FOR THAT ...

OR CUT BACK A LITTLE HERE ... OR PRUNE BACK A LITTLE THERE.

DURING 8 YEARS AS YOUR SURGEON GENERAL, I LISTENED TO THESE DEBATES AND I'VE THOUGHT ABOUT THE TRUE HUMAN COSTS ASSOCIATED WITH THAT KIND OF A PATCHWORK APPROACH.

AND TODAY I'M MORE CONVINCED THAN EVER THAT OUR WHOLE HEALTH CARE SYSTEM NEEDS TO BE STUDIED WITH AN EYE TO MAKING A NUMBER OF VERY MAJOR CORRECTIONS.

NOW, I CAN ALREADY HEAR THE CRITICS SAYING, "WAIT A MINUTE, DR. KOOP. THE SYSTEM AIN'T BROKE, SO DON'T FIX IT."

TO WHICH I WOULD REPLY, "YOU'RE WRONG. THE SYSTEM IS BROKEN ... AND IT MUST BE FIXED." BAND-AIDS WON'T DO.

HOSPITAL COSTS ARE STILL CLIMBING ... AND NO ONE CAN PROVE TO THE AMERICAN PEOPLE THAT THE QUALITY OF HOSPITAL-BASED CARE IS UNIFORMLY GOING UP AS WELL.

ON THE CONTRARY, OUR PEOPLE COMPLAIN THAT THEY ARE PAYING MORE AND MORE FOR MEDICAL CARE, AND ARE GETTING LESS AND LESS.

WORSE STILL, AS THE COST OF HOSPITAL-BASED CARE INCREASES, SOME HOSPITALS THEMSELVES ARE TRYING TO NARROW THEIR PATIENT POOL ... FOR EXAMPLE, ELIMINATING THE NEED TO PROVIDE IN-PATIENT MEDICAL CARE FOR POOR AND DISADVANTAGED AMERICANS.

I SAY THERE'S SOMETHING TERRIBLY WRONG WITH A SYSTEM OF HEALTH CARE THAT SPENDS MORE AND MORE MONEY TO SERVE FEWER AND FEWER PEOPLE.

AND WE HAVE MUCH THE SAME PROBLEM IN RESPECT TO PHYSICIAN SERVICES AND FEES.

I CAN TELL YOU THAT MANY OF MY FRIENDS AND COLLEAGUES IN MEDICAL PRACTICE ARE TRYING TO DO WHAT THEY CAN TO INCREASE THE QUALITY OF CARE THEY DELIVER WITHOUT INCREASING THEIR COSTS.

BUT THEY ARGUE THAT THEY HAVE LITTLE OR NO CONTROL OVER SOME OF HE INFLATIONARY THINGS THEY DO.

AND THAT'S TRUE.

I'VE BEEN THERE -- SO IT'S NOT JUST GIVING THEM THE BENEFIT OF THE DOUBT.

BUT THE FACT STILL REMAINS THAT PHYSICIAN FEES <u>ARE</u> GOING UP, AND THEY <u>DO</u> ADD TO A BURDEN ON THE PUBLIC THAT IS BECOMING INSUPPORTABLE.

AND, AGAIN -- AS WITH HOSPITAL-BASED CARE -- THE AMERICAN PEOPLE HAVE NOT BEEN ASSURED, IN ANY RATIONAL AND MEASURABLE WAY,

THAT THE HIGHER <u>COSTS</u> OF A PHYSICIAN'S CARE WILL IN FACT BUY THEM A PROPORTIONATELY HIGHER <u>QUALITY</u> OF SUCH CARE.

BEFORE I GO ANY FURTHER, LET ME SAY THAT IN GENERAL I SUPPORT THE CONCEPT OF A LAISSEZ-FAIRE MARKETPLACE AND I BELIEVE IN A FREELY COMPETITIVE ECONOMY.

I THINK A LAISSEZ-FAIRE ECONOMY WORKS BEST FOR ALL OUR CITIZENS AND I'M THRILLED -- AS I'M SURE ALL AMERICANS ARE THRILLED -- TO SEE SO MANY COUNTRIES WITH STATE-CONTROLLED ECONOMIES COMING AROUND TO OUR POINT OF VIEW.

NOW, HAVING SAID THAT, LET ME GO ON TO SAY THAT THE HEALTH CARE MARKETPLACE IS LAISSEZ-FAIRE ...

BUT IT'S NOT FREELY COMPETITIVE AND, HENCE, IT HAS VIRTUALLY NO MODERATING CONTROLS WORKING ON BEHALF OF THE CONSUMER, THAT I STILL PREFER TO CALL, THE PATIENT.

IN MOST OTHER AREAS OF OUR ECONOMY, THE MARKETPLACE DOES EXERCISE SOME CONTROL OVER ARBITRARY RISES IN CHARGES TO THE CONSUMER. THERE REALLY IS COMPETITION. HERE AND THERE IT MIGHT BE RATHER THIN ... BUT IT DOES EXIST AND IT DOES PROVIDE SOME ASSURANCE THAT INEFFECTIVE, UNCOMPETITIVE, HIGH-COST, LOW-QUALITY ENTERPRISES WILL FAIL.

BUT IN HEALTH CARE, RIGHT ACROSS THE BOARD, PRICES HAVE GONE UP IRRESPECTIVE OF THE QUALITY OF CARE BEING DELIVERED OR OF ANY OTHER MARKETPLACE CONTROL.

TRY AS THEY MIGHT, I DON'T SEE THE MEDICAL PROFESSION ACHIEVING MUCH SUCCESS IN SELF-REGULATION.

GRANTED, IT'S NO SIMPLE TASK. BUT, UNTIL THE PURCHASING PUBLIC "BUYS RIGHT"-- AS WALTER MCCLURE PUTS IT-- THE MARKET CANNOT CHANGE.

PHYSICIANS CAN HELP PUT THE BRAKES ON SOME GENERAL EXPENDITURES, BUT THERE ARE <u>VERY FEW</u> PHYSICIANS WHO CAN HONESTLY AND EFFECTIVELY CONTROL EVEN THE <u>DELIVERY</u> OF SERVICE -- MUCH LESS CONTROL THE <u>COSTS</u> OF THAT SERVICE -- WHILE CARING FOR A SPECIFIC, INDIVIDUAL PATIENT AT THE BEDSIDE.

WE SEEM TO HAVE, THEREFORE, A SYSTEM OF HEALTH CARE THAT'S DISTINGUISHED BY A VIRTUAL ABSENCE OF SELF-REGULATION ON THE PART OF THE PROVIDERS OF THAT HEALTH CARE -- THAT IS, HOSPITALS AND PHYSICIANS -- AND DISTINGUISHED AS WELL BY THE ABSENCE OF SUCH NATURAL MARKETPLACE CONTROLS AS COMPETITION IN REGARD TO PRICE, QUALITY, OR SERVICE.

WHAT IS THE EFFECT OF SUCH A SYSTEM ANYWAY?

ONE VERY SERIOUS EFFECT HAS BEEN THE EMERGENCE OF A THREE-TIER FRAMEWORK OF HEALTH CARE.

WE'VE ALWAYS SAID WE NEVER WANTED EVEN A TWO-TIER SYSTEM.

BUT WE HAVE IT ... AND A THIRD TIER, ALSO.

IN THE FIRST TIER ... THE BOTTOM TIER ... ARE UPWARDS OF PERHAPS 30 MILLION AMERICANS -- ABOUT 12 PERCENT OF THE POPULATION -- WHO FALL BETWEEN THE CRACKS AND HAVE NO HEALTH INSURANCE COVERAGE ... NO HIGH OPTIONS ... NO LOW OPTIONS ... NO OPTIONS AT ALL.

THEY'RE NOT OLD ENOUGH FOR MEDICARE AND NOT POOR ENOUGH FOR MEDICAID.

WHAT, THEN, DOES THIS "HEALTH CARE SYSTEM" OF OURS DO FOR THE UNINSURED?

AS YOU KMOW, IN THE VAST MAJORITY OF CASES THE ANSWER IS ... VERY LITTLE ... OR NOTHING. AND THEY ARE SUFFERING THE CONSEQUENCES.

STUDY AFTER STUDY INDICATES THE CORRELATION BETWEEN NO MEDICAL INSURANCE AND INCREASING HEALTH PROBLEMS.

THE HEALTH PROBLEMS OF THE LOWEST TIER, IF IGNORED BY SOCIETY NOW, WILL BE BORNE BY SOCIETY LATER.

THEN WE HAVE A SECOND TIER.

THIS TIER RECEIVES A NARROW RANGE OF BASIC MEDICAL AND HEALTH SERVICES WITH MORE OR LESS FIXED LEVELS OF REIMBURSEMENT.

THIS IS LOW-OPTION COVERAGE ... MEDICARE AND MEDICAID COVERAGE ... WITH THE PATIENT PAYING MANY COSTS OUT-OF-POCKET OR WITH THE HELP OF SOME FORM OF SUPPLEMENTAL INSURANCE, WHICH IS -- IN MY BOOK -- JUST ANOTHER KIND OF OUT-OF-POCKET EXPENSE.

FINALLY, WE HAVE THE THIRD TIER, THE TOP TIER.

THE PEOPLE IN THIS TIER RECEIVE A FULL RANGE OF MEDICAL AND HEALTH SERVICES. THEY ARE COVERED BY HIGH-OPTION HEALTH INSURANCE AND ALSO HAVE A FEW DOLLARS LEFT OVER TO PAY THE 15 OR 20 PERCENT DIFFERENCE BETWEEN THE ACTUAL BILL FROM THE DOCTOR AND THE CHECK FROM THE INSURANCE COMPANY.

MANY OF OUR LARGEST BUSINESS AND INDUSTRIAL ORGANIZATIONS ARE IN THIS TOP TIER.

YEARS OF TOUGH COLLECTIVE BARGAINING MADE IT POSSIBLE FOR MILLIONS OF THEIR UNIONIZED EMPLOYEES, AND THEIR FAMILIES, TO BE IN THAT TOP THIRD TIER.

BUT NOW IT'S NO SECRET THAT HEALTH CARE INFLATION HAS BECOME THE MAJOR STICKING-POINT IN THEIR COLLECTIVE BARGAINING, ALSO.

BUT HOW DOES THE BARGAINING END?

THAT'S EASY: MORE MONEY IS PROMISED FOR EMPLOYEE HEALTH BENEFITS ... AND THE INCREASED HEALTH COSTS TRANSLATE INTO HIGHER PRICES FOR THE CUSTOMER OR THE UTILITY RATE-PAYER.

IN OTHER WORDS, EMPLOYEE HEALTH PLANS HAVE REALLY BECOME "PASS-ALONG" MECHANISMS THROUGH WHICH DOLLARS, ARE PASSED ALONG AND INTO THE HEALTH CARE SYSTEM.

IT'S BEEN WORKING THAT WAY FOR THE PAST 20 YEARS OR SO. BUT I DON'T THINK AMERICANS CAN KEEP FEEDING THE HEALTH CARE SYSTEM QUITE THAT WAY ANY MORE. WE'VE GOT TO MAKE SOME CHANGES.

AND BUSINESS ITSELF IS FINALLY COMING AROUND TO UNDERSTAND THIS. IT CANNOT CONTINUE TO BURY INFLATED COSTS OF HEALTH CARE IN THE PRICE-TAGS OF THEIR GOODS AND SERVICES.

SINCE 1984 THE AVERAGE PREMIUMS FOR EMPLOYER-PROVIDED HEALTH INSURANCE HAVE APPROXIMATELY DOUBLED... TO $3,117 PER YEAR,

AND HAVE RISEN FROM 8 PERCENT OF BUSINESS PAYROLL COSTS TO 13.6 PERCENT LAST YEAR.

BUSINESSES CAN'T ABSORB THESE COSTS AND ALSO EXPECT TO BE COMPETITIVE.

AMERICAN BUSINESSMEN AND LABOR LEADERS ARE FINALLY COMING TO UNDERSTAND WHAT THIS MEANS. THERE IS A "HEALTH BENEFITS SURCHARGE", IF YOU WILL,ON EVERY MANUFACTURED PRODUCT. FOR EXAMPLE, ON EVERY CAR THAT GENERAL MOTORS MANUFACTURES IN THIS COUNTRY, IT AMOUNTS TO WELL OVER $600 PER CAR. IN CONTRAST, CARS MADE AT THE NEW NISSAN PLANT IN TENNESSEE , THE "HEALTH BENEFITS SURCHARGE" IS ONLY SIXTY DOLLARS PER CAR.

THE GENERAL MOTORS HEALTH PLAN IS A GENEROUS ONE, AND IT COVERS RETIRED EMPLOYEES AS WELL AS ACTIVE WORKERS. NISSAN, ON THE OTHER HAND, OFFERS A LIMITED PLAN THAT DOES NOT EVEN PROVIDE MATERNITY BENEFITS OR PEDIATRIC CARE FOR ITS ACTIVE EMPLOYEES.

BUT, WHILE ECONOMIC PRESSURES MAKE BUSINESS CONSIDER CUTTING BACK ON THE HEALTH-CARE BENEFITS THEY PROVIDE, SOCIAL PRESSURE COMPELS PROVIDING EVEN MORE.

WE HAVE SEEN CURRENT LABOR DISPUTES FOCUS NOT ON WAGES OR HOURS BUT ON HEALTH BENEFIT PACKAGES. THAT'S WHAT THE RECENT TELEPHONE STRIKE WAS ALL ABOUT.

I'M REMINDED, OF THE RECENT REPORT OF THE "NATIONAL COMMISSION TO PREVENT INFANT MORTALITY."

AMONG OTHER THINGS, THE COMMISSION RECOMMENDED THAT THE AMERICAN PEOPLE MUST ... "PROVIDE UNIVERSAL ACCESS TO EARLY MATERNITY AND PEDIATRIC CARE FOR ALL MOTHERS AND INFANTS."

IN OTHER WORDS, LET'S GET RID OF ANY AND ALL BARRIERS TO HEALTH CARE FOR EACH AND EVERY MOTHER AND CHILD IN AMERICA.

OF ALL INDUSTRIALIZED NATIONS, ONLY THE UNITED STATES DOES NOT GUARANTEE ACCESS TO BASIC HEALTH CARE.

BUT THIS RECOMMENDATION AMPLIFIES THE CONCEPT OF "ACCESS" IN A NEW AND VERY IMPORTANT WAY. IT SAYS THAT ... "EMPLOYERS MUST MAKE AVAILABLE HEALTH INSURANCE COVERAGE THAT INCLUDES MATERNITY AND WELL-BABY CARE."

THE COMMISSION WAS EVENLY BALANCED WITH PHYSICIANS AND NON-PHYSICIANS ... REPUBLICANS AND DEMOCRATS ... FEDERAL AND STATE OFFICIALS ... AND SO ON. HARDLY A RADICAL BUNCH BY ANYONE'S STANDARD.

YET, THE MEMBERS CAME OUT FOR A MUCH GREATER ROLE FOR PRIVATE EMPLOYERS.

WHY DID THEY DO THAT?

BECAUSE TODAY, OF THE MORE THAN 56 MILLION AMERICAN WOMEN OF CHILD-BEARING AGE, ROUGHLY 16 TO 44, ALMOST 28 MILLION OF THEM ARE EMPLOYED FULL-TIME IN THE AMERICAN WORK-FORCE.

THAT'S 50 PERCENT OF ALL WOMEN IN THAT CRUCIAL CHILD-BEARING AGE GROUP.

IN ADDITION, WELL OVER HALF OF ALL MOTHERS OF SMALL CHILDREN -- KIDS THREE YEARS OLD OR YOUNGER -- ARE WORKING FULL-TIME.

ON A DAY-TO-DAY BASIS, IT IS NOW CLEARLY THE MANAGEMENTS OF BUSINESS AND INDUSTRY WHO EXERCISE THE MOST CRITICAL INFLUENCE UPON THE HEALTH OF AMERICA'S MOTHERS AND CHILDREN.

THE HEALTH CARE SYSTEM IN AMERICA TODAY IS A TERRIBLE MORAL BURDEN FOR SOCIETY TO BEAR, IN THAT THE SYSTEM DOES NOT RESPOND AT ALL TO SOME 12 TO AS HIGH AS 15 PERCENT OF OUR POPULATION.

AND IT IS A TERRIBLE ECONOMIC BURDEN FOR SOCIETY TO BEAR, IN THAT THE SYSTEM SATISFIES ITS OWN UNCONTROLLED NEEDS AT THE EXPENSE OF EVERY OTHER SECTOR OF AMERICAN SOCIETY.

WE NEED TO CHANGE THAT SYSTEM.

NOT JUST A LITTLE CHANGE HERE AND A LITTLE CHANGE THERE.

WE NEED TO BRING ABOUT A PROFOUND CHANGE, ACROSS-THE-BOARD, IN THE WAY WE MAKE MEDICAL AND HEALTH CARE AVAILABLE TO ALL OUR CITIZENS.

BUT CAN WE DO IT?

WE ARE AT A CROSSROADS. WE CANNOT AFFORD TO DO NOTHING,

TO CONTINUE BUSINESS AS USUAL.

THE PRESSURE FOR RADICAL CHANGE IS COMING FROM ALL DIRECTIONS:

FROM MEMBERS OF CONGRESS, FROM BUSINESS, FROM LABOR, AND FROM THE GENERAL PUBLIC. THE RECENT REPORT OF THE PEPPER COMMISSION IS THE LATEST EXAMPLE.

INCREASINGLY WE HEAR THE DEMAND FOR RESTRUCTURING THE FINANCING AND DELIVERY OF HEALTHCARE IN THE UNITED STATES.

EVEN SOME BUSINESS LEADERS WHO NORMALLY CRINGE AT THE THOUGHT OF GOVERNMENT INTERVENTION OR REGULATION FIND THEMSELVES CALLING FOR A SYSTEM OF NATIONAL HEALTH CARE AS A SOLUTION TO RISING INSURANCE COSTS.

A SURPRISING AND VERY SIGNIFICANT EVENT TOOK PLACE AT THE BEGINNING OF LAST SUMMER.

TWO GROUPS, UNLIKELY PARTNERS IN THIS SORT OF ISSUE,

EACH CALLED FOR A NATIONAL HEALTH SERVICE.

THE FIRST WAS ONE OF THE MAJOR AUTOMOBILE

MANUFACTURERS,

AND THE OTHER WAS THE HERITAGE FOUNDATION, A MOST

CONSERVATIVE BODY.

RECENTLY I'VE NOTICED A STRANGE INTEREST IN THE CANADIAN SYSTEM.

EVERYWHERE I GO PEOPLE SAY TO ME, "WE NEED THE CANADIAN SYSTEM." SO I SAY, "TELL ME, WHAT IS IT YOU LIKE ABOUT THE CANADIAN SYSTEM.?"

THEY ALWAYS ANSWER, "I DON'T REALLY KNOW, BUT IT'S A GOOD SYSTEM."

THE GROWING INFATUATION WITH FOREIGN NATIONAL HEALTH SERVICES IS BASED MORE UPON DISSATISFACTION WITH OUR SYSTEM THAN UPON UNDERSTANDING OF ANOTHER ONE.

MOST AMERICANS DO NOT REALIZE THAT ANY NATIONAL HEALTH SERVICE, IS BASED UPON PLANNED SCARCITY.

EXPERIENCE THE WORLD OVER HAS SHOWN THAT WHEN GOVERNMENT ECONOMIC CONTROLS ARE APPLIED TO HEALTH, THEY PROVE --IN TIME-- TO BE DETRIMENTAL. EVENTUALLY THERE IS AN EROSION OF QUALITY, PRODUCTIVITY, INNOVATION, AND CREATIVITY. THIS IS ESPECIALLY TRUE OF RESEARCH. THEN, LACK OF RESPONSIVENESS TO PATIENTS. FINALLY, RATIONING AND WAITING IN LINES.

AMERICANS DO NOT PATIENTLY QUE UP FOR ANYTHING,

ESPECIALLY FOR MEDICAL CARE.

THE MAJORITY HAS BECOME ACCUSTOMED TO AVAILABLE CARE,

IF NOT ACCESSIBLE CARE.

AND WE DESIRE PERSONAL CARE.

NOW, IT MAY NOT BE POSSIBLE TO HAVE THE SAME PERSONAL

RELATIONSHIP BETWEEN DOCTORS AND PATIENTS THAT OUR

GRANDPARENTS HAD.

TODAY, URBAN PEOPLE, ESPECIALLY, RELY UPON EMERGENCY ROOM CARE AND GROUP PRACTICES, AND THE EFFICIENCY THEY BRING HAVE COME AT THE COST OF THAT PERSONAL RELATIONSHIP.

BUT, WE CAN DO A LOT TO RESTORE THE DOCTOR-PATIENT RELATIONSHIP, A RELATIONSHIP THAT IS UNFORTUNATELY BECOMING CHANGED TO A PROVIDER-CONSUMER RELATIONSHIP.

THE SO-CALLED DOCTOR-PATIENT RELATIONSHIP, OF COURSE INVOLVES MORE THAN JUST THE DOCTOR AND THE PATIENT. IT ALSO INVOLVES EVERYONE IN THE DELIVERY OF HEALTHCARE: PHARMACISTS, NURSES, MEDICAL TECHNICIANS, ETC. ON A DAY TO DAY BASIS, IT IS OFTEN THE PHARMACIST WHO IS THE POINT OF CONTACT MOST AMERICANS HAVE WITH THE HEALTHCARE SYSTEM.

I REALIZE THAT THERE ARE SOME BUILT-IN PROBLEMS. PEOPLE AREN'T HAPPY ABOUT BEING ILL, NEEDING TO GO TO A PHYSICIAN OR TO A PHARMACIST.

HAVING TO PAY A HIGH PRICE FOR MEDICATION OR CONSULTATION MAKES IT EVEN MORE UNPLEASANT.

BUT WE NEED TO SUBORDINATE THE ECONOMIC ASPECT OF THE RELATIONSHIP TO THE CLIMATE OF TRUST BETWEEN THE DOCTOR OR THE PHARMACIST AND THE PATIENT.

WE NEED GREATER UNDERSTANDING OF THIS BASIC ISSUE OF HEALTHCARE.

WE NEED COOPERATION BETWEEN ALL KINDS OF HEALTHCARE PERSONNEL, PHYSICIANS AND PHARMACISTS, ON THIS BASIC ISSUE.

IF THE PATIENT THINKS OF HIMSELF PRIMARILY AS A CONSUMER, GETTING THE MOST FOR HIS MONEY, SHOPPING AROUND FOR A DOCTOR OR A PHARMACY WHICH CHARGES $5 LESS FOR AN OFFICE VISIT --OR $2 LESS FOR A DRUG--, HE AUTOMATICALLY PUTS THE DOCTOR IN THE ROLE OF THE SELLER, GETTING THE MOST FOR HIS SERVICES.

IF THE DOCTOR IS PRIMARILY CONCERNED ABOUT COLLECTING HIS FEE, HE AUTOMATICALLY AROUSES THE CONSUMER MENTALITY IN HIS PATIENT. WE CAN'T HAVE PATIENTS WONDERING IF THEIR TREATMENT IS DETERMINED BY THE DOCTORS FINANCES.

WE ALSO NEED TO REFORM THE MALPRACTICE MESS, THE TORTURED TORT SYSTEM THAT FORCES DOCTORS AND PATIENTS TO VIEW EACH OTHER AS LEGAL ADVERSARIES. WE CAN'T HAVE DOCTORS WONDERING IF THEY'LL NEXT SEE THEIR PATIENTS IN COURT, FLANKED BY THEIR LAWYERS.

WE NEED TO GET PAST THE STAND-OFF BETWEEN DOCTORS AND LAWYERS.

I'M SURE THAT BOTH THE DOCTOR AND THE PATIENT WOULD PREFER TO HAVE THAT OLD RELATIONSHIP OF TRUST THEY USED TO HAVE.

IT CAN BE RESTORED.

BUT IT WILL TAKE COMMITMENT BY PEOPLE ON BOTH SIDES OF THE STETHOSCOPE.

BUT IF WE DON'T OFFER SOMETHING BETTER, WE WILL GET A GOVERNMENT CONTROLLED MEDICAL SYSTEM, AND LOSE FOREVER THE PRESENT POTENTIAL FOR THE BEST SYSTEM POSSIBLE.

THE FALLACY OF ECONOMIC CONTROLS IS THAT THEY ATTEMPT TO FORCE CHANGE AND REORGANIZATION AGAINST THE WILL OF THOSE PROVIDING HEALTH CARE. IT IS NOT IN THEIR INTEREST, AS THEY SEE IT, BECAUSE THE MORE INEFFICIENT PROVIDER, THE MORE REVENUE, REGARDLESS OF HEALTH PRODUCED, OR NOT PRODUCED.

WE ARE IN A PERIOD OF TIGHT FINANCIAL CONSTRAINTS, AND IF YOU READ THE LIPS OF THE PRESIDENT -- NO NEW TAXES.

IF THAT WERE NOT SO, I THINK WE'D HAVE A GOVERNMENT-CONTROLLED NATIONAL HEALTH SERVICE ALMOST IMMEDIATELY. THAT WOULD SEEM MARVELOUS AT THE BEGINNING, BUT DISSATISFACTION WOULD COME UNTIL YOU COULDN'T WAIT TO CHANGE IT AGAIN.

THERE IS A BETTER WAY, AND IT PREVENTS THE FURTHER INTRUSION OF THE GOVERNMENT INTO THE DELIVERY OF HEALTH CARE.

A MARKET-BASED STRATEGY MUST ADDRESS THE FORCES DRIVING COSTS UPWARD WHILE AT THE SAME TIME ATTACKING BARRIERS TO ACCESS.

WE HAVE THE PARADOX OF TOO MUCH CARE AND TOO LITTLE CARE FOR DIFFERENT SEGMENTS OF SOCIETY AT THE SAME TIME. AS HIGH-TECH MEDICINE GROWS OUT OF CONTROL, UNBRIDLED BY UNINFORMED PURCHASERS, MANY PEOPLE ARE DENIED BASIC PREVENTIVE AND PRIMARY CARE.

TWO THIRDS OF OUR POPULATION - ABOUT 160 MILLION AMERICANS ARE COVERED BY EMPLOYER-PURCHASED HEALTH INSURANCE. EMPLOYERS AND WORKERS TOGETHER MUST IDENTIFY THE LEADERSHIP TO BRING HEALTHCARE COST UNDER CONTROL.

SUCH A NATIONAL ALLIANCE HAS BEEN FORMED AND IS GROWING. AS THIS REFORM IN THE PRIVATE SECTOR IS TAKING PLACE THERE MUST BE FURTHER JOINING OF FORCES WITH GOVERNMENT - AT FEDERAL AND STATE LEVELS - WHERE MEDICARE AND MEDICAID ARE ADMINISTERED,IF WE ARE TO RESTRUCTURE THE ENTIRE SYSTEM OF PURCHASING AND PROVIDING HEALTHCARE.

THEN INSTEAD OF REWARDING POOR QUALITY, AND INEFFICIENCY - WITH DOLLARS, AS WE NOW DO, - HIGH QUALITY, AND EFFICIENCY WILL BE REWARDED WITH PATIENTS. WE NEED TO COMMUNICATE BETTER ABOUT HIGH-QUALITY AND EFFICIENT CARE. THEN THE PATIENTS WILL MIGRATE FROM THE POOR QUALITY, INEFFICIENCT SYSTEMS WHICH WILL HAVE TO IMPROVE OR PERISH.

WE WILL NEED - AND THEY ARE BEING DEVELOPED - TOOLS TO MEASURE MEDICAL NECESSITY, APPROPRIATENESS, EFFECTIVENESS AND OF COURSE OUTCOMES. QUALITY, AND EFFICIENCY ARE DIFFICULT IF NOT IMPOSSIBLE TO MEASURE. BUT THEY ARE MORE IMPORTANT THAN MERE QUANTITY.

FOR THOSE WITHOUT ACCESS, THE GOAL IS UNIVERSAL COVERAGE TO BE ACHIEVED THROUGH COMPREHENSIVE REFORMS OF GOVERNMENT PROGRAMS FOR THE POOR AND UNINSURED COMBINED WITH RISK POOLING. MEANWHILE INTERIM STEPS INCLUDE MEDICAID EXPANSION, UNDER EXISTING LAW, AND TAX INCENTIVES TO ENCOURAGE SMALL BUSINESS INSURANCE COVERAGE. THESE LATTER ELEMENTS ARE THE ONLY ONES THAT REQUIRE PUBLIC POLICY REFORMS.

ONE WAY TO GET THINGS MOVING IN THE RIGHT DIRECTION IS THROUGH A PRESIDENTIAL COMMISSION.

I URGED THIS IN A PRIVATE CONVERSATION WITH THE PRESIDENT IN AUGUST 1988, SEVERAL MONTHS BEFORE HIS ELECTION,

AND I'VE MADE THE SAME SUGGESTION IN EDITORIALS IN NEWSWEEK AND FROM MANY PLATFORMS AROUND THE COUNTRY.

THIS IS THE BEST WAY TO GET ACTION, BECAUSE THE CONGRESSIONAL MEMBERS OF A PRESIDENTIAL COMMISSION WILL TAKE THE PLANS BACK TO CONGRESS FOR DISCUSSION, A VOTE, AND THEN IMPLEMENTATION.

THE OPPORTUNITY IS NOW.

THE TIME IS SHORT.

THE STAKES ARE HIGH.

THE ALTERNATIVES UNDESIRABLE.

IT REMAINS TO BE SEEN WHETHER OR NOT THE PRIVATE SECTOR SEIZES THIS ONE AND ONLY OPPORTUNITY, WE'LL SEE.

WE ALL NEED TO BE A PART OF THE EFFORT.

BUT THERE IS NO QUICK FIX.

FROM HERE TO THERE COULD TAKE A DECADE, BUT WE'D IMPROVE YEAR BY YEAR ALONG THE WAY.

IN THE MEANTIME, EVERYDAY, ALL OF US WHO ARE PART OF THE HEALTHCARE SYSTEM, ALL OF US WHO ARE PART OF AMERICAN SOCIETY FIND OURSELVES IN THE MIDST OF A GRET REVOLUTION.

AS PHARMACISTS YOU ARE A PART OF THAT REVOLUTION, AND YOU'LL IMPROVE THE HEALTH OF THE AMERICAN PEOPLE --AS WELL AS YOUR OWN HEALTH-- IF YOU PLAY YOUR PART.

TWO CONCEPTS FORM THE BASIS FOR THIS REVOLUTION.

FIRST, YOUR HEALTH AND THE HEALTH OF THOSE WHO COME TO YOU PROFESSIONALLY WILL DEPEND MOSTLY UPON THE <u>PREVENTION</u> OF DISEASE AND DISABILITY AND THE <u>PROMOTION</u> OF GOOD HEALTH.

SOME ANALYSTS EVEN SAY THAT PREVENTION AND HEALTH PROMOTION CAN POSTPONE UP TO 70 PERCENT OF ALL PREMATURE DEATHS, WHEREAS THE TRADITIONAL CURATIVE AND REPARATIVE APPROACH OF MEDICINE CAN POSTPONE NO MORE THAN 10 TO 15 PERCENT OF SUCH DEATHS. EVEN IF THEY'RE ONLY HALF RIGHT, THAT'S QUITE A DIFFERENCE IN SOCIAL PAY-OFFS.

SECOND WE HAVE COME TO REALIZE THAT THESE TWO APPROACHES TO HEALTH -- THAT IS, DISEASE PREVENTION AND HEALTH PROMOTION -- ARE THE PRIMARY RESPONSIBILITIES OF EACH INDIVIDUAL.

PHYSICIANS AND THERAPISTS AND PHARMACISTS AND NURSES MUST PROVIDE AMERICANS WITH INFORMATION, SERVICE, AND EXAMPLES. BUT THE CRITICAL CHOICES REST WITH EACH INDIVIDUAL. AND THEY ARE FREE CHOICES IN NEARLY EVERY CASE, NOT MANDATED BY LAW -- AT LEAST NOT YET.

THIS TWO-FOLD CHANGE IN THE WAY WE LOOK AT HEALTH IN AMERICA HAS NOT YET BEEN FULLY ABSORBED BY THE AMERICAN PEOPLE, ALTHOUGH THEY SEEM WILLING ENOUGH TO LEARN.

NOW, IT'S TRUE THAT AMERICAN PUBLIC HEALTH HAS ALWAYS HAD A STRONG PREVENTIVE BASE:

WE WERE BROUGHT UP ON VACCINATION PROGRAMS AND WATER FLUORIDATION AND BLOOD PRESSURE CHECK-UPS AND SO ON.

NEVERTHELESS, I THINK THE OVERALL PERCEPTION AMONG THE AMERICAN PEOPLE IS STILL AN OLD-FASHIONED ONE: THAT IS, THAT PUBLIC HEALTH AND MEDICAL AND NURSING PERSONNEL ARE REALLY ON THE JOB TO PATCH YOU UP IF YOU GET HURT OR TO CURE YOU IF YOU GET SICK. IN OTHER WORDS, THE PATIENT IS PASSIVE AND THE HEALTH SYSTEM IS THE ONLY ACTIVE PARTY.

I THINK THE PUBLIC STILL ADHERES TO THE IDEA THAT THE PATIENT IS SUPPOSED TO "FOLLOW THE DOCTOR'S ORDERS," OR "FOLLOW THE DRUGGIST'S ORDERS".

OF COURSE, BY "FOLLOWING THE DOCTOR'S ORDERS," THE PATIENT WILL DO THOSE THINGS THAT WILL HELP HIM OR HER <u>REGAIN</u> THE LOST STATUS OF FULL HEALTH.

WE IN THE PUBLIC HEALTH PROFESSIONS HAVE BEEN DILIGENTLY TRYING TO TURN THAT CONVENTIONAL WISDOM AROUND. AND I THINK WE ARE!

I THINK WE'RE MAKING GREAT STRIDES IN THE ANTI-SMOKING AREA.

THE PERCENTAGE OF THE ADULT POPULATION WHO SMOKES IS STEADILY DECLINING AND THAT'S EXCELLENT.

HERE'S WHERE YOU CAN ASSUME A POSITION IN THE FRONT LINES, BY INSISTING THAT TOBACCO PRODUCTS HAVE NO PLACE IN A PHARMACY.

THERE'S ALSO BEEN A DROP IN THE CONSUMPTION OF HARD LIQUOR, WITH A SHIFT TO BEER AND WINE -- OR SIMPLY WATER. AS A RESULT, THERE'S BEEN A DRAMATIC DROP IN CHRONIC LIVER DISEASE AND CIRRHOSIS MORTALITY IN GENERAL.

PEOPLE SEEM TO BE EATING LESS FAT, PARTICULARLY SATURATED FAT AND CHOLESTEROL. THE DROP IN CIGARETTE SMOKING AND THE REDUCTIONS IN FAT IN THE AVERAGE PERSON'S DIET HAVE COMBINED TO CONTRIBUTE TO THE DECLINE IN HEART DISEASE AND STROKE DEATHS OVER THE PAST 10 TO 15 YEARS AS WELL. THERE'S NO DOUBT ABOUT THAT.

SO I THINK WE CAN FEEL ENCOURAGED ABOUT THE TRENDS SO FAR.

THE BIG QUESTION REMAINS, HOWEVER: ARE THEY REALLY TRENDS ... OR ARE THEY TEMPORARY ARTIFACTS OF A DYNAMIC CULTURE?

WE NEED TO MAKE THE RIGHT CHOICES ABOUT LIFESTYLE, ABOUT PHYSICAL EXERCISE, ABOUT DIET.

WHEN WE CONVINCE OURSELVES TO EAT A PROPER DIET,

TO AVOID FOODS HIGH IN FAT, SUGAR, AND SODIUM,

TO SAY "NO!" TO DRUGS LIKE ALCOHOL AND NICOTINE,

WE TAKE CHARGE OF OUR HEALTH.

WHEN WE SAY THAT THE BEST WAY TO BEAT HEART DISEASE IS THROUGH ROUTINE EXERCISE, NO SMOKING, AND A HEALTHFUL DIET,

THAT'S JUST ANOTHER WAY OF TELLING PEOPLE,

"DON'T RELY COMPLETELY ON HIGH-COST HIGH-TECH MEDICINE TO SAVE YOUR LIFE.

YOU <u>CAN</u> AFFORD PREVENTION ... YOU <u>CANNOT</u> AFFORD A QUADRUPLE BY-PASS."

IN THE FUTURE AMERICANS WILL SIMPLY NOT HAVE THE DOLLARS TO PAY THE VERY HIGH PRICE EXACTED BY LIFESTYLES OF THOUGHTLESSNESS AND HIGH RISK.

I KNOW THIS SOUNDS TERRIBLY CHEERLESS, BUT I DON'T THINK IT HAS TO BE.

TO BORROW A MOTTO FROM AN EARLIER AGE:

"LIVING WELL IS THE BEST REVENGE."

LIVING WELL ... LIVING SENSIBLY ... LIVING A HEALTHY LIFESTYLE ... LIVING ACCORDING TO AN ETHIC OF PREVENTION ... THIS IS YOUR "BEST REVENGE" AGAINST THE 3 D'S OF DISCOMFORT, DISEASE, AND DISABILITY.

AND IT'S YOUR BEST HEDGE AGAINST THE 4TH AND FINAL D:

DEATH ITSELF.

PHARMACISTS AND PHYSICIANS ALIKE CAN ASSUME LEADING ROLES IN THIS NEW HEALTH REVOLUTION IN AMERICA AS WE PREPARE FOR THE 21ST CENTURY.

PHARMACISTS, PHYSICIANS, AND ALL HEALTHCARE WORKERS ARE ALLIES NOT ONLY BECAUSE THEY DISPENSE SERVICES, BUT ALSO BECAUSE THEY CAN EMBRACE A LARGER VISION OF HEALTH PROMOTION AND DISEASE PREVENTION.

THANK YOU

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