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Fixing the Medicare Budget Black Hole Before It Sinks Us All

"Markets and Medicare" (op-ed, Feb. 23) by John C. Goodman discusses potential improvements to the current system of reimbursement.

Our current system provides the Medicare patient with absolutely no financial incentive to control the number of physician visits, test procedures or therapies. Doctors, on the other hand, have both financial and professional incentives to maximize all three. Is it any wonder that costs have spun out of control?

The most important reform we can implement is introduction of significant co-pay amounts. Such a change will bring market forces to bear on the demand for services, reducing excessive testing and eliminating the associated costs. If applied in conjunction with an offsetting reduction in Part B premiums, the change can be "benefit neutral" to the patient population at large.

Frederick A. Lehrer
Jupiter, Fla.

Your article leaves me bewildered. A decade ago I was one of those "650,000 participating doctors" who quickly learned what Medicare was willing to pay for and what it would not pay for.

A simple example: Medicare would pay, at its capped rate, for cataract surgery with lens implantation performed according to Diagnosis-Related Group code; they would not pay for cosmetic blepharoplasty. They would pay for retinal photocoagulation in diabetic patients but not for unrelated refraction pursuant to prescribing eyeglasses.

My patients routinely signed waivers to the effect they would pay, personally, for those services agreed upon that were not covered by Medicare or other insurance, a mere expression of the constitutionally protected sanctity of contract.

As a result, I found no financial barrier to "teaching patients how to manage their own care or helping them be better consumers in the market for drugs."

My time (as in billing hours) and knowledge had value in the free marketplace. I was not a salaried employee of the government. My non-covered services could be bought, or not, at the option of any consumer legally entitled to enter into contract. Many times my expert counsel to patients contravened the decisions of a "managed" care system whose overriding objectives were cost containment and profit. In almost every instance when patients sought my advice the corporate providers were obliged to agree with my recommendations for quality care or those of my colleagues to whom I referred them for opinion in other medical/surgical disciplines. Refusals to provide care upon written recommendations by board specialists could quickly lead to legal "consultation."

If doctors are to remain advocates for the delivery of quality health care for all age groups, extant laws provide them the means to do so.

John Stewart, M.D.

Lakeway, Texas

Our social dilemma is that the majority of voters in our democracy want some degree of sociarzation of medical care, but do not want the poverty of economic performance that pure socialism necessitates. So we must compromise.

Let the government provide vouchers (or insurance subsidies), but let the market provide the products and services from which consumers freely select. And let the trial and error of the market determine what works.

Government should not attempt to measure the cost and quality of medical care. That is essentially what Medicare attempts to do now, and that is why it fails.

Richard Marliave
Oakland, Calif.

The single biggest innovation must be permitting doctors to accept Medicare payment as partial payment, billing the patient for the rest of a real bill. As it is, doctors do not compete for Medicare patients based on price -- all doctors get paid the same price-fixed low amount.

Doctors don't really want to compete for Medicare patients on other bases such as competence, quality, timely service, etc., because they are disinclined to see more Medicare patients and lose money.

Tom Gumprecht, M.D.
Mercer Island, Wash.

Health insurance (including Medicare) suffers from a basic flaw that assures no effort to "fix" can be successful until dealt with. Insurance is designed to indemnify for rare and catastrophic risks -- not everyday risks. This is why home owners buy insurance for storm, flood and fire, not for maintenance such as lawn care, and why vehicle owners buy insurance for accidents, not for oil changes.

I will begin to believe those trying to "fix" Medicare are serious when they begin to address this basic flaw.

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