The Linacre Quarterly

Volume 33 | Number 2 Article 23

May 1966

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Recommended Citation
Dunn, H. P. (1966) "Letter from New Zealand," *The Linacre Quarterly*: Vol. 33 : No. 2 , Article 23.
Available at: http://epublications.marquette.edu/lnq/vol33/iss2/23

Letter From New Zealand

Discussions in the LINACRE QUARTERLY indicate some apprehension about health insurance. It is inevitable that this must come in some form. The technology of modern medicine places its cost beyond the reach of most people. The Christian physician, above all others, must be concerned for the comprehensive welfare of his patients and should take the initiative to secure it. It would benefit our American colleagues to study what has been done in New Zealand (and in Britain and Australia) to avoid the blunders which have been made here in the name of humanitarianism.

It is obvious that a completely free and universal scheme is a sentimental and expensive luxury. The State makes itself responsible for every headache and minor indisposition in the country, and in this way exceeds its duty to protect its citizens from serious harm. Every country must run its affairs in a reasonably economical fashion, but here the national economy is in a perilous state, the health bill soars to new records each year, while the armed forces are rendered impotent through obsolescence.

Two political principles seem inescapable. The first is that, if a mistake is made at the inception of any health scheme, particularly if it is too comprehensive, the politicians will never have the courage to modify it, and the doctors will not have the power to do so.

Secondly, at each election more free benefits will be offered by each party and therefore the cost of the scheme will rise inevitably and progressively.

Two insurance principles are worth keeping in mind for any health scheme. The first fraction of any expenses incurred should be born by the insured, to avoid frivolous claims and to relieve the main fund from a multitude of small claims. This could apply to the first few days of hospital stay, to 50% of drug costs up to a certain maximum, and to 50% of doctors' fees, with special arrangements for surgery and obstetric care.

The other recommendation is that all payments should be managed on a refund basis, that is, the patient pays the doctor or the hospital and then receives a refund of the agreed proportion of his fees from the insuring agency. Governments prefer methods of payment which are administratively convenient and would rather make a direct payment to doctor or hospital, but this is dangerous for the profession. After a time it appears that the Government is insuring the doctors, not the patient. The patient gradually becomes less aware of what insurance he is enjoying and his power, as an irate taxpayer, diminishes.

In any health scheme it should be possible to make special provision for those in poor circumstances but our Governments have been unwilling to introduce a means test. The only alternative is a comprehen-

sive scheme for all, rich and poor, with its inevitable extravagance and waste.

The financial arrangement which best suits the profession is payment for item of service. This is flexible and rewards the hard-working physician proportionately. For easy management and budgeting Governments choose a contract system (an annual payment for undertaking the care of a certain number of people) or a salaried service. These must be resisted at all costs because they place the doctor completely in the hands of the Department of Public Health. Bureaucracy is always irksome, and, in a profession which flourishes only in conditions of clinical freedom, it is an intolerable burden. The contract type of service, and the degraded status of the profession which goes with it, are the main reasons for the present crisis in British Medicine.

The comments of theologians in the LINACRE QUARTERLY about fee payment by private patients have been somewhat disparaging. They judge the doctors too harshly. There is one incontrovertible and unchanging financial principle: "He who pays the piper calls the tune." It is better for the doctor to be dependent on the patient than on the Government. Catholic hospitals, schools and other organizations must also avoid complete financial dependence on the Government in order to retain their freedom. In their traditional relationship patients can demand service from their doctors. If the Government is the employer they have no direct means of complaint.

In general Gover[illegible]nts are poor employers. They a[illegible]oo large, too impersonal and to[illegible]ert. Any financial arrangeme[illegible] with them should always co[illegible]in a clause which automaticall[illegible]eviews scales of payments every[illegible]ree years to allow for changin[illegible]ircumstances and the effects of i[illegible]tion.

The New Zealan[illegible]ealth scheme was introduced 25 [illegible]rs ago, when the average general [illegible]ctitioner consultation fee was [illegible]proximately) $2.50. The Labour [illegible]vernment offered a fee of $1.75, [illegible] the assumption that there wo[illegible] be no bad debts. Devaluation [illegible] the N. Z. pound relative to t[illegible] U. S. dollar since that time ma[illegible] the original fee equivalent to th[illegible]resent $1.00. The cost of living h[illegible] increased by 150% since then, b[illegible] the fee has remained unchanged[illegible] General practitioners therefore c[illegible]ge an additional fee of $1.00 to [illegible].00 to adjust for the inflationary [illegible]end, but the ill will of the patie[illegible]s is directed against them, not th[illegible] Government. Since the usual arr[illegible]gement is a direct fee paid by th[illegible] Government to the doctor, the ta[illegible]ayer is quite unaware of the eco[illegible]omics of the situation.

The most practical advice I can give to colleagues in the U.S.A. is that if any form of pharmaceutical scheme is being discussed they should immediately buy shares in drug firms. These are the main beneficiaries of national health schemes.

January 1966

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