

Health Care and Its Toxic Assets

**Selling Sickness
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Do You Remember?

- ❖ **Price bubbles**
- ❖ **Toxic assets**
- ❖ **Too big to fail**
- ❖ **Privatized gains and socialized losses**

Remember the Great Recession of 2008?

Have you thought about the uncanny similarities between the banking and mortgage industry and the health care industry?

THE BATTLE OVER HEALTH CARE

WHAT OBAMA'S REFORM MEANS
FOR AMERICA'S FUTURE



ROSEMARY GIBSON AND JANARDAN PRASAD SINGH

Think about It

- ❖ **The banks, brokers and investment firms sold sophisticated products to unsophisticated people. They ended up selling homelessness, rather than homes**
- ❖ **The health care industry sells sophisticated products and services to unsophisticated people (when it comes to health care). They too often sell sickness, rather than health.**

Think About It

- ❖ **Regulators meant to keep the bankers in check were no match for the banking industry that showered Washington politicians with cash. Think SEC and Bernie Madoff**

- ❖ **Regulators meant to keep drugs, devices and health care safe are no match for the drug and device industry and hospitals that shower Washington with cash. Think FDA vs. the Institute of Medicine on medical devices**

Remember this?

- ❖ **Price bubbles: speculation in the housing market – and unlimited mortgage money – drove up prices**
- ❖ **Toxic assets: people were given 100% loans – without proof of income – even with a terrible credit history**

Remember this?

- ❖ **Too big to fail: no one was held accountable**
- ❖ **Privatized gains and socialized losses: bankers and mortgage brokers made money from the transactions but we the public paid billions to bail out the banks and other firms**

How About Toxic Assets in Health Care?

- ❖ **What are toxic assets in health care?**
- ❖ **You know them well: Avandia, Procrit
And the list goes on.**
- ❖ **And the unnecessary back surgeries, heart
bypasses, defibrillator implants.**

The Treatment Trap

“A wake-up call
for Americans.”

—Dr. Christine Cassel,
President, American Board
of Internal Medicine



**HOW THE OVERUSE OF MEDICAL CARE
IS WRECKING YOUR HEALTH AND
WHAT YOU CAN DO TO PREVENT IT**

Rosemary Gibson and Janardan Prasad Singh

With a Foreword by Jim Guest, President, Consumers Union

How About Price Bubbles in Health Care?

- ❖ **Price bubbles: the health care industry can charge what it wants. There is no market mechanism or regulatory system to prevent price bubbles**

How About Too Big to Fail and Privatized Gains in Health Care?

- ❖ **Too Big to Fail: companies whose products and services cause harm to thousands of people are held harmless**
- ❖ **Privatized gains and socialized losses: companies make money from selling sickness; patients and society bear the cost**

A Pathological Mutation

- ❖ **John Bogle, founder of Vanguard Mutual Funds, is an old fashioned capitalist who believes that people needed to be trustworthy participants in the marketplace.**
- ❖ **Companies began to reward their executives not for creating real economic value but for creating the perception of pumped up short term stock prices. (The illusion of wealth and the illusion of health)**
- ❖ **How did they do that?**

“The first is the old fashioned way by increasing volume, cutting costs, raising productivity, using technology...

Then, when that isn't enough, meet your goals by pushing accounting principles to their very edge.

And when that isn't enough, cheat.”

John Bogle, Battle for the Soul of Capitalism

A Pathological Mutation

- ❖ **Bogle describes the pathological mutation that grips the stock market**
- ❖ **The Battle Over Health Care describes the pathological mutation in health care.**
- ❖ **It is directly related to the pathological mutation that has gripped the stock market and Wall Street**
- ❖ **This is the corruption of human enterprise that should be the noblest of them all**



"A call to arms for families who have had loved ones disabled or die in the pursuit of medical treatment." —Former First Lady Rosalynn Carter



WALL OF SILENCE

THE UNTOLD STORY OF THE MEDICAL MISTAKES
THAT KILL AND INJURE MILLIONS OF AMERICANS

ROSEMARY GIBSON AND
JANARDAN PRASAD SINGH

Selling Sickness? Or Selling Death

- ❖ We would need a new Arlington Cemetery every year to bury all the dead from Selling Sickness: medical errors, hospital acquired infections, drug side effects, unnecessary surgeries
- ❖ That's almost 1,000 people a day (excluding Sundays) that would need to be buried.

Selling Sickness? Or Selling Death

- ❖ **How do we show the collective harm? It still remains invisible**
- ❖ **Consumer Union's Safe Patient Project is remarkable for bringing a collective voice of health care harm**
- ❖ **How do we grow the image and reality of the collective harm?**

How Do We Do This?

- ❖ **Katie Couric's show today: an individual story from Lenore Alexander**
- ❖ **How do we communicate the bigger story of an Arlington Cemetery every year needed to bury the dead from Selling Sickness?**

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