

# Crisis of America's Healthcare System

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That the government of the United States should be in league with corrupt foreign governments should be no surprise. Remember the dictum, birds of a feather flock together? The government of the United States is as corrupt as any of its "allies," which becomes more and more evident every day. The only difference is where the corrupting money comes from. America's allies get it from the United States; America gets it from its corporations. But therein lies a story that has, to my knowledge, never been accurately told.

Consider healthcare in America, for example.

CBS' 60 Minutes aired an exposé on Sunday October 25 on Medicare fraud, estimating that it now amounts to about \$60 billion a year, and I have no reason to dispute that figure. Medicare fraud has increased because criminals have found a way to get substantial amounts of money with little effort and little chance of being detected. According to the FBI, "All you have to do to get into this business is rent a cheap storefront office, find or create a front man to get an occupational license, bribe a doctor or forge a prescription pad, and obtain the names and ID numbers of legitimate Medicare patients you can bill the phony charges to. . . . Once the crooked companies get hold of the patient lists, usually stolen from doctors' offices or hospitals, they begin running up all sorts of outlandish charges and submit them to Medicare for payment, knowing full well that the agency is required by law to pay the claims within 15 to 30 days, and that it has only enough auditors to check a tiny fraction of the charges to see if they are legitimate."

Of course, the Congress designed this program. I suspect the requirement to pay claims within 15 to 30 days was inserted at the behest of the medical community whose interest is in getting paid rather than in combating fraud. The doctors who are bribed or have poor security procedures to safeguard patient records are members of this community. The community has an enormous influence over Congress. AARP has an editorial in its November, 2009 issue about the excessive charges to medicare for powered wheelchairs, that states, "Congress has blocked attempts to impose competitive bidding." So a corrupt Congress designs an easily corruptible system. As an ancient Chinese proverb says, officials don't punish those who send gifts.

Maggie Fox writes that the healthcare system wastes up to \$800 billion a year. She cites (1) the paper-based system of patient recordkeeping, (2) unnecessary care, (3) fraud, (4) kickbacks and other scams, (5) administrative inefficiency and redundant paperwork, (6) medical mistakes, (7) non prevention of preventable conditions, (8) inefficient hospital and physician billing and administration, and (9) the use of emergency rooms for routine treatments because of a shortage of primary care doctors (and, I suspect, the lack of access many in America have to routine medical care). Unfortunately she quotes Robert Kelley, vice president of healthcare analytics at Thomson Reuters, as having said, "The good news is

that by attacking waste we can reduce healthcare costs without adversely affecting the quality of care or access to care.” But I doubt it.

The America healthcare “system” is a fractured, distributed, hodgepodge of thousands of private companies made up of physicians, clinics, hospitals, pharmacies, pharmaceutical companies, equipment manufacturers, and insurance companies. All of these entities have their own policies, procedures, and practices, and attempts to get these various companies to voluntarily spend the money to bring about an efficient, uniform system are bound to fail, especially since the waste in the system contributes to their incomes, and any attempt by the Congress to impose changes on the industry would certainly fail because the industry would use its influence on the Congress to oppose it. So any claim that the waste will be wrung from the system is delusional.

But despite the various and sundry ways the industry operates, it, like all other industries, does a number of common things. In general, businesses sell products and services to generate income to fund overhead, salaries, profits, and marketing. The money for all of these is built into the prices of those products and services. In other words, the money comes from consumers.

Consider marketing, for instance. People are led to believe that the “free” television they watch is paid for by the sponsoring companies. But when the money is followed to its source, one realizes that the money comes from the people who buy products and services from the sponsoring companies; the money for advertising is built into the prices of the products and services sold. So although sponsoring companies are said to fund “free” television, in reality, consumers are funding it and it is not free. People pay for it with every purchase they make. So when companies object to recording devices that eliminate commercials, they are obfuscating reality. Since the viewers are the ones who supply the money spent by companies on commercials, why shouldn’t the viewers have the ability to watch the sponsored programs without having to watch the commercials?

This circumstance, of course, reveals the fallacy in the claim of orthodox economists that competition reduces prices. There is, of course, no empirical evidence to support this claim. In fact, the evidence refutes it. Competition in contemporary society requires marketing. Marketing is expensive. The expense must be added to prices. So competition necessarily increases prices. The argument is irrefutable. The reverse is mathematically impossible.

But something even more insidious is involved, and to my knowledge, it has never been pointed out. Companies not only engage in the practices enumerated above—overhead, salaries, profits, and marketing—they also lobby the Congress, contribute to political campaigns, fund ideological institutions, and buy political advertising. And where does the money for all of this corporate spending come from? Why consumers, of course.

The insidiousness lies in this circumstance: Corporations use this money to influence the Congress to pay no heed to what the people need or want and even to oppose the enactment of beneficial public programs. But it is the people who supply the money the corporations use to buy the influence, which puts the public in a paradoxical situation that can only be likened to requiring the condemned to purchase their own nooses. That is how corrupt the American government has become.

So no, the Congress cannot fix healthcare. For exactly the same reasons cited above, the

Congress can't fix anything. It can no more fix America than the Karzai government can fix Afghanistan. Corruption works the same way everywhere, and America can't oppose it abroad while it prevails at home.

Jefferson wrote, "The time to guard against corruption and tyranny, is before they shall have gotten hold on us. It is better to keep the wolf out of the fold, than to trust to drawing his teeth and talons after he shall have entered." If Jefferson is right, it is far too late to save America by fighting corruption. America is lost! It shall suffer the fate predicted by Amos Bronson Alcott when he wrote, "A government, for protecting business only, is but a carcass, and soon falls by its own corruption and decay."

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