The Linacre Quarterly

Volume 62 | Number 1 Article 13

February 1995

National Federation of Catholic Physicians' Guilds: Position Paper on Health Care and Society

National Federation of Catholic Physicians' Guild

National Federation of Catholic Physicians' Guilds

POSITION PAPER ON HEALTH CARE AND SOCIETY

The debate over nationalized medical care (variously called National Health Insurance, Socialized Medicine, or Health Care Reform) has raged for most of this century, never more hotly than in the past two years.

It now appears that no substantive legislation on health care will emerge from the present Congress. The next Congress, however, will surely confront a number of proposals on this issue. During the present brief lull in the debate, the National Federaton of Catholic Physicians' Guilds presents this *Position Paper on Health Care and Society* for the consideration of political and religious leaders, organizations dealing with health care, and all thoughtful citizens. In it we examine Catholic principles of societal organization, apply them to the provision of medical care, and propose appropriate reforms to the current situation.

The National Federation of Catholic Physicians' Guilds is fully committed to both the moral and the social teachings of the Catholic Church. Catholic social teaching of the past century has clearly rejected the extremes of individualism, as expressed in consumerism and *laissez-faire* capitalism; and collectivism, as expressed in the various forms of socialism. Instead the Church's social teaching on the organization of society, a teaching which is grounded in the fundamental dignity of the human person, is based on the "principle of subsidiarity," which holds that "a community of a higher order should not interfere in the internal life of a community of a lower order, depriving the latter of its functions, but rather should support it in case of need and help to coordinate its activity with the activities of the rest of society, always with a view to the common good."[1]

The National Federation of Catholic Physicians' Guilds holds that the principle of subsidiarity, properly understood, provides the basis for correcting flaws in the ways medical care is currently funded, but that it precludes nationalized funding and the centralized control which inevitably accompanies it.

Other Catholic leaders and organizations have come to different conclusions. For example, it is claimed that the Catholic bishops of the United States have "supported the concept of universal entitlement to health care coverage for over 70 years."[2] Furthermore, the largest organization of private hospitals in the U.S., the Catholic Health Association, has endorsed nationalized medical care, justifying its position with an appeal to the principle of subsidiarity. The National Federation of Catholic Physicians' Guilds holds that this appeal is based on a misreading of the principle of subsidiarity, and is untenable. We hold, further, that the principle of

subsidiarity "is opposed to all forms of collectivism. It sets limits on state intervention."[3]

The Catholic Health Association considers the nationalization of medical care to be so compelling that it has endorsed such a plan even though it includes mandatory abortion funding. The National Federation of Catholic Physicians' Guilds, however, finds centralized funding and control of medical care to be unacceptable even without abortion funding. We believe that taxes should never pay for abortion. We also believe that this feature of recently proposed legislation is not an aberration, but rather typifies the essential moral bankruptcy of politicized medical care.

We believe that centralized funding and control would lead inexorably to a deterioration both of the quality of medical care and, more importantly, of the moral and ethical standards of those who provide and those who receive medical care. We believe that such an outcome is consistent with the experience of Eastern Europe, which has recently emerged from a long night of totalitarianism and which still struggles with a legacy of corruption and moral decay.

We believe that a free economy is necessary (although not sufficient) to a free society, and that a free society is necessary (although not sufficient) for the flourishing of ethical and moral standards among its people. Central planning is not only bad economics but is a violation of the principle of subsidiarity and deprives individuals, families, communities and voluntary associations of rights and responsibilities which only they can exercise ethically and effectively.

The principle of subsidiarity requires that only those functions of society which cannot be performed effectively by "a community of a lower order" should be performed by a "community of a higher order." Implicit in this principle is that those functions which are assigned to communities of a higher order are assigned only as "high" as necessary for their effective performance. For example, those functions which families find beyond their abilities should be delegated to extended families, to neighborhoods, to voluntary organizations, to churches, etc. Only those functions which these voluntary groups cannot perform should then be delegated to governmental bodies and then only to the smallest, most local governmental bodies possible, first the district, precinct, ward, etc., then the municipality, then the country, then the state, and last of all to the national government.

Recent decades have seen an accelerating trend toward the performance of societal functions at increasingly higher levels of government. The powers and responsibilities of the federal government have multiplied, as reflected in its budget. Federal intervention is now often proposed as a remedy of first resort for any and all of society's problems. Rarely is any issue considered to be beneath the purview of the national government. As federal spending consumes ever more of the gross domestic product, no clear limit to its growth has been enunciated by Catholic leaders. On the contrary, individuals and groups prominently identified as Catholic are often found promoting increased social involvement by the federal government. One might assume, in observing this situation, that Catholic social teaching is a prescription for socialism.

Nothing could be further from the truth. The principle of subsidiarity does not

call for moving societal functions "up the ladder" to larger units of society whenever they are performed imperfectly at lower levels. We live in a fallen world, in which no responsibility is ever perfectly discharged. The role of the government is not to take over functions which are imperfectly performed by individuals and voluntary associations. On the contrary, the principal task of the state is to "guarantee . . . individual freedom and private property, as well as a stable currency and efficient public services . . . so that those who work and produce can enjoy the fruits of their labors . . . . Another task of the state is that of overseeing and directing the exercise of human rights in the economic sector. However, primary responsibility in this area belongs *not to the state but to individuals and to the various groups and associations* which make up society."[4]

To apply the principle of subsidiarity correctly it is necessary to address the nature of the activity in question. Child-rearing, for example, is an intensely personal activity which can be performed adequately only by the family. The role of the larger society is not to take over this function but to provide the conditions in which families can perform their own role more effectively. The national defense, on the other hand, is, by its very nature, appropriately the function of the national government.

In health care, applying the principle of subsidiarity correctly requires a recognition of the nature of the doctor-patient relationship. The crucial factor in health care is not modern hospitals, advanced technology, ancillary personnel or efficient mechanisms of third-party payment; it is the doctor-patient relationship.

The care a physician gives to a patient is essentially a personal service, not a commercial transaction. The ethical physician does not sell his services for a fee. He gives his services and asks a fee. This practice is an integral component of ethical medicine. The Hippocratic Oath delineates the primary obligations of the physician to each patient. The distinctive focus of Hippocratic medical ethics on the needs of the individual patient represents a radical difference from the orientation of politicians, economists and sociologists, whose concern is for society as a whole. The ethical physician serves society best by serving the needs of each of his patients first. Because care is given not as a commodity for sale, but to serve the patient's need, care is not withheld if the patient is unable to pay. Sadly, we cannot claim that all physicians adhere to this standard. Ethical medicine has already been compromised by the intrusion of third parties into the doctor-patient relationship. It would be further weakened by a national takeover of medical care.

For the past 30 years, because of the influx of third-party payments, medical costs, including physicians' fees, have generally increased faster than inflation. Although a return to personal medical care, through the reforms proposed below, would almost inevitably lead to a *fall* in many physicians' incomes, the National Federation of Catholic Physicians' Guilds favors such reforms. We believe that the restoration of choice and control to individuals and families will provide both material and moral benefits to society that will more than outweigh the resulting decreases in physicians' incomes.

Economics, as the Catholic Church clearly teaches, is not value-neutral. Economic systems, to be just, must be structured according to just moral norms.

Central planning, whether total or partial, substitutes the value judgments of elite managers (e.g., regulatory agencies or corporate managers) for those of the citizens. It assumes that the elite not only have superior moral understanding, but that their decisions can and should be imposed upon huge entire nation.

Throughout this century those who favor the expansion of state power have claimed the high moral ground by exploiting flaws in free societies. One of their most successful tactics has been to cite problems of distribution caused by prior governmental interference as justifying yet more governmental control. Their record of achievement, from Communism to National Socialism to the Western welfare state, has been uniformly miserable. The degree of their failure to produce a better life for their citizens is directly proportional to their "success" in achieving centralized control.

Similarly, current proponents of "health care reform" attempt to stake out a moral imperative for nationalized medical care. They point out the inequities in the current mixed system, claim that the private sector has failed, and propose a variety of agencies and regulations to "solve" problems caused by prior governmental intrusions and restrictions. Examples abound.

1. *Problem: health insurance tied to employment.*

Governmental cause: a tax policy which rewards employer-purchased insurance and penalizes the individual purchase of insurance.

False solution: mandatory insurance dictated by the national government.

True solution: a level playing field; allow individuals to shop for their own insurance; *remove* the tax disincentive to personal choice and responsibility in the purchase of insurance.

2. *Problem: unavailability of insurance.*

Governmental cause: state mandated benefits.

False solution: national mandated benefits.

True solution: allow insurance companies to offer an array of benefits, deductibles and premiums to consumers; i.e., *remove* governmental distortion of the marketplace.

3.*Problem: excessive cost*

Governmental causes:

a. excessive first-dollar coverage, secondary to problem #1.

b. excessive demand fueled by massive infusion of Medicare and Medicaid dollars in the 1960's and 1970's.

c. cost shifting caused by reactive strictures on Medicare and Medicaid dollars in the 1980's and 1990's.

d. defensive medicine resulting from a judiciary run amok.

e. excessive administrative costs caused by regulatory agencies.

False solution: governmentally mandated cost controls.

True solutions:

a. allow the market to work by restoring to the consumer the control of his own purchases. Most will choose high deductible, low-premium insurance, and will assume greater control over their medical expenses.

b. and c. gradually privatize Medicare and Medicaid through medical savings accounts, etc.

d. malpractice reform
e. deregulation.

Those who promote nationalized medicine employ an array of deceptions to confuse and divide potential opponents. Examples abound:

1. *Falsehood: "X million people lack access to care."*

The truth: "access to care" and "having insurance" are two different things. Each of us regularly cares for patients who lack insurance. Many who have freely chosen high-deductible, low-premium insurance are said to lack "adequate" insurance. This free-market success is falsely claimed to be a free-market failure.

2.*False promise: "Universal access."*

The truth: Under nationalized medicine, everyone will be forced to buy standard issue, one-size-fits-all, government-dictated insurance. There will be no choice of premiums, deductibles or benefits. "Access" thus will mean *no* access to choices appropriate to each individual's and each family's particular situation.

3. *False promise: "Comprehensive benefits."*

The truth: "Comprehensive" means unlimited, an economic impossibility. In a free system, consumers have control over the allocation of their own resources. Under nationalized medicine, benefits will be allocated by politically influenced central planners. Whatever "therapies" (e.g., abortion) have the most political clout will be included.

The results: skyrocketing costs, inevitable rationing of care, or, most likely, both.

4. *False promise: "Equal benefits."*

The truth: *If* the wealthy are able to obtain better care by spending more (not a self-evident fact — harmful overtreatment is a hallmark of the care of the wealthy), then making that care available to all drives total expenditures up. If, on the other hand, costs are contained, "equal benefits" will mean the lowest common denominator of care for all. In either case, the patient is deprived of choice and control, while government or large insurance companies decide what benefits are available.

5. *False promise: "fair burdens."*

The truth: Fairness will be determined not by each individual's assessment of his resources and his needs, but by omniscient central planners. Experience shows, however, that central planners are never as omniscient as they think they are.

Result: nearly everyone's burdens go up while nearly everyone's benefits go down. Only those with political clout, like the Soviet "nomenklatura," are allowed to go outside.

6. *False promise: "Generational solidarity."*

The truth: the politicization of medical care will accentuate resentments between groups. True "generational solidarity" exists only in a society in which families, churches and voluntary organizations are strong. In today's America these institutions have already been weakened by the pervasive hand of government. The malignant effect of government intrusion, politicized class and group conflict, is the exact opposite of its putative benign effect.

7. *False promise: "Managed Care."*

But who is the manager? Not the patient in consultation with his doctor, but a powerful insurance company or bureaucracy. Every family physician becomes a "gatekeeper," who is placed in a position of direct conflict of interest with every patient in every clinical encounter. We physicians try our best to serve our patients' best interests, but we also know that we are susceptible to economic and social pressure. Placing physicians in an adversarial relationship with patients is the antithesis of the ethical doctor-patient relationship. Perhaps for a few years, the basic altruism of most physicians will hold sway. Even in the worst conditions, a few heroic physicians may resist the blandishments of those who control their livelihoods. But inevitably the system will weaken those it holds in its grasp, as every compulsory system has done.

Those who favor central planning and economic *dirigisme* claim to have good intention. By sacrificing freedom to material welfare, however, they destroy both.

Catholic social teaching states that *"Concern for the health* of its citizens requires that society help in the attainment of living conditions that allow them to grow and reach maturity: food and clothing, housing, health care, basic education, employment and social assistance."[5] The National Federation of Catholic Physicians' Guilds suggests that in health care as in the other "living conditions" listed above, a society based on families and voluntary associations will do a far better job of providing for the needs of its members than a society organized according to a utopian, socialist model. A free society encourages not only the growth of wealth and material goods, but also a sense of neighborly mutual responsibility.

The National Federation of Catholic Physicians' Guilds calls upon physicians to disavow avarice and to embrace an ethic of service in which "charity care" is considered an essential part of our vocation. We call upon government leaders to remove from the marketplace the disincentives to prudent and responsible choice by consumers. We call upon Catholics and all of good faith to recognize that the answers to society's problems cannot be found in grand plans hatched in Washington, D.C., but only in the conversion of hearts.

Approved, Board of Directors
November 10, 1994

NOTES

1. *Catechism of the Catholic Church,* #1883
2. Rev. Msgr. Robert N. Lynch, General Secretary, USCC, private communication July 27, 1994.
3. *Catecism of the Catholic Church,* #1885
4. *Centesimus Annus* in *Catechism of the Catholic CHurch,* #2431 (emphasis added)
5. *Catechism of the Catholic Church,* #2288 (emphasis in original)