



# When Big Business and Government Put Profits Before Patients

The authors of *Medicare Meltdown* make a convincing case for change.

“Patients before profits” makes a great slogan, but as the book *Medicare Meltdown: How Wall Street and Washington Are Ruining Medicare and How to Fix It* (Rowman and Littlefield, 2013) reveals, the reverse more often governs U.S. health care. Authors Rosemary Gibson and Janardan Prasad Singh argue that Medicare dollars spent on unneeded devices, medications, and procedures are dollars not available for nurses or patients, and that such wasteful practices occur because health care is largely a for-profit industry. Their book offers nurses a hard look behind the Medicare curtain, showing how this popular government program allows companies to benefit from practices that harm patients.

Understanding the U.S. health care system’s complexities gives all nurses an increased ability to advocate for patients on a larger scale, so grappling with the financial details presented in this book is worth the effort. *Medicare Meltdown* asserts that U.S. health care costs, in particular Medicare costs, rise continually—not from the profligate use of services by patients, but because of collusion between government and big business. Medicare spends about \$600 billion every year, and Gibson and Singh claim that American businesses—specifically pharmaceutical firms, device manufacturers, hospitals, and health insurance companies—all want their cut.

In the first chapter (“Fifteen Medicare Facts That Will Astonish You”), “Fact #8” makes it clear that health care is definitely big business: “The number of corporate health care firms on the Fortune 100 list has increased from zero in 1965 to fifteen today.” The list, compiled annually by *Fortune* magazine, enumerates the 100 most profitable corporations in the country. That the health care business has evolved in just 50 years from financial obscurity into such a highly lucrative industry is indeed astonishing.

Gibson and Singh say that health care companies depend on a continuous payment stream from Medicare to keep profits high. Every statin prescribed, stent placed, and Medicare supplemental insurance policy sold enriches these businesses, regardless of whether the patient benefits from these things. Because for-profit companies must provide shareholders with investment returns, the business culture wants to maximize financial gains, leading

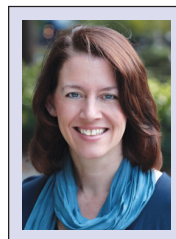
to what the authors call an impulse to “Bill, Baby, Bill.”

The book gives multiple examples of such practices, including the overuse of implanted cardiac defibrillators and of metal-on-metal hip replacements that shed toxic particles into the bloodstream. In such cases, companies profited while patients suffered from unnecessary and substandard, even dangerous, care. Medicare picked up the tab for both the procedures and whatever additional care was needed to address resultant problems, meaning that these medical mistakes resulted in larger earnings for hospitals, device companies, and physicians.

Gibson and Singh also blame the U.S. government for favoring corporate interests over patients’ health. Consider one example: in 2011, Medicare attempted to crack down on procedures that often weren’t “medically necessary,” among them several cardiac procedures. In Florida, the first state targeted, the negative reaction from the Florida chapter of the American College of Cardiology and from the larger business community was intense. The cardiologists argued that “government intrusion” would reduce their revenue. Share prices of the for-profit hospital chain Tenet dropped 11%; those of the device manufacturer Medtronic fell 6%. Medicare postponed its efforts, “bowing to the pressure.”

According to the authors, the government fails to regulate the health care industry appropriately because some members of Congress—Republicans and Democrats—are beholden to industry members and their money and influence. The authors support government intervention, arguing that the health care industry isn’t really a “free market,” but rather one that guarantees only “The Entitled” few to valuable Medicare revenue.

Reading *Medicare Meltdown* left me feeling sad about the corrupting influence of money on our health care system—and smarter about exactly who benefits from that influence. ▼



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