Health Care Costs Rise 80% Since 1960

Inflation has touched just about every aspect of American life in recent years. But few areas have been as inflation-prone as the health care industry where costs have skyrocketed by more than 80 percent since 1960, about one-third faster than the rise in consumer prices as a whole.

Nor does it appear that costs are leveling off. According to a recent statement by Casper Weinberger, U. S. secretary of health, education and welfare, since economic controls were lifted in April, doctor's fees have risen at a rate of 19 percent a year and hospital charges by 18 percent. During the same period, prices for all consumer items were rising at a 13 percent rate.

Of all life's essentials, good health care has never been inexpensive to Americans, certainly not the way food, clothing and, until rcently, shelter have been.

Federal farm subsidies have helped keep our food and fiber costs down; various government programs, including VA and FHA mortgage insurance, have helped people fulfill their needs for adequate shelter. By comparison, government has done relatively little to guarantee adequate health care for the broad mass of American citizens.

It's not that there haven't been attempts to make adequate health care available to all. National health insurance was first proposed in the late 1940s by former president Harry Truman. Largely because of stiff opposition by organized medicine, the Congress has not yet approved a health insurance plan.

But with inflation pushing the cost of health care even further beyond the reach of the average American, there is a growing clamor for a government supported health insurance program to take some of the financial pain out of being sick.

There are now almost two dozen bills on the subject before Congress. And even ex-President Nixon said national health insurance is "an idea whose time has come in America" when he sent his administration's health care proposal to Congress.

While the Congress in Washington moves toward consideraton of a national health insurance plan, the legislature in Harrisburg is considering several measures that deal with some of the aspects of financing health care. Among them are Senate Bill 53, which would relieve families of the legal obligation to support mentally disabled relatives after age 18, and House Bill 2018, designed to help control hospital costs.

Under our present set-up in the state, children who are in institutions because of a mental disability remain the legal responsibiity of their parents wo must share in the cost of their care. S. B. 53, patterned upon laws already enacted in eight states, would relieve the family of its legal responsibility after the child reached the age of 18. After that, the state would pick up the full cost.

The bill is based on the idea that a family is not legally responsible for the upkeep of a normal child once it reaches maturity, and it is therefore fair to apply the same standard to all persons. Besides, sponsors say, mental illness and retardation are often life-long, and an institutionalized family member places an enormous strain on the family's resources long after a normal child would have left home.

House Bill 2018 deals with the problems of rapidly rising hospital charges by giving the State Secretary of Health a measure of control over hospital rates and budgets. It would require hospitals, skilled nursing homes and other such facilities to file projected revenue and expense plans, including rate schedules, with the Secretary of Health. The Secretary, along with an Advisory Council to be set up by the bill, would have the power to approve hospital rates and to audit hospital expenditures and income.

In addition, the bill would require that all items provided to patients which are not included in the basic rate would have to reflect a constant percentage mark-up and could not vary from patient to patient.

Incentives are provided for hospitals that demonstrate they are holding down costs by adopting efficient methods. However, because the incentive concept permits efficiently run hospitals to raise their rates, it is a feature of the bill that some legislators object to and it is likely to be the focus of amendment attempts as the bill comes before the House.

Another objection often voiced against H. B. 2018 is that it covers only those hospitals receiving federal funds. This would exclude a large number of private institutions who could skim the profitable business off the top and leave the medicare and medicaid business to hospitals operating under the bill's controls.

Halfway toward passage is House Bill 1710 which was approved by the House in June and is now in the Senate Health and Welfare Committee. The bill is intended to help control hospital costs by requiring state approval of few health care facilities or major additions to existing facilities. Approval would be needed for any capital projects costing more than $100,000, new construction or modernization of any building or increases in bed capacity. This is to prevent hospitals from building expensive facilities that are not needed by the community but are viewed as a prestige-builder by the hospital.

For example, it wasn't so long ago that 14 southwestern Pennsylvania hospitals were equipped for open heart surgery, but most of the time the expensive equipment was idle. In the meantime, the costs of maintaining the facilities were pro-rated in the bills charged to every patient.

The facilities were subsequently cut back, but similar situations involving duplication of expensive equipment exist in many parts of the state, and it is the aim of H.B. 1710 to bring the spread of needless, overlapping and expensive facilities under control.

Consumers' Corner

Antacid

Food and Drug Administration recently released final regulations requiring over-the-counter antacid products to meet new standards for safe and effective ingredients as well as for dosages to be permitted.

Most antacid products will remain on the market, but labeling, ingredients, dosages and promotional claims may be changed under the new rules, highlights of which include:

— Labels must carry a section called "Drug Interaction Precautions" that will tell consumers what drugs react unfavorably with the ingredients in the antacid.

— Manufacturers must limit the claims for the antacid's effectiveness to heartburn, sour stomach and acid indigestion.

— Antacids may be combined with an analgesic (pain reliever) only if the product's label says it is designed to relieve headaches — for example — as well as acid indigestion

— Labels listing ingredients will be required