Macroallocation and Economic Justice

Limiting Resources

- Macroallocation – large-scale decisions that are made regarding the use of medical resources, do not involve individuals directly.
- Largely the domain of the government, insurance companies and private foundations.

Limiting Resources

- Microallocation – small scale decisions that are made everyday and directly impinge on individuals.

Examples:
- Who will get the ICU bed?
- Who will get in to see the doctor today?
- Which surgery will be cancelled to make room available for the emergency patient?
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Historical perspective

- Renal dialysis
- Available since early 1960’s, but machines were few and expensive.
- Munson discusses a “selection committee” for choosing who will receive dialysis and who will not.
- Do you think this is a “just” way of distributing scarce resources? What other criteria should we use?

Historical perspective

- Congress stepped in to make a macroallocation decision to cover the costs of dialysis.
- Now dialysis and kidney transplants are covered under Medicare.
- Present costs of this program alone is over $8 billion/year.

The Health Care Crisis
The Health Care Crisis

Health care expenditures in the U.S. far exceed those in any other industrialized country.

U.S. spends 14% GNP

Japan 6.8% GNP

Greece 4.8% GNP

The Health Care Crisis

- Single-payer plans such as Canada’s spend approximately 12% on administrative costs.

- The U.S. spends 25-30% of all our health care dollars on multiple-payer administrative costs.

Disturbing Facts

- Health care costs rising rapidly
- Technological improvements promise new treatments but add expense
- US spends about 15% of its wealth on health care [Earlier slide: 25-30% of that for administrative costs]
- Number of people without health insurance rising
- US behind many other countries in infant mortality rate
Question

- What proportion of national wealth should go to health care compared to other needs (e.g., education, environment, defense)?
- Of amount that goes to health care, what proportion should go for treatment?
- Preventive measures?
- Research?
- Do people have a moral right to health care? How much?

Part of larger debate on economic justice

- On what basis should some people have more wealth than others?
- Do wealthier people deserve their greater wealth (and what goes with it)?
- Why would basing wealth on race or sex be wrong?

Economic justice in general

- Ethical principle: people should not have greater wealth or privileges due to facts over which they have no control.
- On what basis do people have greater wealth now and how much is under their control?
  - Effort
  - Intelligence (native and acquired)
  - Family circumstances
- One central issue: a continuum between economic liberty and economic equality; see [link](http://www-personal.umich.edu/~klaus/Courses/Med/econjust.pdf) and in particular this chart.
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(Too) Briefly Considered

- Look at a child: what is single best predictor of lifespan and later health quality?
  - Tuskegee and Tuskegee effect
  - Eight Americas in Lifespan

Paper topic?

Defend a moral principle for determining the extent to which public funds should be used to meet health care needs. (Put differently: defend a moral principle determining the extent to which government is obligated to help people with their health problems.) Show that the principle you are defending is morally superior to other plausible "candidates."

Among the most likely "candidates" for an acceptable principle are the following:

Candidates for principle

- Government's only responsibility is to protect the freedom of doctors to sell their services in the market-place and the freedom of consumers to purchase those services as they wish; therefore, government has no obligation to provide health care (and must not to require doctors to provide it). (Sade; medical individualism)
- Public funds should be used for health care in the most cost effective manner. (Straight utilitarian)
- Government should attempt to assure not equality in health care but a "decent minimum" of health care, consistent with the freedom, variety, and flexibility of a mixed economy. (Charles Fried)
Candidates (continuum)

- Government should provide health care to the extent of restoring (where possible) a normal opportunity range for those who have diseases that have restricted their range of opportunity. The obligation to provide medical care thus follows from the general obligation to assure equality of opportunity. (Norman Daniels, major figure in the debate)
- Government should provide, insofar as possible, the amount of health care needed to restore everyone to a level of health equal to other persons' health. (Amy Gutmann)

Medical Individualism: Sade

- Extreme emphasis on economic liberty (not equality)
- Medical care is a service to be bought and sold
- Basically a Libertarian (political party) position.
- Most important right is right to property.

Strategies for Arguing Against Sade and Pure Free Enterprise

- The free enterprise system as a whole is morally unsound due to economic injustice.
- Inequality and property rights in many areas are acceptable but health care is different and special. Why?
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Public Goods and Private Goods

What things should be bought and sold in a free market and which are people entitled to?
- A trial and defense if accused
- Vote (public participation)
- Enough food for survival regardless of wealth
- Basic medical care (at what level?)
- Children: all components of equal opportunity
- (
- )
- Good stereo system
- Large high-definition television

President’s Commission: Health Care Is Special

- Well-being
- Information
- "Interpersonal significance of illness, birth, death": social solidarity in face of illness and death
- Opportunity

President’s Commission: Equitable Health Care

- Equity as equality
  - "not feasible" to prohibit people from buying health care (p. 532) Immoral?
- Equity as giving what benefits
  - "Irrational"—too great a burden
  - Can we distinguish "needs" and benefits
- Adequate level of health care
  - Less restriction on economic liberty
  - Can we define this level?
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**Rawls’ approach: A Theory of Justice**

- Against utilitarianism
- Imagine we are forming a society and determining rules.
- We are in the “original position”
  - Everyone rational
  - Everyone self-interested
  - Key: we have a “veil of ignorance” over us: we don’t know our particular human qualities: sex, race, genetic endowment.
  - Rules we would decide unanimously in this position are just rules.

**What Rules Would We Adopt?**

- Start with equality
- Accept inequality if and only if it would benefit everyone, in particular the least advantaged.
- Maximin: people would not risk worst outcomes; would choose “maximum minimum”
- Objections from both political sides:
  - Economic conservative: capitalism benefits the greatest number and is justified even if poorest are sacrificed.
  - Socialists: inequality is bad in itself

**Other Possibilities for Reducing Costs**

- Age-based rationing for life-sustaining treatment
- Lower priority to diseases over which people may have some control
  - Smoking?
  - Alcohol?
  - Obesity?
- What would Rawls’ approach dictate?