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CHAPTER 9

Health Policy: Universal Pre-existing Conditions

Next to food policy, perhaps no domestic policy issue has raised the ire of more people than that related to the healthcare system. The US Affordable Care Act, which was based in and otherwise formulated with a heavy orientation towards the shared Other-interest in health, has been rejected outright by many who see the healthcare system is only to facilitate maximizing one's own Self-interest. The latter perspective is easily understood, as there is perhaps nothing more in one's own Self-interest than taking care of one's health. So, it would be easily expected that many people would consider mainly their own Self-interest, selfishly guarding their money to provide that care, and not willing to be selfless about something so essential.

People focused on Self-interest want to personalize their health care, and seek the best doctors and facilities that would help serve their own health goals. It will also mean they probably would not much care to pay for anybody else's healthcare. So, any move to a universal healthcare kind of policy and program, which recognizes that we are in effect "all in it together," that is, there is a shared Other-interest at work, will be resisted.

PRE-EXISTING CONDITIONS

First, we need to understand, based in thermodynamic reality, that at birth, every living creature is at the low(est)-entropy point, and that at death we move to a state of maximum entropy. Second, the primal drive of Self-interest is about availing our Own-self of energy (food as carbon;

carbon fuels; as well as other sources), and being healthy enough to use it effectively, to slow the pace to the inevitable point of maximum entropy. Third, every living creature has a pre-existing condition, something will eventually bring everyone to the point of maximum (death) entropy. Pre-existing conditions are just thermodynamic reality, and everyone has same, so, deal with it accordingly.

TRADE&MANDATE IN THE INSURANCE MARKETS

The matter of how to balance Market&Government was directly addressed in the original version of the US Affordable Care Act. Due to everyone having pre-existing conditions, and in need of health care at some point, a Government mandate to purchase insurance to address the costs was put in place. Everyone had to purchase private health insurance when they turned 18, with the option of waiting until they were 26 if the parents were willing to keep paying the family premium. The Market was then turned lose to find the best way to insure everyone. Using Metaeconomics, the Affordable Care Act moved the system toward path 0Z (Figs. 4.1, 7.1, and 8.1), although not nudged, but mandated.

The Mandate came from Progressives using science to make the point that everyone has pre-existing conditions: Entropy is at work in everyone, we all eventually die, everyone will face medical challenges, and bills: So, mandate. The trade came from Conservative principles, the insurance would be provided through the private sector, the Market. And, with Medicare still in place, it meant that a trade&mandate, private&public-system had been put into place.

Some of the younger buyers did not like the mandate to buy insurance, nor the tax/fine if they did not. Said individuals wanted out. Also, if the pre-existing condition had not yet emerged, they could gamble that Self-interest would serve them best. Empirically, it just shifts the costs, creating social costs outside of themselves, as eventually someone must pay that cost on the path to maximum entropy. And, without insurance, said people often end up on government assistance, more social cost. The tax provision would offset it a bit, in that it produced federal revenue to cover unplanned medical costs. As a result of said complaints, the system was dismantled, the mandate was removed: The insurance Market quit working efficiently, relying as did on everyone was in the risk pool, keeping costs down for everyone. While trade&mandate, Market&Government works, the Right Isle, who generally favors the Market, removed the mandate, and, ironically, undid the Market.

VACCINATIONS

The movement to not have one's children, or Own-self, vaccinated can now be understood as arising out of a narrowly shared Other-interest held by a few people that have come to believe that vaccines can lead to diseases and conditions like autism. Metaeconomics points out, however, that the approach ignores the shared Other-interest in keeping the overall population safe from such things as measles, mumps, whooping cough, some cancers, polio, and, perhaps COVID-19, someday, among other things. The choice to not be vaccinated is questionable, as the scientific and experiential evidence suggest extremely low risk and high payoff both to the person and the larger community. In fact, not being vaccinated generates substantive social costs, the costs shifted to others. Ethics, anyone?

DOCTOR–PATIENT RELATIONSHIP

Topol (2019) makes the convincing case that healthcare could be vastly improved with more Empathy. Costs would be reduced, and happiness would be increased, because of better outcomes for the patient and provider. The proposition is easily explained with Metaeconomics.

Using Fig. 8.1, consider input d as all the complex tests, drugs, and other medical interventions relating to the patient, while input e involves the time and patience, and other efforts related to the doctor walking-in-the-shoes-of-the-patient, trying to find out what the patient is really experiencing not only with the condition but also with the treatment process. Lots of tests, high use of drugs, sometimes not really customizing treatment to the patient (impossible in 5-minute office visits, where the patient waits 60-minutes to spend 5-minutes with the doctor who passes through the examination room on the way to another patient) might serve the Self-interest in mere survival on the Ego-only (largely the doctor's Ego) path 0G. At the same time, too much Empathy, paying too much attention to the relationship and not enough to medications, tests, and other treatments may produce better feelings but less survival on path 0M. The best outcome, however, throttling back a bit on the expensive tests, drugs, and perhaps putting more time into helping the patient heal self, including patient influence on testing and drugs, as well as more empathy going in every direction, could put the process on a more humane and happier path 0Z.

Coronavirus Pandemic

There is perhaps no better example to demonstrate the tension between the Self&Other-interest, the selfish&selfless (again, see Figs. 7.1 and 7.2), as related to the coronavirus pandemic. It has resulted in the spreading of the SARS-CoV-2, and causing the COVID-19 disease in millions of people on the Spaceship. It points to how the more primal Ego drives one onto the selfish path represented in Self-interest. The selfless path represented in Other-interest is also at work: On the good side of it, Empathy drives helping others. On the dark side of it, the easily transmitted virus is being shared, too.

Figures 7.1 and 7.2 can be used to organize the questions, and, perhaps, help make sense of it. To establish boundaries, a person who is quite selfish, operating with excessive Greed, tends to take (buy way beyond reason) and hoard essentials. Everything from beans to toilet paper, as demonstrated in the early-2020 crisis, was emptied from the shelves. Additionally, there were runs on gun shops, to buy and hoard both guns and ammunition. Afraid of the excessive Greed by others, we might guess, or, use the guns to be even more excessive, to take from others? It is all about losing Self-control, and not being influenced by the shared Other-interest in everyone having some toilet paper and food (and, we must surmise, some guns and ammunition). Excessive Greed also drove several US senators who sold vulnerable stock and purchased stock in medical supply companies, after an early (the public was not yet informed) intelligence agency briefing indicated the pandemic was on the way. Excessive Ego-based Greed also drove politicians who did not want the bad news to adversely affect the economy. Metaeconomics would suggest that better balance with Empathy would have predictably focused more attention on the Human side of the pandemic with less on the Econ side of it.

Similar framing is represented in the outcry from another small group in the US along the lines of the infamous Patrick Henry call for: "Give me Liberty, or give me Death!" in response to Government mandates for social distancing, for sequestering, and for shut down of business enterprise. And, that might be all good and fine if it is a science, fact-based position. One can reasonably expect that Patrick Henry had some empirical basis (some facts, some science) that the protest directed at the English Monarchy could, indeed, be productive. Also, it had an ethical foundation, too, as in liberty is good, if so based. It is not as clear that a protest

directed at a deadly virus, without the science and fact-basis (as in minimal to no testing of workers) for finding out the level of risk in not social distancing, and going back to work too soon, is rational, and likely not ethical. Also, it seems, as in the myth of social cost stance, to be with almost total disregard for the shared Other-interest in not exposing others to the disease. All of this is at best path $0G$, and, in some cases, extreme vertical axis choice: It seems said liberty can well lead to death, being it is not based in scienceðics. It is about a kind of blind attempt at maximizing Self-interest at point A (or anywhere in the irrational zone $R^{\circ}A$, including the vertical axis) in Fig. 7.1, which could well put the protestor at the origin, at $0 = \text{death}$. Maximizing Self-interest without regard to a widely shared Other-interest is not usually the best choice.

At the other extreme, first response and health care workers who give it all to helping others, sharing in the Other-interest in managing the virus and the illness, could well land on the horizontal axis, dying from the selfless act. Without enough help from the shared Other-interest side, as in not providing sufficient numbers of N95 masks and other protective gear for said workers, several did pay that price. Many ended on the horizontal axis.

Choosing in either $R^{\circ}A$ or $R^{\circ}C$, including the vertical or horizontal axis, is not a rational choice. It is not rational for either a person or the larger community, the Market or the Government. The rational choice involves balance in person&community, Self&Other-interest, Market&Government, on some path $0Z$. Granted, there could be wide-variation in which path was chosen. Some would find it rational to be more oriented to a path $0Z$ closer to the Self-interest on path $0G$, working to avoid the virus if possible, yet at least being a bit sensitive to the situation of others. And, science-based facts would be used to decide, like in lots of testing, and, perhaps, tracing. Others would find it rational to operate closer to path $0M$, such as social distancing to keep grandma and grandma from being exposed: For that case, think of balancing the interests with the value V of grandma and grandpa, which might lead to a point B choice in Fig. 7.1 due to choosing point B in Fig. 7.2, as in grandma and grandpa are perhaps not priceless, but nevertheless are valuable.

Fisher, Sellers, and Wilson (2020) raise the question, regarding how to interact with others during the corona pandemic “is that being selfless to offer help or is it being selfish because I need to do something like that to get up in the morning?” Metaeconomics clarifies it is both. We need to be selfish (need work, money, equipment, time) to Be Loved, and selfless to

Be Lovely (so can get up in the morning). Payoff arises in both domains for every choice. Also, is it strictly a price P ratio, Be Loved driven matter (like the relative prices of toilet paper to food prices, in a Figs. 4.1, 7.1, or 8.1), as Neoclassical Microeconomics has to say? No, it also involves value V (the grandma and grandpa case), which must be addressed (as Neoinstitutional Economics makes clear) in order to Be Lovely.

Before we look at the Metaeconomic balance, consider the two extremes: First, path 0G is the Market doing it pretty much without Government. So, private firms step forward to manufacture the test kits and do the testing. Private firms also produce the protective masks, clothing and the ventilators. The private nurses, doctors, and private hospitals handle every case. Private insurance companies pay the claims, and only people with money to buy insurance make claims. The patients who have enough money do well; the patients without money, do not do so well, literally. The price P of toilet paper and beans would rise rapidly, rationing through the price. Value V has no influence. Right Isle, anyone (see Table 6.1)?

Second, on the other path 0M, we might find a quite different pattern, with heavy involvement by the community, especially as represented in Government. It might mandate social distancing, and only essential workers. It might use the most socialist styled (Government owned) organization the US has, namely the military, to provide field hospitals and hospital ships. It might command private companies to produce protective gear and ventilators. It might get involved in rationing the gear and equipment among the hospitals, especially the public ones, but also monitor and distribute to the private hospitals, assuming there are any. It might press the State-owned national guard units into doing coronavirus-related testing (for both how the virus spreads, and how the disease is evolving) as well as ensuring grocery shelves of all the privately owned stores have at least some food. It might put a lockdown on all non-essential travel. It might provide trillions in payments to workers now stopped from working, especially people who are independent contractors like Uber drivers and beauticians. It might shore up Medicare and Medicaid programs to help the elderly and the poor, which are often the same people, and perhaps even consider a single payer system for everyone. It might first nudge the Market to produce N95 personal protective masks, and, if that fails, it might evoke the Defense Production Act and require the Market to produce the equipment. It might do wide and deep testing, and perhaps nudge if not mandate tracing. It might rely on data and science, as well as scienceðics, to manage the pandemic. Left Isle, anyone (see Table 6.1)?

Neither extreme works. Being sequestered alone on the NeoClassEcon Isle does not produce enough economic activity. Being in a petri-dish for spreading the virus in a community such as a congested sporting event, shopping mall, meat packing line, nursing home, or prison with no choice, as on the NeoInstiEcon Isle, spreads the disease. So, in seeing it more from the MetaEcon Isle, how do we think about balancing the actions on the happier, humane, and efficient path 0Z? Path 0Z is about economic&public-health, jointly pursued.

Well, in some cases, it is quite simple: Limit (Government sets caps) the amount of toilet paper and beans a person can buy and evolve the Market price (trade) for each. Limit (Government) the number of workers on the meat packing line, give them protective gear, and, only then, with adequate attention to the shared Other-interest in safety, put the Market to work to produce the meat product. Finding path 0Z also would mean doing substantive testing and tracing in order to obtain the data needed for a science-based management on the meat line, as well as all other aspects of dealing with the pandemic. The Government would mandate testing (the cap) and the Market would do it (the trade). The Government would bring the science and data; the Market would implement based on that science and data. The Market would do the food production and keep the distribution systems running, and producing the protective gear and ventilators (unless the nudge from Government to produce said items fails): Trade. The Government would mandate the wearing of the protective gear in the food processing, distribution, and grocery stores. So, trade&cap, cap&trade. And, perhaps most importantly: Pour lots of Government money into both private&public-research, to fund the science needed to develop the vaccines, the medicines, while the Market makes and distributes same (while paying the Government back, through paying the price/taxes, for the research costs).

Now, could path 0Z also be found by the Market alone? Theoretically, sure. A distillery shifting from the profit path to producing hand sanitizers, and to giving away the product, is approaching a path 0Z choice. Markets could produce all the personal protective gear with reasonable profits. A CEO acting as a Chief Empathy Officer (Bersin 2020) would operate on path 0Z.

So, how did the US do, overall? How did it compare with actions in other areas on the Spaceship? The analysis is not yet in, but it will probably show substantive Market-failure and Government-failure. One case in point: China produced over one-half of the Spaceship Earth masks prior

to the Corona outbreak, with several US factories involved in production in China (Bradsher and Alderman 2020). Problem is, China nationalized all the personal protective equipment manufacturers early in the outbreak of COVID-19, and hoarded the masks (Sutter, Schwarzenberg, and Sutherland 2020, p. 11). It seems Ego-based Self-interest was also the main force in China, both in the Market and the Government, just like it will likely be proven to be the case in the US: Empathy, anyone? It represents a clear failure on the part of Government to put in place a shared Other-interest between China and the US that banned hoarding.

So, in contrast to the standard story on the Right (see Table 6.1), the Market instead did a lot of bad, for example, moved virtually all N95 mask manufacturing capacity to China. The Government which can do good, especially in public health, was stopped from doing so with substantive failures, mainly driven by the Right, in not funding the public health system after the 2008 financial crisis. The Government had invested little in masks and other protective equipment. It seems, too, that perhaps “deep state” and “administrative state” conspiracy theories had a bad effect: Pandemic response team resources were cut heavily (Sun 2018). In addition, significant numbers of scientific experts were removed, otherwise discounted, by the Government. One can make Government fail by not respecting what it is good at doing, such as in helping with key actions needed in a pandemic, for example, using data-based (lots of sampling through testing) science for nudging social distancing and controlling it when it does not come forward from the nudge.

Most important lesson from Metaeconomics: Do the empirical work. Stay with the facts. Pay deep attention to the science. Encourage expert assessments and interactions. Do not squelch the scientific input. Look for balance in Ego&Empathy, Market&Government, with attention to the shared Other-interest playing a key role. And, overall, do what works.

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