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# The Health Economy — The Alternative to Federal Government Shutdown

Contributed by David Cundiff, MD  
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Editor's Note: the author's book *The Health Economy* was introduced to Culture Change readers on Nov. 17, 2010, but it is now in a new e-book edition. The Health Economy concept's most prestigious endorsement was when Dr. George Lundberg, former chief editor of the *Journal of the American Medical Association*, recently linked to our previous review in his *At Large* column at *MedPage Today*. The following is the latest manifesto for the Health Economy. - JL

The Health Economy will take the place of today's bankrupt Waste Economy that has let down working people. The American people are capable of increasing individual and public health, prosperity, and happiness. We can replace institutionalized waste and inefficiencies in the public and private sectors with valuable economic activities and community building pursuits that are not for money. Volunteerism and mutual aid can be incentivized.

Jeffersonian democracy with cooperative community involvement is what works, while the same old greed, corruption, and economic disparities of our dysfunctional government and corporate systems display failure more starkly each day. We can't afford the present level of government spending and consumer debt, but we can definitely afford health, helping others, and economic justice.

The Health Economy begins with patient-centered health care reform. Reforming health care requires strengthening primary care medicine and providing coordinated care rather than fragmented treatments from unaffiliated providers. Republicans and Democrats agree that better coordination of health care is necessary for a care delivery system that gives universal access to treatment, high quality, and affordability. Primary care physicians (PCPs) need to be in charge to manage and organize care for patients within networks of specialist providers working together.

The government's choice for care coordination and increased efficiency is "accountable care organizations" (ACOs). Like health maintenance organizations (HMOs), ACOs shift the control of personal

health care treatment decisions from physicians and patients to governmental and insurance company bureaucracies. Unfortunately, top-down treatment guidelines may err by denying beneficial treatments and approving worthless or harmful treatments.

Instead of ACOs operating under the thumb of government regulators, the Health Economy plan proposes an alternative entity to coordinate care -- "accountable care cooperatives" (ACCs). ACCs will be constituted as nonprofit cooperatives owned by member-patients rather than by investors and physicians.

The authority and accountability for determining what medical tests and treatments are and are not covered by insurance will no longer be controlled by government agencies or insurance companies. Health care regulation will be decentralized and vested with the ACCs. ACC physicians and their chosen consultants will control all medical insurance spending for their patients (i.e., define the standard of care with input from medical literature, published guidelines, medical specialists, alternative healers, and patients). Self-regulating private ACCs will compete with each other to provide the most appropriate health services and best health outcomes.

With the Health Economy, businesses will no longer be responsible for medical insurance of employees and their families. ACCs will receive health insurance money for their patient populations consisting of individual insurance premiums supplemented by "risk-adjusted" allocations from the federal government to provide all health care services. "Risk-adjusted" means the government prepays ACCs more for older sicker patients than younger healthier patients.

To provide optimal care while controlling costs, health care workers hired by and responsible to ACC enrollees will determine what medical interventions will and will not be covered (i.e., define the benefit package of insured health interventions). ACC physicians and staff will not receive bonuses for limiting coverage of medical interventions as the government proposes for ACOs. Savings from ACC efficiencies will go to additional patient services and to reducing patients' insurance premiums.

The private health insurance industry will be retained and will cover all 300+ million Americans that chose to join ACCs. The infamous health insurance mandate of the beleaguered "Affordable Care Act" will not exist. Insurers will not determine who to insure, what medical interventions to cover, and how much to pay. Insurers will pay for health care services following the dictates of ACCs.

Quality of life and longevity depend greatly on nutrition, income, employment, race or ethnicity, quality of education, and where and how people live -- the social determinants of health. In the Health Economy, the government will continue to collect welfare funds, but will then shift those funds to ACCs for more efficient allocation of social safety net services. ACCs will fund and coordinate social services for the homeless, abused or neglected children, substance abusers, seniors,

veterans, unemployed workers, and disabled people. Coordinated mutual aid and volunteerism will supplement the professional services provided.

Just as ACCs turn out to be just the right institutions to transform health care and welfare, they can also fix other dysfunctional components of government spending that generate a culture of overregulation, waste, and dependence. In the \$15 trillion U.S. economy, about \$2.3 trillion will be shifted from the government to the new ACC sector. With both financial and people resources, ACC member services will include creating jobs, fostering innovation and excellence in education, promoting financial literacy and wise money management, advocating for justice, caring for local communities, and administering Social Security and public pensions.

The initial movement to embrace the Health Economy is more likely to be led by ordinary informed citizens than by economists, policy experts, pundits, and politicians. Once informed citizens see that ACC “cooperative capitalism” can remedy government and corporate waste and inefficiency, the leaders of the country will follow.

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Take the Health Economy survey to contribute input for David Cundiff's campaign to launch the Health Economy. Participants get the e-book for free. Please go to [surveymonkey.com](https://surveymonkey.com). The website for The Health Economy is <http://thehealthconomy.com/>

David K. Cundiff, MD is the author of previous books such as *The Right Medicine: How to Make Health Care Reform Work Today*, co-written with Mary Ellen McCarthy, Humana Press (1994), and *Money Driven Medicine – Tests and Treatments That Don't Work*, by David Cundiff, MD, published by Cundiff (2006). He was employed in the 1990s at Los Angeles County - USC Medical Center Hospital in oncology and internal medicine for hospice patients. David's work quantifying the astronomical health and financial cost of car dependence and use of fossil fuels appeared in the *Auto-Free Times* magazine (now [CultureChange.org](http://CultureChange.org)) in the mid-1990s.

Culture Change's Jan Lundberg has been serving as editor of David Cundiff's book *The Health Economy*.