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Ambassador's Corner

WEEKLY MESSAGE FROM AMBASSADOR JOHN BRUTON January 17, 2006

Javier Solana

This week, Javier Solana [pictured below, left], who is both the Secretary General of the EU Council of Ministers and the EU's High Representative for Foreign Policy, is visiting Washington. Javier Solana is a key player in efforts to find a solution to the nuclear impasse with Iran and in moving towards a fair and balanced settlement in the Middle East. A former Spanish Foreign Minister and Secretary General of NATO, he is a consummate diplomat with an encyclopedic knowledge of world issues. He has played a key role in bringing peace to the Balkans and to Sudan and in opening up a democratic perspective for Ukraine.

Healthcare ‐ The new dilemmas we will face

Last week, I attended a conference which focused on the spiraling cost of healthcare in the United States ‐ which is increasing at three times the rate of inflation.

In 1970, healthcare absorbed 7% of US GDP; in 1997 it absorbed 13.6%. Last year it absorbed 16% of a much larger GDP.

Although Americans, constituting 5% of the world's population, consume 45% of the world's pharmaceutical drugs, this is not even the biggest cost factor. Hospital care, especially in the last few weeks of a person's life, is the biggest component of US health costs, followed by payments to doctors.

For military veterans and for the least well-off, the United States health system is similar to that in Europe ‐ a basic service provided by the government. But for everybody else, the service is insurance-based and the insurance premiums are paid by (some) employers. Many are uninsured. The cost of medical insurance has escalated so much that there is growing fear that US employers will locate their plants overseas to save on health insurance costs. Similar health cost increases are happening in European countries, but because Europe pays for health differently, the pressure will be felt on government budgets rather than on jobs. Health costs explain why many EU countries have gone above EU borrowing limits.

European countries have been able to keep overall health costs somewhat lower than those in the US by rationing services, by applying tight central price controls to drugs and by paying medical personnel less. But the long-term pressures on health costs will be just as severe in Europe, as the population there ages rapidly in coming years.

I learned at the conference of new developments in medical research that will add further to upward cost pressures in both Europe and the United States.

Biotechnology is developing a number of new anti-cancer drugs, some of which could cost up to \$300,000 per patient per year.

Genomics will come up with personalized treatments suited to the disease proclivities of each individual. An eventual genetic tendency to Alzheimer's disease, fifty years later, might be detectable in a ten-year-old child and a treatment identified - costing up to \$300,000 a year for life - that could eliminate the risk.

Eventually, such treatments may get cheaper but the short-term financial costs could be enormous.

Another problem arises in the last months of life. Depending on who is paying, there may be a tendency for hospitals to spend more and more on treatments that give a small prolongation of life, especially if denying such a treatment could be a basis for a lawsuit against the hospital by surviving relatives.

Who will decide whether such treatments will be given? What “right” will they have to make such decisions? Who will pay? How do you value life against limited financial resources? These are difficult issues for which most families will not have been prepared by any of their previous lifetime experiences.

Politicians in both the United States and Europe will therefore find that you cannot get elected by promising to do anything about healthcare, because the choices that will have to be made will be so difficult and so painful. Voters may

prefer to leave those choices to someone else. But that could mean that the wrong choices – both morally and medically – may be made.

The voiceless may suffer, while the influential may get everything that is going.

These are debates that we – in Europe and the United States – can now at least afford to have, because we all already have fairly good basic services. There are other parts of the world where the health services are so bad and money is so scarce that millions die every year of easily and cheaply preventable diseases.

Politicians, Spiritual Leaders and Ethicists need to come together to help us to look at all these hard questions in the light of recent scientific advances and to work out the obligations those of us who are healthy have to those of us who are not – both in our own countries and in other parts of the world.

Please send me your comments about this or any of my weekly messages or other EU matters. I look forward to hearing from you!