

Ethics and Justice : Theories as Applied to Age-Based Rationing

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What I Intend to Do

- Discuss the rising costs of health care and its causes
- Discuss the impact of aging on these rising costs
- Introduce the age-based rationing debate, and the economic arguments in its support
- Discuss the ethical and justice theories used to defend and oppose it
- And propose several cost-lowering measures that would make age-based rationing of health care unnecessary

The Rising Costs of Health Care in the U.S.

- Health care costs are high, and are spiraling out of control.
- In 2007: Health Care Costs = 17% of GDP
- Its inflation rate is four times higher than CPI
- Will reach 26% by 2030

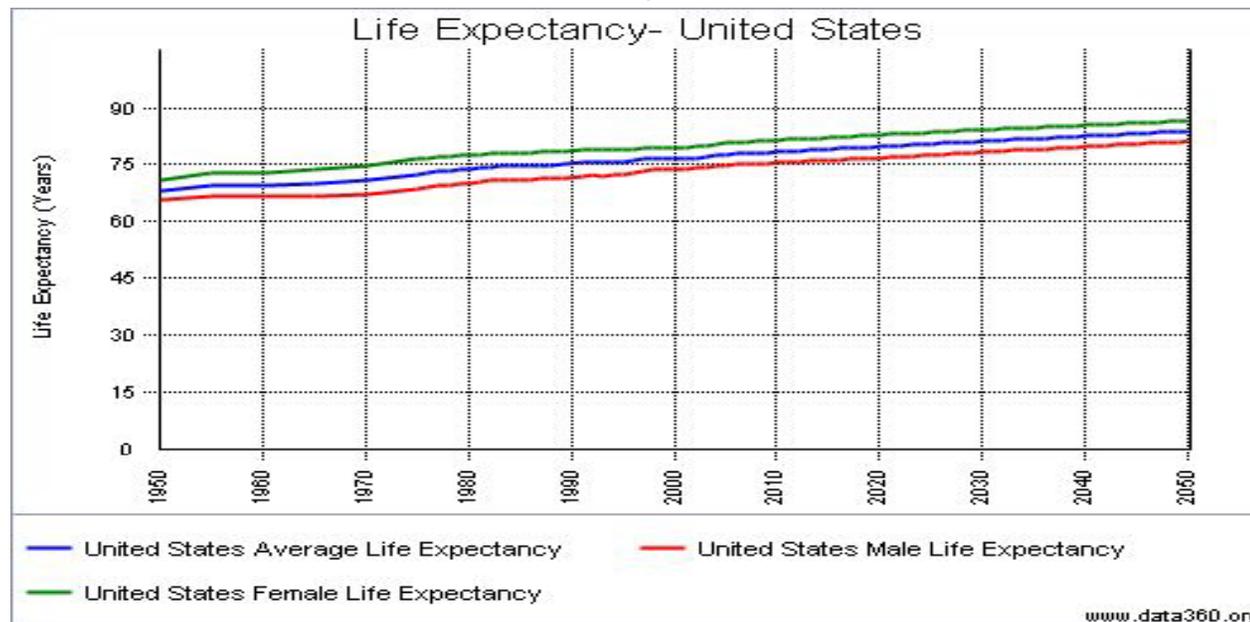
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- Among industrialized countries:
 - U.S. per capita expenditures highest in both relative and absolute terms
 - In 2005: The U.S. ranked 16th among 22 industrialized countries in health outcomes.
 - “Highest”: in terms of both public and private expenditures

Why is Health Care So Expensive?

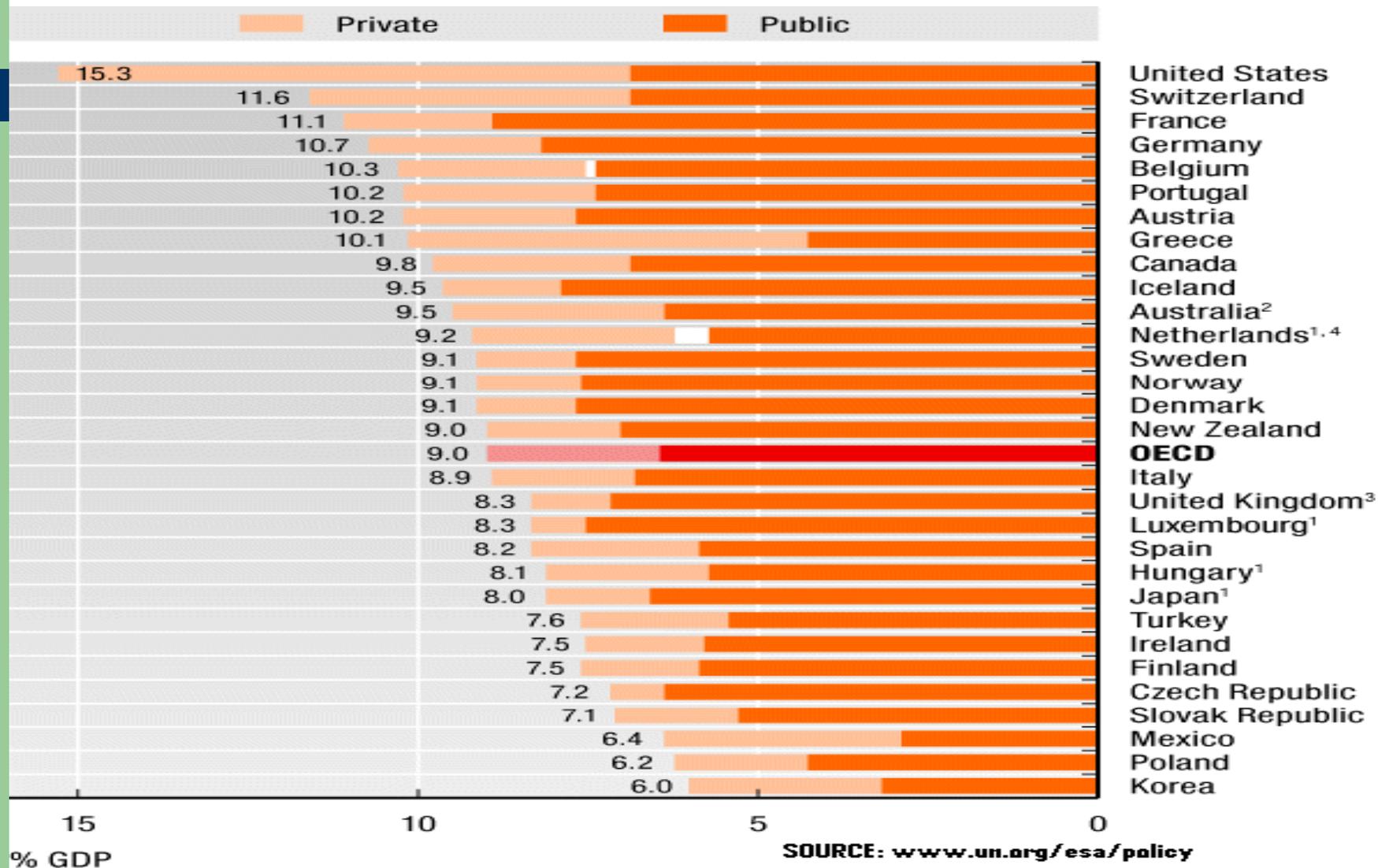
- Routine utilization of expensive technical devices like MRI
- Very expensive prescription drugs
- Heroic efforts to save lives
- High malpractice insurance, and expensive lawsuits
- The aging of American society, because older individuals require a great deal more care

The Impact of Aging on Health Care Costs

- Life expectancy is on the rise:
 - In 1900 : 47.3 years
 - In 2000: 76 years
 - For those born in this century: Will reach 85+

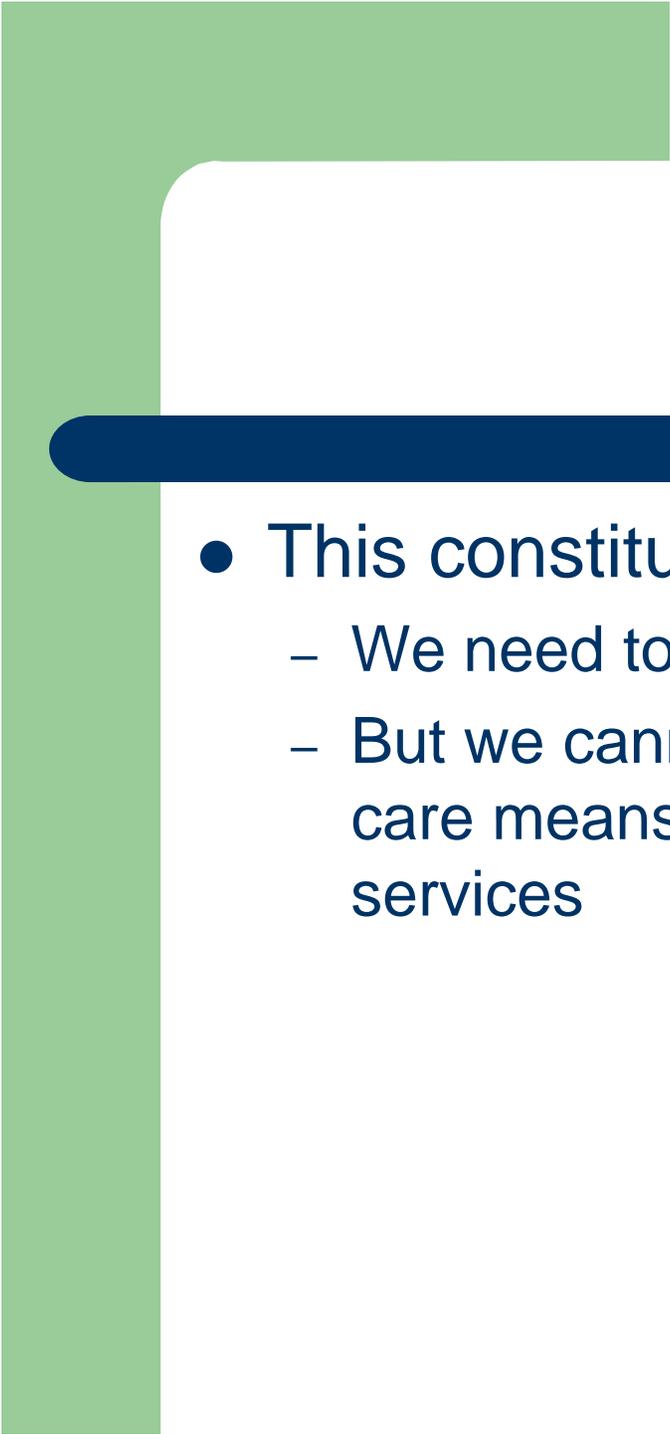


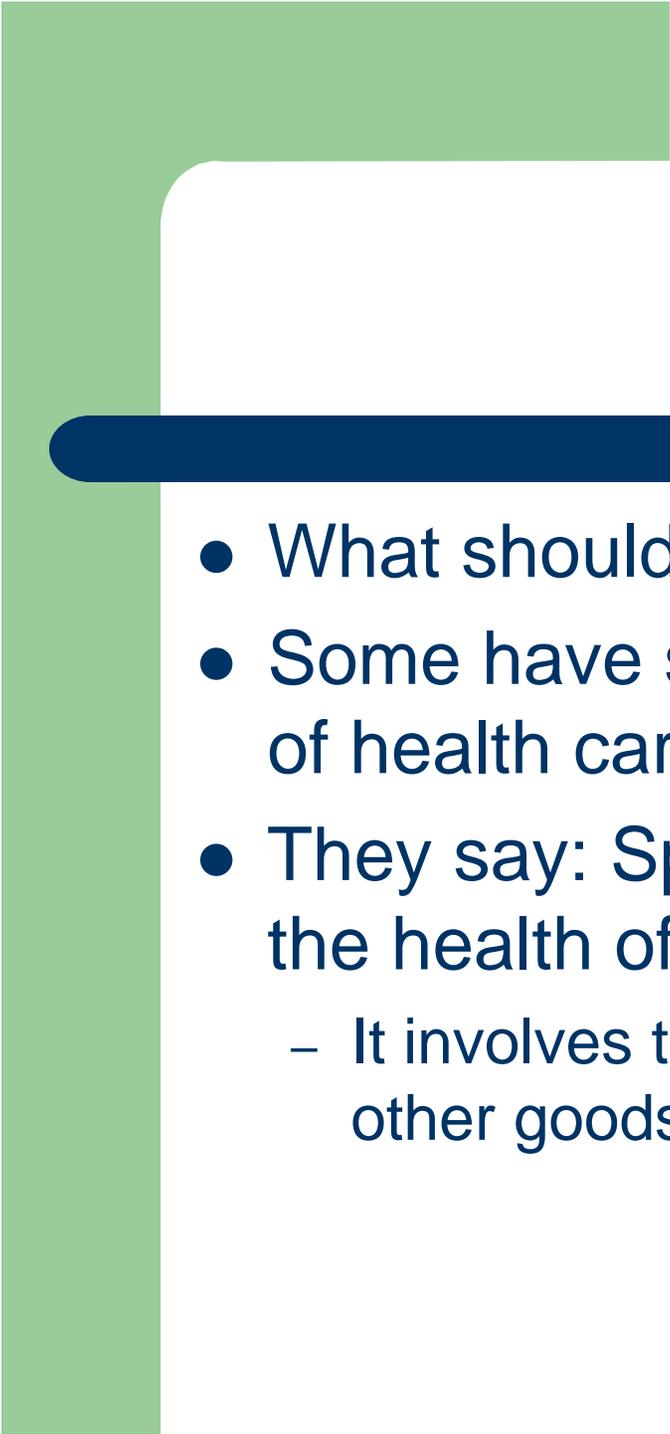
Health Care Expenditure as Percentage of GDP



The Impact of Aging on Health Care Costs

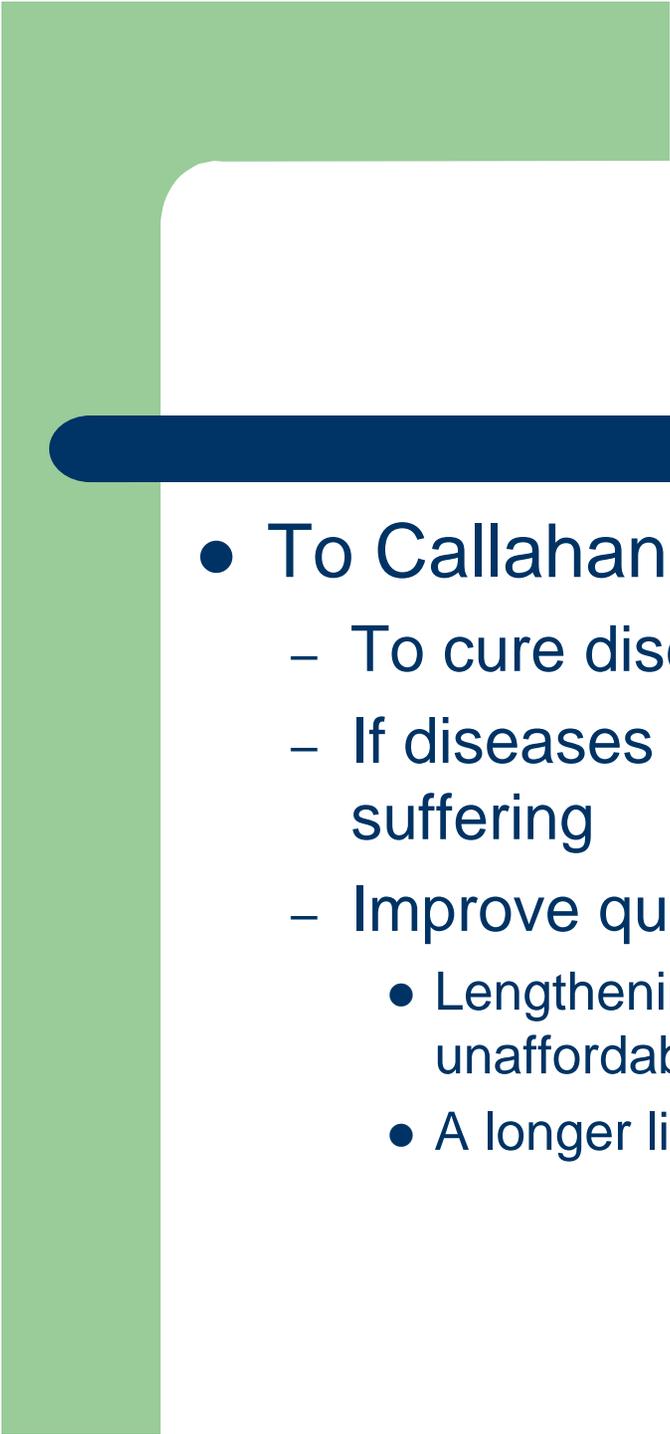
- In 2000, the 85+ segment of the population was 34 times higher than in 1900
 - This is the fastest-growing segment of the population
 - It is also the segment with the highest health care costs

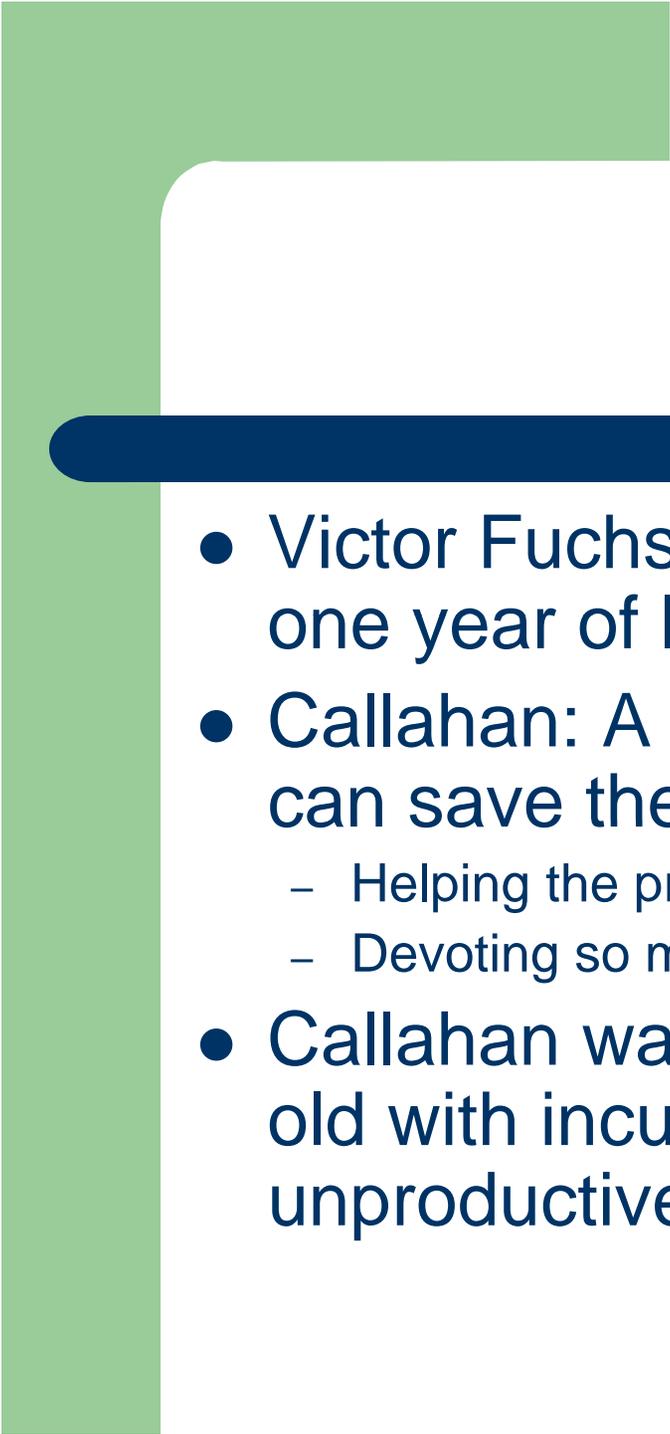
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- This constitutes a societal ethical dilemma.
 - We need to provide health care to everyone,
 - But we cannot afford it: More and more health care means less and less of other goods and services

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- What should be done?
 - Some have suggested **age-based rationing** of health care as a solution
 - They say: Spending an unlimited amount on the health of the elderly is unjust
 - It involves taking money from the young, and from other goods

Arguments in Support of Age-Based Rationing of Health Care

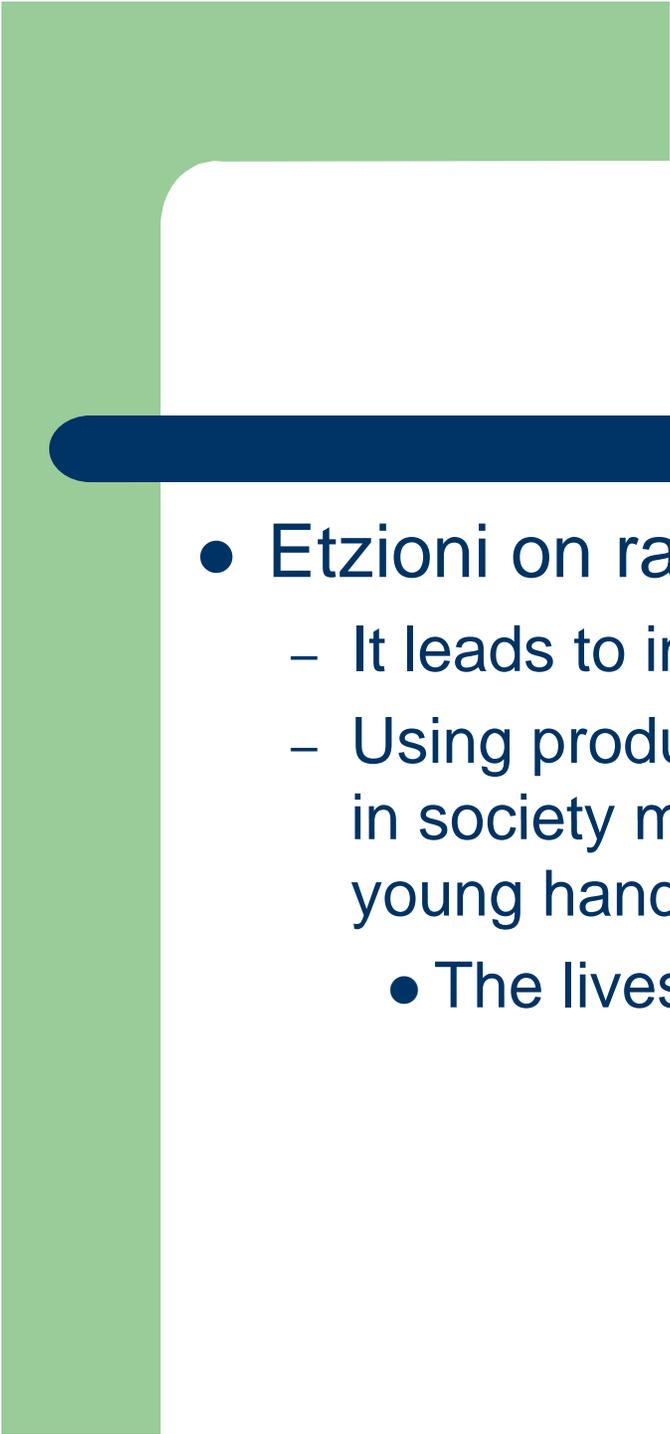
- Biggest advocate: Daniel Callahan
- Most famous: Former Colorado Governor Richard Lamm
- To the advocates of age-based rationing:
 - No medically advanced society can provide every individual with every medical intervention
 - Societies cannot afford it

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- To Callahan, the purpose of medicine is:
 - To cure diseases when possible
 - If diseases are incurable, should relieve pain and suffering
 - Improve quality of life, not lengthen it
 - Lengthening life for sick elderly is expensive and unaffordable
 - A longer life is not necessarily a better life

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- Victor Fuchs: 1% of GDP is spent for the last one year of life of the very old
 - Callahan: A fraction of elderly's expenses can save the health and lives of the majority
 - Helping the productive young helps everyone
 - Devoting so much to the very old is unjust to the young
 - Callahan wants to apply rationing to the very old with incurable diseases and who are unproductive

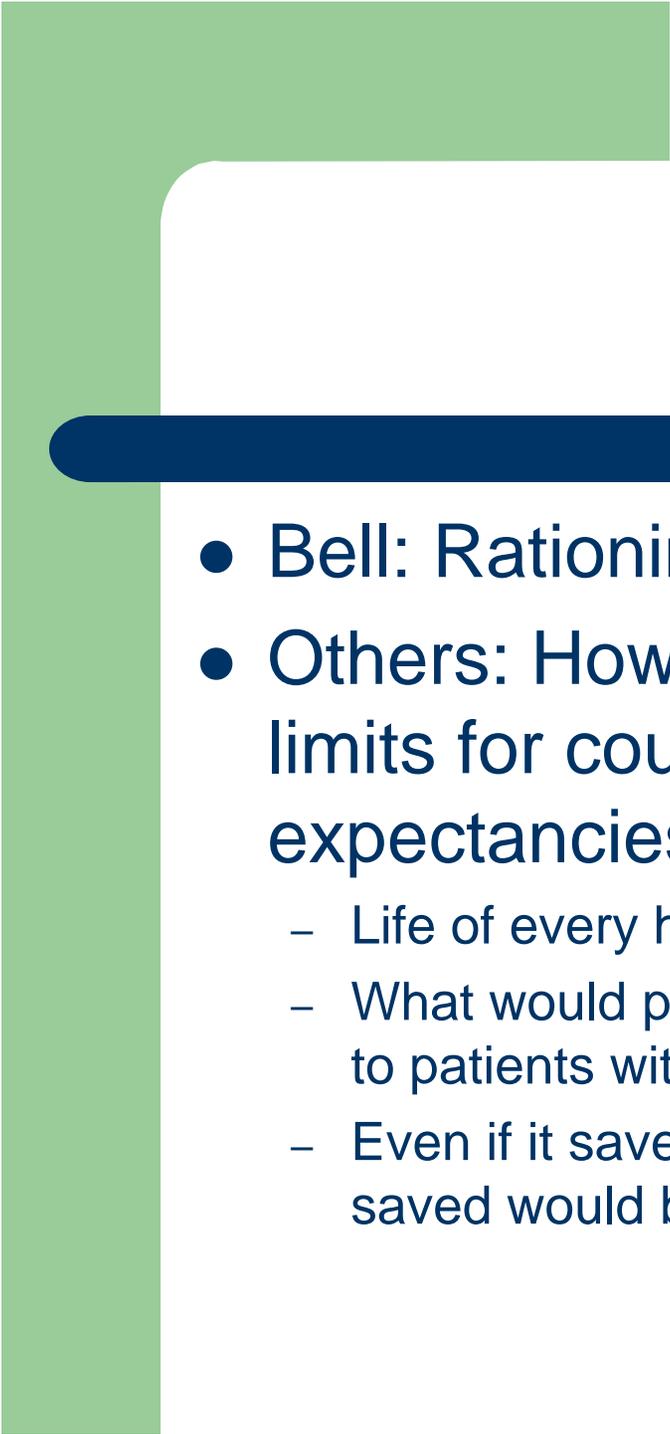
Arguments Against Age-Based Rationing

- Christine Cassel:
 - Because of rising life expectancy, it is difficult to define an appropriate age limit for age-based rationing
 - Is unfair to women since they live longer (more become eligible)
 - People may be productive even in old age



- Etzioni on rationing:

- It leads to intergenerational conflicts
- Using productivity as a criterion is unjust – many in society may not be viewed as productive (the young handicapped, etc.)
 - The lives of such people are not worth less

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- Bell: Rationing is “passive euthanasia”
 - Others: How do we rationalize different age limits for countries of different life expectancies?
 - Life of every human being is precious – regardless of age
 - What would prevent us from applying productivity argument to patients with AIDS, and other such diseases
 - Even if it saves money, there is no guarantee that money saved would be spent on the young

Ethical Issues Involved

- Do good and avoid harm (beneficence and non-maleficence)
- Autonomy of patients with capacity to decide for themselves
- Sanctity of life
- Justice

Justice and Support for Age-Based Rationing

- Advocates utilize utilitarianism
 - i.e., the greatest good for the greatest number of people.
 - The money spent on the incurable diseases of the unproductive elderly could provide health care to a greater number of younger individuals
 - Particularly because their productivity helps everyone in society

Justice Theories Used By the Opponents of Age-Based Rationing

- They use more egalitarian theories
 - Including Rawlsian second principle
 - i.e., that inequality is acceptable if it helps the least advantaged
 - for example, the very old who are very sick
- Prager, emphasizing need as the basis of justice, says: Every patient should be provided with health care – regardless of age or disease

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- Kantians view individuals as an end in themselves, thus:
 - Everyone has to have unlimited access to health care
 - The same also follows from Rawlsian second principle

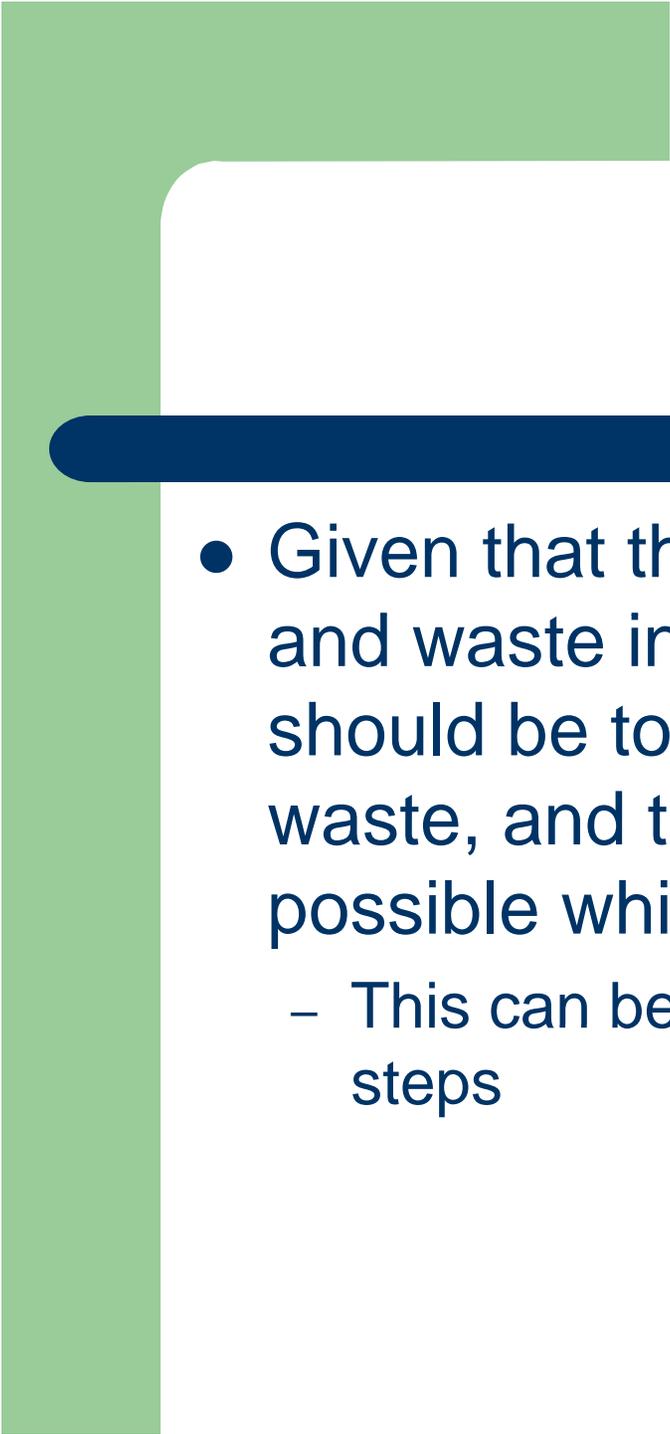
Concluding Remarks

- Given the above dilemma, what is to be done?
- Our moral standards cannot ignore economic reality
 - which is the essence of what economists call cost-benefit analysis

In the words of Walter Lipman (1955)

“A rational man acting in a real world may be defined as one who decides where he will strike a balance between what he desires and what can be done. It is only in imaginary worlds that we can do whatever we wish.”

- In other words, we cannot ignore the reality of resource scarcity, even though we want to provide health care to as many people as possible.

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- Given that there is a great deal of inefficiency and waste in the health care system, our aim should be to improve quality, to minimize waste, and to make things as efficient as possible while providing care to everyone
 - This can be accomplished by the following six steps

Concluding Remarks

1. Lower the cost of health care and cut waste in the following manner:

- Stop all expensive interventions for which there is no evidence of effectiveness
- Stop public funding of these, and discourage private use of such procedures
- Shift from expensive/unproven procedures toward lifesaving ones
- Lower/simplify regulations that are costly

Concluding Remarks

- 2. Limit malpractice claims, restrict legal fees, and require losers to pay court costs**

Concluding Remarks

3. Reduce the cost of prescription drugs by:

- Making the pharmaceutical industry more competitive
- Allowing safe international competition
- Making generic drugs more available
- Urging the FDA to speed up the process of approving generic drugs
- Relaxing patent laws for the industry

Concluding Remarks

- 4. Create more efficiency and lower costs by improving health care quality – by preventing overuse, underuse, and misuse of health care/procedures**

Concluding Remarks

5. Improve the Medicare Program in the following ways:

- Limit Medicare, Social Security benefits and cost of living adjustments to non-poor elderly
- Raise eligibility retirement age to 70
- Make richer elderly pay higher premiums under Medicare Part A
- Provide incentives for employers to encourage employees to work beyond the age of 65

Concluding Remarks

6. **Move medicine and medical professionals away from a strict profit motive, since health care is not a typical product**

Concluding Remarks

- Complement the present health care system with some type of medical saving account – free of taxes – to help the payment of medical expenses when needed
- Also complement it with a catastrophic care backup provided by the government or purchased separately. That would also make insurance transportable from one job to the next.