EDITORIAL

Regulations Overburden Health Care

BY CHRISTOHER B. ZACHARY, M.D.

Any talk of health care reform must include a discussion of the money we're currently wasting on health care regulation. Recent data suggest that 47-60 million Americans are without health insurance. Many people avoid seeking health care because it is too costly. If they do seek care, many become burdened by high costs.

According to an article from the Oct. 4, 2004 edition of Policy Analysis, a publication of the Cato Institute, the total cost of health care regulation exceeds $339 billion, a figure that takes into account regulation of health care facilities, health care professionals, health insurance, drugs and medical devices, the medical tort system, and the costs of defensive medicine. The article goes on to note that the benefit of health services regulation exceeds $170 billion, leaving a net burden of health services regulation of $169 billion.

I don't mind having health care regulations if they provide a benefit to society or more efficient practice. What I can't stand is wasting money on health care regulations that serve no purpose. While we are being required to practice evidence-based medicine, we need to insist that the federal government practice evidence-based regulation.

In a 2002 report entitled "Care Without Coverage," the Institute of Medicine estimated that 18,000 uninsured Americans die every year because of a lack of health insurance coverage. According to the median estimate of four studies cited in the Policy Analysis article, an additional 22,000 people die every year due to reduced societal income related to health care regulations. So clearly, there is a human cost related to health care regulations that is unappreciated.

How can we reduce or eliminate excessive costs of regulation? We can start by devising a stripped down, simplified set of core regulations. We need to consider scrapping all regulations that have a negative cost/benefit ratio and regulations for which there is no evidence-based rationale. The emphasis cannot be simply on reducing costs; it needs to be based on factual evidence and improved quality of health care.

One way to achieve this is to overhaul the Food and Drug Administration, an agency that is overly restrictive, takes too long to make decisions, and is hamstrung with isolation, hesitation, and fear of bad results. Many aspects of drug safety could instead be certified and ensured by independent, private sector, voluntary institutions and by the tort system.

An overhauled FDA should provide a system of transparent peer review in the decision-making process regarding drugs and devices submitted.

Data submitted to the FDA for approvals by drug and device companies should be made immediately available upon clearance of any product. Those companies should also be required to provide serious, concise, and truthful postmarket reporting.

Our health care system is suffering because the current system is all about money, and not about people. ■

DR. ZACHARY *is professor and chair of the department of dermatology at the University of California, Irvine.*

For a video interview with Dr. Zachary, go to www.youtube.com/SkinAndAllergyNews.

LETTERS

Letters in response to articles in SKIN & ALLERGY NEWS and its supplements should include your name and address, affiliation, and conflicts of interest in regard to the topic discussed. Letters may be edited for space and clarity.

Mail: Letters, SKIN & ALLERGY NEWS, 5635 Fishers Lane, Suite 6000, Rockville, MD 20852

Fax: 240-221-2541

E-mail: sknews@elsevier.com