

Catholic Values and the Market: Friends or Foes?

Can Catholic Health Care Support Market-Based Reforms?



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The multi-layered problems related to this country's health care system were evident during my five years working as an attorney representing indigent clients with physical or mental illnesses. They were poor and trying to qualify for financial help under Medicaid, Social Security Disability Insurance, and other similar programs. The most indelible lesson from that time was the realization that the only thing worse than being sick is being sick and uninsured at the same time.

The Catholic Church, an advocate for the poor and the vulnerable, has recognized health care as fundamental to the common good. However, it has never expressly stated how a universal right to health care is to be achieved. During the past several years, many countries, including the United States, have increasingly looked to private entities or other market mechanisms to provide funding and distribution of health care. With increasing pressures to contain costs, the market system may appear to be the only feasible alternative to a health care system desperately in need of overhaul.

Yet, historically, the Catholic Church has been suspicious of the market for its emphasis on self-interest and profit. Market practices are thought to undermine the church's primary teachings regarding human dignity and the pursuit of the common good. *Catechism of the Catholic Church* puts it this way: "Regulating [the economy] solely by the law of the marketplace fails social justice, for 'there are many human needs which cannot be satisfied by the market.'"¹ With this distrust of market practices, can Catholic health care support health care reform that relies on incorporating market mechanisms?

EXPLAINING THE MARKET

The term "market" generally refers to a system that is free of government regulation and founded on private ownership of property where an exchange of wages and goods occurs based on supply and demand. No pure market economies exist in the world. Most developed countries have economies based on a market system, albeit with varying degrees of government regulation. When it comes to the funding and distribution of health care, various economic models are available. Some countries, such as Australia, use hybrid systems that combine market mechanisms with strong government regulation or ownership. Others, such as Canada, rely almost exclusively on the government.

In the United States, the role of market practices in health care has grown steadily during the past 40 years. As prices began to rise in the 1960s, market proponents argued that health care costs could be contained if there were less government regulation, more competition among providers, and increased patient responsibility for health care costs. Today, the U.S. health care system relies heavily on the following four market mechanisms:

1) Private Health Insurance: An avenue to medical care for millions of people for decades, paid by the individual insured, the employer of that individual, or shared between the individual and the employer.

2) Managed Care: Organized under two models: 1) a preferred provider organization of a group of physicians, who contract with private insurers to provide care for their insurers at a certain rate or 2) Health Maintenance Organizations that provide the care themselves, thereby acting as the deliverer of medical care as well as the provider of health insurance.

3) Co-payments and Deductibles: Both require the user of the health care service to pay some portion of care that is otherwise paid by an insurance policy.

4) Health Accounts: Employees can open a flexible spending account using pre-tax money from salary or wages, or individuals can open a health savings account, which is a high-deductible health plan. Both are tax-sheltered tools aimed to give individuals more choices and control over their health care.

DEFINING THE ROLE OF CATHOLIC VALUES

Why should Catholics care about these market mechanisms? Since the early days of Christianity when physicians were inspired by the teachings of the Gospel “to be a Christlike service of salvific healing,”² the Catholic Church has been actively involved in health care through its conscientious reflections on death and human finitude, sickness and suffering, meaning and value of life, and stewardship of health care resources. Today, Catholic health care, the largest not-for-profit provider of health care in the United States,³ has the opportunity to continue this long tradition of service to the sick and the dying by scrutinizing the use of market mechanisms in the provision of health care. The essential question is what, if any, place should market mechanisms have in a health care redesign? At the core of the issue is a moral question: Are market mechanisms compatible with Catholic values? Let’s talk about these values before evaluating market mechanisms against them.

Through its rich social justice tradition, the church has developed a unique set of values: the protection of human dignity, the recognition of the public’s social interdependence, the promotion of the common good, the stewardship of resources, and the obligation to the poor and the vulnerable. Each one, embraced by the Catholic Health Association, can be used to evaluate whether market practices should have a place in health care reform.

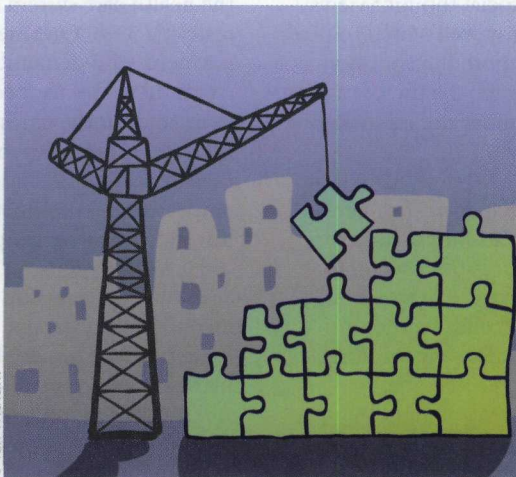
The starting place for such an assessment is the

defense of human dignity. All people are created in the image of God and, therefore, have an innate value or dignity. For that reason, everyone must have the opportunity to flourish and to participate in the larger society. In order to do so, they must have access to certain goods such as food, clothing, shelter, education and health care. Statistics show a direct correlation between a lack of health insurance and poor health outcomes. For example, mortality rates for those without health insurance are 25 percent higher than for the insured.⁴ Children are particularly hurt. Newborn babies without health insurance are more likely to have low birth weight. Children without insurance are more apt to suffer developmental delays and even premature death.⁵

The recognition of the public’s social interdependence means people live in communities consisting of social structures essential for human existence and intricately connected. What affects one aspect of society affects every aspect of society. The realm of health care is no different. Large numbers of uninsured people harm many dimensions of society. About half of all bankruptcies filed in the United States are the result of medical bills that the debtor could not pay.⁶ Children without insurance are often not treated for curable childhood ailments such as ear infections, asthma and iron deficiency anemia, resulting in chronic school absences and substandard learning.⁷

The church’s long-standing campaign for the common good shows that God created people to live in a community of social unity. The good of an individual, therefore, is directly connected to the good of the entire community. The common good is not simply a mathe-

matical aggregate determined by “the greatest good for the greatest number.” Rather, it is a social reality in which all people can participate. The promotion of the common good requires that various sectors of society act to benefit the entire community rather than privileging any single individual. Access to health care is essential to the common good because a healthy population benefits society.



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Stewardship over resources protects gifts from God that are intended to benefit everyone. Resources include not only commodities that come from the earth, such as timber and food, but also societal goods such as education and health care. Catholic health care has an inherent obligation to guarantee that resources in its domain are managed and distributed in an equitable manner.

Finally, the Catholic ministry's special obligation to the poor and the vulnerable dates to the early days of Christianity when the church was committed to helping the less fortunate because "in teaching us charity, the Gospel instructs us in the preferential respect due to the poor and the special situation they have in society."⁸ The poor and the vulnerable include the economically disadvantaged, children, elderly, minorities and chronically ill people. These groups of people are adversely affected by a lack of access to health care.

EVALUATING MARKET MECHANISMS AGAINST CATHOLIC VALUES

When evaluated against Catholic values, the present health care system with its mire of inequities clearly fails. Does this mean that only a government-run system will fulfill Catholic requirements? Although Catholic social thought views the government as particularly well-suited to protect human dignity and promote the common good, some room still exists for the use of market mechanisms in health care under the following three conditions:

- 1) The implementation of market mechanisms must not result in inequity. It is impossible to have a health care system that is perfectly equitable; the wealthy will always be able to access preferred health care. Nonetheless, certain actions can be taken to minimize any resulting inequity.
- 2) The government must have a regulatory and oversight role to assure that universal coverage is attained and inequities in coverage are negligible.
- 3) Supply-side regulations must be used to control the demand for, and hence the costs of, health care.

Given these conditions, what would Catholic health care have to watch?

If the use of private insurance is to continue, it

must be accessible and affordable to everyone. This would be best achieved through federal government mandates requiring everyone to have health care coverage in the form of private insurance, Medicaid or Medicare. The government would also have to monitor private insurers to assure that monopolies do not form and that discrimination does not take place. With aid from state governments, the federal government could oversee an insurance marketplace offering premium subsidies for people who do not qualify for Medicaid, for small businesses to help cover their employees, and for individuals who cannot afford individual policies or who are in a high-health risk category. The costs of such a program should be born by taxpayers because it benefits the good of the entire community.

Managed care can be an exceptional way to provide integrated health care. Many of its problems stemmed from attempts to control patient and physician choices. It was the use of these exact controls, however, that allowed managed care systems to contain costs. Until Americans accept that they cannot have every diagnostic test and medical procedure they desire, the United States will never be able to sustain universal health care.

Co-payments and deductibles can help finance the health care system only when they do not restrict access. One method for making co-payments and deductibles more equitable is to waive these fees for people who cannot afford them and for the chronically ill. Several countries do this. In France, people who have any one of 30 diseases considered serious or chronic are exempt from co-payments. In Belgium, people with low incomes are exempt from all cost-sharing.

Health accounts, particularly health savings accounts, benefit only those with large disposable incomes. They do not improve access to health care or contain costs. Therefore, they have no place in health care reform.

The third ingredient for a health care system based on Catholic values is supply-side controls. Although market mechanisms can help fund health care, no equitable or universal system can survive without reasonable supply-side controls. Supply-side controls, also known as rationing, are aimed at controlling the production and the distribution of health care instead of its consumption. The CHA's Board of Trustees addressed the issue of rationing in a document titled *With Justice for All? The Ethics of Healthcare Rationing* (1991). The document emphasizes

that “no society can afford to provide every health care service of potential benefit to everyone” and provides several ethical criteria to be used as guidelines for rationing. A thorough discussion of rationing cannot be done in this short article. Nonetheless, it is an issue that must be addressed in a redesign of the health care system. In order to construct a system that benefits the common good, certain individual needs will have to be sacrificed. No universal health care system, no matter how wealthy or how it is financed — can fund the endless desire for health care technologies, innovation and individual choice that defines the current system.¹⁰

CONCLUSION

We must remember the Bible commands us to heal the sick. What is unclear, though, is precisely how to do this. Health care is complicated. Catholic social teaching provides us with a set of values that can serve as guidelines to help us design a health care system that heeds that command. While market mechanisms may be used to help fund health care, strict policies must be established to guarantee universal access and to contain costs if the United States is ever going to have an equitable, sustainable health care system. This won't be easy. Hard choices and difficult decisions will have to be made. ■



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NOTES

1. United States Catholic Conference, *Catechism of the Catholic Church* (New York: Doubleday, 1994), no. 2425.
2. David F. Kelly, *The Emergence of Roman Catholic Medical Ethics in North America* (New York: Edwin Mellen Press, 1979), 48.
3. The Catholic Health Association of the United States reports that the Catholic health care ministry is the largest group of not-for-profit sponsors, systems and facilities in the United States. Visit www.chausa.org for more information.
4. Committee on the Consequences of Uninsurance, *Hidden Costs, Value Lost: Uninsurance in America* (Washington, D.C.: National Academies Press, 2003), 65-66.
5. Committee on the Consequences of Uninsurance, 74-75.
6. David U. Himmelstein et al, “Marketwatch: Illness and Injury as Contributors to Bankruptcy,” *Health Affairs* (Feb. 2, 2005), www.healthaffairs.org.
7. Himmelstein et al.
8. Pope Paul VI, “Octogesima Adveniens: A Call to Action on the Eightieth Anniversary of *Rerum Novarum*,” in *Catholic Social Thought: The Documentary Heritage*, eds. David J. O'Brien and Thomas A. Shannon (Maryknoll, N.Y.: Orbis, 2000), 263ff.
9. The Catholic Health Association of the United States, *With Justice for ALL? The Ethics of Healthcare Rationing* (St. Louis: The Catholic Health Association of the United States, 1991), 3.
10. Daniel Callahan, *What Kind of Life? The Limits of Medical Progress* (Washington, D.C.: Georgetown University Press, 1990). (Callahan has written extensively on this subject.)