CONSUMERS, PHYSICIANS, AND PAYORS: A TRIAD OF CONFLICTING INTERESTS

ABSTRACT. The dynamic changes in American health care are significantly deeper than technological advancement alone. Consumers, physicians, and third party payors are all assuming new roles in the system. The balance of medical control is radically shifting. Unless the three parties come together in a mutual partnership, needed improvements will not occur and what is currently good in the system will be lost. The key to this important partnership is the consumer.

Key words: Consumers, Cost-containment, Patient autonomy, Physician, Third party payor.

Current changes in the economics of American health care are challenging the way in which physicians have traditionally made their decisions for patients. It would be possible, in the face of this challenge, for patients to just wring their hands and hope that physicians will meet this challenge in a way that protects patients' interests. But our view is more radical. Even if patients' interests once were primary for physicians, a view that some critics of American health care seriously doubt, the forces of change presently at work are too great to be resisted by physicians trying to be true to the traditional commitments of their profession. Only if patients become and begin to act like consumers will their interests be preserved and protected; and only when physicians begin to respond to and to treat them as consumers will physicians be able to preserve what is best and most worth preserving in their professional ethic.

Physicians and patients were the only players in the traditional American health-care system. Physicians diagnosed and treated. Patients trusted, followed directions, and paid the physician for each service rendered. Physicians were clearly in control of the system and maintained their control by limiting patients' access to medical information.

A new player entered the health-care system in 1965. The U.S. government became a major payor for health-care services through Medicare and Medicaid. And other payors — health insurers and employers — have...
now, along with government, almost entirely replaced the individual patient as a payor. At first, physicians seized the opportunity for secure sources of payment and contracted readily with these major third-party payors. Consequently patients lost what little control they had retained in the traditional system — the power to deny payment for unsatisfactory care or service.

Physicians' embracing of the third-party payor system has led to a new situation in which neither physician nor patient has control. The American health-care system is now in a three-sided vise. The traditional dual relationship between patient and health-care provider has become a triad of the conflicting interests of patient, physician, and the third-party payors, with the latter often claiming to represent the "interests of society as a whole."

This new three-way system raises a new set of questions. The first of these questions is: whose interests, if any, are losing in this interplay of conflicting interests? We, as consumers of health care, think the answer is clear: the losers are the patients. A second question is: who should have control over the system? The answer again, we believe, is: consumers.

The traditional system gave too much power to the physician and now the current system allows third-party payors to be the dominant force. Neither pattern can solve the problems that beset the American health-care system today. Only consumers can assure that the quantity and quality of health care they desire will ultimately be available to them, and at an acceptable price. Consumers, as voters and premium payors, can control the purse strings. The key to an equitable and high-quality health-care system, then, is an informed, assertive patient-consumer and an informed, assertive patient-consumer community.

Many physicians claim that patients do not understand enough to direct the system. Their expectations are too high; they demand inappropriate treatment; they do not follow instructions; they have no appreciation for the difficulties of a doctor's life. But physicians, it must be remembered, have a choice: to practice or not to practice. The consumers on the other hand, because of medical practice acts and licensing restrictions, have very little choice; they must depend on the physician for proper care. They must settle for either hoping for or else demanding the best health care possible from the professionals who have chosen to provide it.

Third-party payors complain that neither physicians nor patients are able to properly direct the health-care system. Both of them, the third-party payors claim, expect too much. Both of them want to do too much. The overriding concern of society, they claim, as expressed by governments and more recently by employers and insurers — that is, by them-