# Book Reviews

## HMOs: Robin Hoods, or profit vultures?

by Marianna Wertz

**Health Against Wealth: HMOs and the Breakdown of Medical Trust**
by George Anders
Houghton Mifflin Co., Boston, 1996
299 pages, hardbound, $24.95

*Health Against Wealth,* an exposé of the managed-care system, which has largely taken over American medicine in the past decade, is a well-researched, competent, and moving account of the horrendous damage wrought by health maintenance organizations (HMOs) in their voracious quest for more loot, at the expense of the health and well-being of millions of Americans.

What *Health Against Wealth* is *not,* is an analysis of the deeper roots of managed care—of the growing takeover of American government and health-care policy by the fascist philosophy that places a pecuniary value on human lives and rationalizes the reduction in health care on the grounds of cost-saving. This analysis has been presented in detail exclusively by Lyndon LaRouche and *EIR.* (See, for instance, *EIR* Oct. 25, 1996.)

Because George Anders, the author, works for the *Wall Street Journal,* such an analysis is not within his universe.

However, given those limitations, the book merits reading as a comprehensive account of how managed care, behind billions of dollars in self-promotional hoopla, has served to enrich its sponsors and deprive its victims of the quality of health care for which this nation was once famous.

Anders begins his story with the history of managed care, starting with the small, altruistic companies in the 1950s, like the early Kaiser Permanente in California, which tried to offer a less expensive but still competent health-care system to groups of employees. He then shows how, beginning about 1990, with "intense economic forces pushing for medical austerity" in the face of skyrocketing costs, corporate employers began to "nudge millions of people into managed-care plans."

What happened since then has been the subject of repeated headline stories and "60 Minutes"-style television documentaries: Managed care victims lose their health and, in many cases, their lives, as HMO executives such as U.S. Healthcare's Leonard Abramson, Foundation Health's Dan Crowley, Oxford Health Plans' Steve Wiggins, HealthSource's Norman Payson, and scores of others drown themselves in huge salaries, stock options, and other benefits derived from chopping off medical services to those they supposedly are serving.

Anders makes the crucial point that, while making a profit isn't a crime, as long as you're doing so by providing something useful or productive for society, the sole source of "profit" for managed care companies is austerity in the medical treatment of its customers—hardly a beneficial "product" in anybody's book. "Because managed care has caught on so fast, HMO executives seldom stop to think about what gives their industry its legitimacy. . . . For the American public to tolerate and accept a major role for these companies, people have to believe that the executives in charge sincerely want each health-care dollar to stretch as far as it can. When HMO executives adopt a different code of conduct—and decide that their mission is to make as much money as possible as medical middlemen—they invite scorn and distrust from the people most intimately involved with front-line care."

### Managed care backs Governor Ridge

Anders also unmasks how managed care has put its favorite politicians into office. For instance, he gives the following account of how managed care moved in to back Pennsylvania's Gov. Tom Ridge, who has implemented one Nazi-like austerity scheme after another in the health-care area.

"Some of the nerviest maneuvers have been at the state level. In Pennsylvania, managed-care plans for years chafed at delays in getting state approval to expand into new geographic regions. The top state regulator in charge of HMOs, Steve Male, generally supported managed care but was a stickler for consumer protection. With Pennsylvania about to elect a new governor in 1994, the state's biggest HMO, U.S. Healthcare, decided to flex its muscles. Usually the chairman, Leonard Abramson, supported Democratic candidates. But this time he switched sides and personally contributed $25,000 to the successful campaign of Republican Tom Ridge. Another U.S. Healthcare executive, David Simon, pitched in a further $2,600 and became chairman of Ridge's health-care transition team after the election. In March 1995, Male was told that he would be reassigned. Pennsylvania officials denied acting at the request of U.S. Healthcare. But in a statement to local newspapers, David Simon suggested that his health plan's interests shouldn't be overlooked. As Simon observed, 'It is essential that Mr. Male's replacement understands the proper role of government in regulating the health system through this period of dynamic change.' "

The "dynamic change" needed now, is for the population to act on its "scorn and distrust" and overthrow managed care and its fascist hatchetmen such as Governor Ridge.