

HEALTH CARE COSTS: SEN. JOHN MCCAIN (R-ARIZ.)

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“JULIE ROVNER: Senator, you've said and again here this morning that the biggest problem with the American healthcare system is that it costs too much. And the way inflationary pressures are actually built into. But most health economists believe the primary drivers of higher health costs are new technologies and increasing utilization of healthcare services. Your plan doesn't include anything specific to deal with those. Do you propose to lower the rate of growth of healthcare costs by limiting access to technology or the use those services? And if so how would you do that?

SEN. JOHN MCCAIN (R-ARIZ.): I don't, Julie, but the fascinating thing about healthcare in America and medical care that every time there is an innovation and an advance in technology and there have been so many in our lifetimes it's astonishing , most of them came from the United States of America, as you know. Every time that's happened costs have gone up. In the rest of the nation and the world's economy every time we've made technological advances costs go down.

Now why is that? Why should that be? I think it's pretty—that there is a number of factors. One of them is that every time there is a new test or a new technology of some kind doctors use it because they practice defensive medicine.

And that's an argument for medical malpractice reform and tort reform. Another reason is because we don't use these efficiently not just because of medical malpractice. We use them to great excess when they're probably not necessary to do so. And third of all this whole issue of how we set costs through Medicare has to be examined. We all know that everybody games the system.

And when you have a technological advance that makes it much simpler to treat some illness or disability somehow the same costs as before are laid on it. So, we need to examine how we implement new technologies. How it affects healthcare costs in general and whether we are just sticking with the old costs even though they're more efficient and less expensive. But it certainly is one of the great contradictions in America today that that should be every time we do better and make it better and easier to treat people the cost go up rather than go down."