What's Behind AMA Support for Clinton's Health Plan?

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Many were surprised when President Clinton went to the offices of the American Medical Association (AMA) to announce his 1998 health care bill, which he calls the Patients' Bill of Rights and which others call the Clinton-Kennedy bill. Its enormous benefits for trial lawyers would have made the American Bar Association's offices a more appropriate location.

Like so much in politics today, there is more here than meets the eye. Clinton may think the AMA enjoys popular support, or at least the support of most physicians, but in fact the AMA is now no more credible than Clinton himself.

Founded in 1847, the AMA once thrived as a vibrant, independent organization serving the needs of both physicians and patients. But the more that AMA officials became dependent on government policies for their fat paychecks, the more that physicians have terminated their memberships.

Now, only 25 percent of physicians are full dues-paying members of the AMA. Only about a third of the AMA's annual $200 million budget comes from AMA membership dues.

The AMA has become a bloated bureaucracy propped up by government regulations that assure a big flow of cash. The AMA's increased dependency on government agencies, especially the Department of Health and Human Services, ensures consistent AMA support for all Clinton's proposals.

An exclusive contract with the Health Care Financing Administration (HCFA), a division of HHS, gives the AMA a government-granted monopoly over the payment coding system for more than 6,000 medical procedures. These payment codes determine how much reimbursement is available for the benefit of patients undergoing medical treatment.

The AMA copyrighted its coding system, and then contracted with HCFA to force the entire health care

industry (including all doctors) to buy and use the AMA's system.

A federal Court of Appeals reviewed this peculiar AMA/HCFA arrangement and, in August 1997, held that the AMA had "misused its copyright by licensing the [payment coding system] to HCFA in exchange for HCFA's agreement not to use a competing coding system." The court stated, "The plain language of the AMA's licensing agreement requires HCFA to use the AMA's copyrighted coding system and prohibits HCFA from using any other."

This exclusive government-granted monopoly is worth tens of millions of dollars annually to the AMA, and it ensures the AMA's support of any Clinton health care proposal, no matter how socialistic. This type of public-private partnership, often concealed from public scrutiny, is becoming the preferred technique to advance the liberal agenda.

This cozy relationship also enables the AMA to insert additional advantages for itself into legislation as it goes through Congress. For example, Clinton's health care bill would effectively require all health plans to obtain accreditation by a national organization certified by HHS, which is likely to involve the AMA.

Influence over the accreditation of all health plans nationwide would give the AMA enormous power plus financial benefits. Clinton, in turn, can place his cronies in lucrative AMA-controlled positions, outside of public scrutiny and government limitations on salaries.

The AMA and Clinton included features in their bill requiring health insurers to "collect uniform quality data that include a minimum uniform data set." The AMA has thus joined up with Clinton to force further control over patients' personal medical records. An analogous feature was quietly inserted in the GOP health care bill.

No liberal bill would be complete without expanding the bureaucracy. Another provision in the Clinton bill will enable the President to appoint 20 members of a Health Care Quality Advisory Board, which likely will include former members of Hillary Clinton's defunct Health Care Task Force.

Earlier this year, when the AMA tried to enforce new regulatory burdens on physicians, outraged doctors revolted and demanded retraction of the proposed rules. The AMA bureaucracy had to back down.

Likewise, the AMA bureaucracy had to back down when its members revolted over its proposed licensing deal with Sunbeam. That deal cost AMA members more than $10 million in settlement costs and legal expenses.

After scandals forced a change in its leadership, the AMA hired the Air Force Surgeon General as its new chief executive. Highly-paid positions await other Clintonistas.

It's ironic that Clinton has turned to the discredited AMA in a futile attempt to bring credibility to his latest health care proposal. Like Clinton, the AMA is resisting the release of its secret documents about its questionable dealings, and the AMA's President-elect suffered substantial opposition in the first contested election in years.

Having forfeited its independence and credibility by its government relationship, the AMA will continue to lose members. And the Big Government health care proposals concocted by this secret relationship will continue to alienate the voters.