by the central banks, in their capacity as enforcers of monetarist globalization. Because, how else could the FDP, of all parties—the clearest representative of the neoliberal paradigm which is responsible for the greatest financial crisis in world history, the paradigm which has just failed—could have made such strong electoral gains? Are the FDP voters really so naive as to believe that their financial paper in the banks will somehow miraculously cease to be toxic waste? And if taxes are to be lowered—which is highly unlikely, given the current situation—this could only be financed through brutal austerity. But very soon, all these notions will be so much wastepaper, because the entire system is about to disintegrate.

It is precisely this dynamic of collapse that is causing various interest groups to take to the streets. Milk farmers are about to become extinct, and in protest they have spilled millions of liters of milk onto their fields; automakers and suppliers are terrified by factory closures, which will turn cities into ghost towns. Patients and physicians in private practice are seeing serious threats to adequate locally based care, leading to the danger that the lifespans of low-income people will be shortened. And so forth, down the long list of those affected.

If these groups confine themselves to their own particular causes, they are going to protest and demonstrate—and then at some point, they will become demoralized and give up, because there is no solution for single issues—as fundamentally urgent as they might be—in the midst of a general collapse. Their only hope, is, if, in addition to their own cause, they put onto the agenda, the creation of a just world economic order, and replacement of the bankrupt monetary system with a credit system.

During the election campaign, the BüSo, and I personally, in my campaign for Chancellor, sought to bring the historic dimensions of this collapse crisis, and the existing solutions, into public discussion. The media dictatorship in this country did everything to block voters' access to our analyses and our proposed solutions. For this reason, in live webcast forums, and in numerous articles and leaflets, I pointed out what is in store for us. And now citizens can see for themselves who was telling the truth, and who was proposing solutions.

So, now, I call upon all citizens, affected groups, and people who take Germany's future to heart, to join with the BüSo, and to fight for a new world financial and economic system!

## 'Unnecessary Care' Hoaxsters Shoot Themselves in the Foot

by Ned Rosinsky, MD

Oct. 6—Leading staff from Dr. John Wennberg's Dartmouth Institute for Health Policy and Clinical Practice, the source of the fraud circulated for the past six months by President Obama, that nearly one-third of Medicare expenditures is unnecessary medical care, have essentially admitted their lies. This pulls the rug out from under the argument made by all the "expert" proponents of the Obama "reform," namely, that approximately 30% of medical expenses can be cut, if "overuse" Medicare payment in certain areas of the country, is cut back to the rate in other regions.

The admission appeared in *The New England Journal of Medicine* of Sept. 24, 2009, in an article entitled "Getting Past Denial: The High Cost of Health Care in the United States," authored by Dartmouth researchers including Elliott Fisher, MD.

While the study reported on in the article nowhere admits that the methodology used is fraudulent, its new data document that allegedly unjustified regional variations in health-care spending total 9.5% of costs, not 30%, as previously claimed.

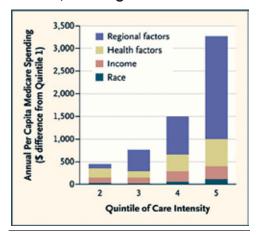
## A Closer Look at the Graph

The fraud used by the Dartmouth Group to reassert their argument that "regional disparities" (they mean overspending) account for the major differences between the highest and lowest per-capita areas, in terms of Medicare spending, appears in a bar diagram purporting to show the "proportion of higher regional Medicare spending attributable to differences in race, income, health factors, and regional factors" (**Figure 1**). To devise the graph, the authors divided the study geographic areas into five equally populated quintiles, and arranged them by annual per-capita Medicare spending. The chart gives the visual impression that the highest quintile is many times the height of the lowest, and the highest quintile bar is mostly marked as unnecessary health-care spending. *But, on closer inspection, the* 

36 Economics EIR October 16, 2009

## Caption from The New **England Journal of Medicine:** The vertical bars show the proportion of the difference in spending between regions in each of the four top care-intensity quintiles and the regions in the lowest quintile that can be explained by differences in patients race, income, health factors (self-reported health, presence or absence of diabetes, blood pressure, bodymass index, and smoking history), and regional factors. All models control for age, sex, and urban or rural residence. Data are from the authors' analyses of the 2004 and 2005 Medicare Current Beneficiary Surveys.

## Proportion of Higher Regional Medicare Spending Attributable to Differences in Race, Income, Health Factors, and Regional Factors



Source: Jason M. Sutherland, Ph.D., Elliott S. Fisher, M.D., M.P.H., and Jonathan S. Skinner, Ph.D., "Getting Past Denial: The High Cost of Health Care in the United States," The New England Journal of Medicine, Sept. 24, 2009.

chart does not show all five quintiles, but only four (numbers 2-5), and depicts only the differences in spending above the amount in the first, missing quintile.

Why was the first quintile not shown? Possibly because, when it is included, it totally changes the visual effect, demonstrating that regional differences amount to only 9.5% of the total cost, not the much higher percentage which the study's graph implies (**Figure 2**). The text of the article focuses, not on the total spending differences among the quintiles, but only on the supposedly small relative size of the differences due to poverty and disease severity.

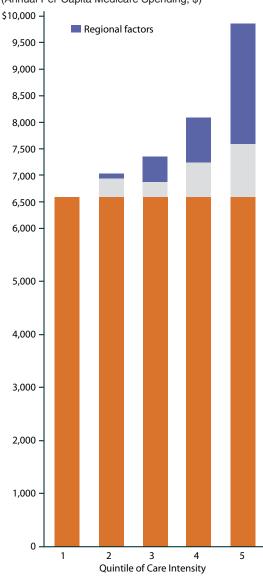
You can do the calculation, by looking at the bar heights.

The four bars shown are approximately \$500, \$800, \$1,500, and \$3,300. If the highest bar is 50% of the height of the hidden first quintile (which the authors state), then the first quintile must be \$6,600. Thus the actual heights of the five quintiles are \$6,600, \$7,100, \$7,400, \$8,100, and \$9,900, and the total of the five bars, to be used in the calculation below, is \$39,100. Each of the four bars shown in the figure is subdivided into the portion of the cost due to race, health factors, income, and a leftover segment termed "regional factors." It is the regional factors that the article says represent "unnecessary" health care.

By visual inspection, the regional factors are at most



(Annual Per-Capita Medicare Spending, \$)



EIRNS

By omitting the first quintile (shown here, far left), and by not showing the total expenditures per quintile (which we show here) the NEJM authors convey the impression that "regional factors" (which they consider unjustified) vary much more than they actually do, as a percentage of the total. This graph differentiates only the regional factors.

\$100, \$500, \$800 and \$2,300, totaling \$3,700. These numbers can be used to find the overall proportion of total costs that the authors think is unnecessary. Thus, the study finds that \$3,700 out of a total of \$39,100 is based on regional variation that is not accounted for by disease severity or patient income. This is 9.5% of the total cost.

October 16, 2009 EIR Economics 37