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# Put the Public in “Public” Hospitals

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Mother Jones Blog reports the rapid disappearance of public hospitals over the past decade. Their number has fallen by 16% in major U.S. cities (compared to 11% of private hospitals), according to a study by the Robert Woods Johnson Foundation, and the decline is even steeper in areas with the highest numbers of poor and uninsured.

Before anyone jumps in, let me say I’m no fan of government (even local government) ownership of hospitals. For one thing, the boards of directors on most municipal hospitals are run by the same kinds of prestige-salaried parasites, and have the same top-heavy organizational culture, as their private counterparts. In fact, the various private and public hospital boards and the local governments and chambers of commerce more than likely constitute an interlocking directorate, with a revolving door of personnel between them–probably go to the same country clubs and send their kids to the same prep schools.

My guess is that a lot of those “public” hospitals that disappeared were “privatized” by selling them to some hospital chain or other, on very sweet terms. I’ve seen the process

in action myself. Sometimes there's even a little "tunneling" involved, with collusion between the buyer corporation and the "public" hospital CEO who's negotiating the sale. In other words, exactly the same kind of corporate looting that happens when a Third World city sells its municipal water off, under World Bank pressure, to GlobalMegaCorp LLC.

Public hospitals are a perfect opportunity for real privatization: what Larry Gambone calls "mutualizing" public services (turning them into consumer co-ops controlled by the clientele), and the Rothbardians call "homesteading."

There are some heroic efforts out there to reclaim the mutualist tradition of sick benefit societies, that insured a major part of the working class until government health insurance and the regulated "private" insurance cartels drove them out; the Ithaca Health system is a great example. Mutual health insurance is great, but as I've argued before, mutualizing the finance end of things isn't enough. Until delivery of service is also mutualized, healthcare will still fall under the same pathological organizational culture: control by the white coat license cartel, and emphasis on expensive high-tech treatments and patented drugs.

Instead, what we need is a model based on preventive and integrative medicine, and self-treatment, instead (as Dave Pollard says) of "on learned helplessness and dependence." We also need competition between multiple tiers of service, based on the consumer's preference and resources. A lot of free market advocates, in describing the causes of medical inflation, like to use the "food insurance" analogy to show why third party payments eliminate price competition: when your insurer only requires a small deductible for each trip to the supermarket, you'll probably buy a lot more T-bones. Unfortunately, what we have now is a system where the government, Big Pharma, and the license cartels act in collusion to make sure that only T-bones are available, the slaughterhouses get half their income from Medicaid and Medicare, and the uninsured wind



up bankrupting themselves to eat. A lot of uninsured people would probably like access to a "barefoot doctor" who could treat things like physical trauma and basic infectuous diseases: somebody who could set fractures, or do an x-ray and a sputum culture and provide a round of generic antibiotics for pneumonia, and refer more serious cases on to an MD.

Communities (i.e. the people who live there, not the local government) whose hospitals are threatened need to stage a hostile takeover of those "public" hospitals and bring them under the control of the *actual public*, rather than the usual suspects from the Rotary Club. The hospital boards need to be taken over by real community representatives, representatives of the medical and nursing (and maintenance, housekeeping, dietary, etc.) staff, and representatives of the patient-members. And they need to put them under a radically different model of service.