

Palo Alto Rotary Pinion

Weekly Newsletter

Date: March 17, 2014

Reporter: MIKE McMAHON

Editor: BRIAN STEEN

President STEVE EMSLIE called the meeting to order at 12:36 and led the Pledge of Allegiance.

OPENING REMARKS

ED DANGLER announced that March 17 was the 116th birthday of his mother who was born in the Carpathian Mountains in Hungary in what used to be the Austro-Hungarian Empire. Ed described his mother as an example of a person who practiced "Service above Self" in her daily life. Ed also described how she exemplified the 4 Way Test in her daily life, providing explicit examples of each test with a practical example of an event in her life living with her family in the Bronx, New York.



GUESTS

Visiting Rotarians: Ozan Bilgen of the Seattle Metropolitan Club, and Lisa Akselrad of Sunnyvale Sunrise. Lisa is a former member and the daughter of Sid Akselrad.

Guests of Rotarians: Patrick Martinshek the guest of DICK BUSH, George Kelly, the guest of RALPH ADAMS, Steve Ridgway, the guest of GINNY LEAR, Amy Sung the guest of ED DANGLER, and Bryce Bjornsen the guest of DUANE KALAR.

PRESIDENT'S CLUB

GINNY LEAR announced a contribution in honor of her son's 47th birthday. BRUCE LIEDESTRAND joined because he is unable to attend the annual Charity Auction next month.



UPCOMING AUCTION

GINNY LEAR outlined a number of the auction items, including the various dinners and local tours. Steve Ridgway of



Criterion Tours described two of the cruises his company is donating to the Auction, one in the Cycladian Islands in the Aegean Sea and one in the Tyrrhenian Sea in the Mediterranean. Each boat is a small charter boat with a unique set of port visits.



PROGRAM

GEORGE FITZGERALD introduced our Guest Speaker, Dr. Alain Enthoven, Professor Emeritus at the Stanford Graduate School of Business, a distinguished economist and not a member of either political party, speaking about the Affordable Care Act (ACA).

Dr. Enthoven started by pointing out that 4 years have gone by and most Americans still do not know what is in it.



There have been 20,000 pages of regulations issued to implement the Act and Supreme Court Justice Scalia said that having to read it is "cruel and unusual punishment". Even now the Administration continues to alter the Act.

The Act was enacted under difficult circumstances, without any bipartisan input. It passed with a slim margin with much arm-twisting by the Democrats. The medical-industrial complex prevented any serious cost

containment features.

Historically, Dr. Enthoven pointed out how President Johnson developed a list of must-haves for Medicare and then negotiated with Congress to get most of them included. On the other hand, Hilary Rodham Clinton and her staff wrote a 1342 page bill and unsuccessfully handed it off to Congress without any Congressional support where it foundered. Dr. Enthoven then pointed out that Congress can't come up with any coherent program on their own either.

Dr. Enthoven said that the ACA was designed to fix:

1. Medical Costs growing at a much greater rate than US GDP.
2. 50 Million medically uninsured Americans.
3. A dysfunctional medical delivery system where 30 to 40% of health care spending is wasted.

Dr. Enthoven said that there is a need to reform the US health care delivery system so as to integrate delivery systems with the needs of patients. A good example is Kaiser. He wants a system where the consumer makes a cost-informed choice that eventually leads to a migration to "value for money". He thinks the country needs to move decisively to universal health care coverage. A good example is the Senate bill sponsored by Senators Wyden and Bennett. The consumer should have the incentive to make an informed economical choice.

Dr. Enthoven thinks that for medical insurance markets to work there needs to be standard insurance products, perhaps established by a regulator. Absent regulation, insurance companies will promote dense products which the consumer cannot understand and make an informed choice. He thinks that the web-site will eventually work, but that the result may well be an open-ended entitlement. The ACA front loads increased taxes, and back loads increased benefits. He also thinks that the penalty for non-enrollees is too low.

The ACA was a serious attempt to extend coverage to all legal residents. It also takes on preventive disease management. It did not reach the goal of getting everyone insured. There is no Republican alternative. The ACA did not succeed in limiting medical costs. The delivery system is not improved, and it did not fix the employer-sponsored health care system for employees.

UPCOMING PROGRAMS

Mar 24 Gunn High School Chamber Singers

Mar 31 Vocational Talks

April 4 Fund Raiser

April 14 Jim Keene, Palo Alto City Manager

Info: www.rotarypaloalto.org

