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The Right Amount of Care

Since March, most Americans without acute medical or dental complaints have stayed away from providers' offices. Dentists almost all closed down – the liquification that accompanies most dental procedures was deemed to be far too dangerous given a disease (COVID-19) that is carried in droplets. Elective surgeries to medical providers were severely curtailed, and routine office visits were canceled or (later) replaced in some cases by tele-medicine sessions.

In a June 22 *New York Times* (https://www.nytimes.com/2020/06/22/opinion/coronavirus-reopen-hospitals.html) article, Dr. Sandeep Jauhar reports a recent survey that indicated that only one in ten respondents said their health or a family member's health had worsened as a result of delayed care. Eighty-six percent said their health had stayed about the same. After enumerating a bunch of reasons, Dr. Jauhar conjectures that perhaps "Americans don't require the volume of care that their doctors are used to providing."

Maybe. Health economists have a simple way of defining the "right" amount of care, defined by days of care, visits, or dollars. It is where the incremental (or marginal) benefit equal the incremental (marginal) cost. Less care means giving up treatment that brought higher benefits. More care means getting treatment that while possibly helpful costs more than it is worth.

A prime example of the issue involves insurance copayments. When your blogger (YB) was younger, he had hair and some hair-related skin problems (eczema, psoriasis, dandruff). He also had health insurance that bought him prescription shampoo for two dollars per bottle at a time that Head *and Shoulders* shampoo cost seven dollars per bottle. The retail price of the prescription shampoo was fifty-five dollars. Did YB buy it? Of course he did, even though the travel cost to pick it up exceeded the shampoo cost. Was this excess treatment? Almost certainly.

Insurance does that. Through coinsurance, people pay less than the true cost of their treatment – as a result they buy more than they should. This insurance-related behavior is called *moral hazard*, although it is not clear what is moral or immoral about it. COVID-19 essentially raised the "price" of going to the provider. Raise the price, and people buy less. This is a central tenet of economics.

YB did not go to the doctor, and he did not go to the dentist. In mid-April a tooth started to throb. No dentist … be extra careful, floss a lot, and don't chew the ice. This is good preventive behavior. Upon seeing the dentist this week, YB discovered that he did not need to worry about the throb … but he does need a crown on the other side. YB also had a telemedicine visit with another provider. It was suitable to the type of examination needed. There has been a lot of discussion about telemedicine, and COVID-19 may have let the telemedicine "genie" out of the bottle.

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Are we no less healthy than we would have been otherwise, and did the curtailment of visits due to COVID-19 expose previous "excess use" of health care? We need a stronger test of the hypothesis, and it will be difficult to provide one. It is hard to measure the health of people who do not get their health measured (that is they don't go to a doctor or self-record items like weight or blood pressure). Moreover, we must ask whether those who curtailed visits will make up for the lost health care in the last six months of 2020 or later?

Studies that ask subjects to "recall" how they felt are afflicted with memory bias. About the best inference to be drawn will come from examining subjects six to twelve months hence and relating their health conditions (at that future time) to the amount, and timing of their care including and directly after the COVID-19 lockdowns and slowdowns. This is a "natural experiment" and the results, of necessity, will be messy.

The question of the "right amount of care" is an important one, and the elimination of wasteful health spending is a vital component to the reduction of health care expenditures. The finding that for the short term certain chronic treatments can be postponed without too much harm, seems sensible enough, but the inference that most of the care was not needed is speculative.

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