



Podcast Transcript

‘Throwing Good Money After Bad?’ Why Biden’s Healthcare Strategy Isn’t Enough

Featuring Dr. Paul Song

Dispatcher: 911, what’s your emergency?

Caller: (ambulance siren) America’s healthcare system is broken and people are dying!

Welcome to **Code WACK!**, where we shine a light on our callous healthcare system, how it hurts us and what we can do about it. I’m your host **Brenda Gazzar**.

This time on Code WACK! The ongoing COVID pandemic in the U.S. has brought to light disturbing disparities in health and health care - everything from unequal access to health insurance and medical care to unequal risk of infection to COVID. We recently spoke to Dr. Paul Song, president of Physicians for a National Health Program - California and a radiation oncologist who has treated Medi-Cal and uninsured patients.

Welcome to Code WACK!, Dr. Song!

Song: Great to be here.

(00:45):

Q: The Biden administration has prioritized health equity both generally and in response to the pandemic, yet their focus seems to be on health insurance market reforms known as building on the (Affordable Care Act) and on expanding Medicaid. Is this the best way to address our health equity problems, even in the short term?

(01:03):

Song: I think the big problem with that is COVID, as you mentioned, has exposed so much so they also had a big reliance on employer-sponsored healthcare, and we know the millions of Americans who lost their jobs because things shut down during the pandemic subsequently lost their health care as well as their dependents. And then they turned around and rather than allowing people to just enroll in Medicare temporarily, like (U.S. Rep.) Pramila Jayapal wanted, they ended up giving increased amount of money to companies to basically pay for COBRA coverage, to keep their fired or furloughed employees on private insurance at an increased premium, which just cost their government even more money than had they just enrolled the patients in traditional Medicare temporarily. The problem with the Affordable Care Act is when it was written into law, the insurance industry and the pharmaceutical industry had undue influence.

(01:50):

And as a result, there was no insurance regulation and premiums have continued to climb. There was no regulation with regard to copays and deductibles, and that's why more and more people who have private insurance with high copays and deductibles don't even use it because they don't have the money to pay for that. And then the last thing is prescription drugs, and there was no prescription drug pricing reform and as a result, one out of 10 seniors doesn't fill a prescription because they can't afford the

medications and 45 million Americans in 2017 prior to the pandemic reported that they didn't fill a prescription as well. So whatever cosmetic things that the Biden administration is trying to do, while they're better than nothing, it's simply throwing good money after bad.

(02:31):

Q: Wow. Inequities seem to be built into the U.S. healthcare system. Americans get their health insurance from different sources and as a result, their costs and coverage are very different. Just looking at California, but this is true all over the country. The three major sources of our health insurance are employment as you mentioned, Medicaid and Medicare. As of June, 2020, one more than a third of Californians were enrolled in Medi-Cal, which is California's Medicaid program. What's the impact of this on the state's most vulnerable in terms of their health?

(03:02):

Song: I'm a rare breed of Medi-Cal doctors in that I'm a specialist and there are far too few specialists that are willing to see Medi-Cal patients because the reimbursement is so low and as an oncologist, I've seen far too many patients present with really advanced cancers, where had they gotten the timely diagnosis and intervention earlier on – we're talking, sometimes it's taken them up to a year to get the proper diagnosis and the workup – they've gone from potentially a curable situation into more of a terminal situation with very late stage presenting disease.

The reality is that Medi-Cal has been sort of the de facto sweep under the rug solution for Sacramento in that when they see that we have this uninsured population, they really sweep the problem under the rug. They put more people under Medi-Cal and while that may be better compared to states like Louisiana, West Virginia, Mississippi, the fact is that when you have that many people under Medi-Cal as you mentioned, one more than a third in the state of California and the reimbursements are 48th out of 50 states and as a result, it's roughly 70% of what Medicare pays, you have so few doctors and hospitals that are willing to participate in Medi-Cal and as a result, patients can't find doctors to take care of them.

There was a survey that was done a few years ago that found that for every 100,000 people on Medi-Cal in the state of California, there were only 39 providers and each year you see Sacramento say, 'well, let's add more people to Medi-Cal,' but they don't do anything to incentivize more doctors or hospitals to participate and what you're doing is you're further adding more people into a system, but increasing the delays and reducing access to care because you have fewer and fewer doctors.

(04:42):

Q: So It sounds like you don't think that continuing to expand Medicaid is a viable answer.

Speaker 4 (04:47):

Song: I think expanding Medicaid would be fine and it's certainly better than nothing but for those patients who have advanced disease, they can wait up to a year to get the type of care or workup that they need. The L.A. Times has done remarkable reporting over the past two years showing how people with brain tumors and such, some of them have actually died waiting to be seen... So while it's better than nothing, it's certainly inadequate and again it's something that I think Sacramento doesn't really either understand or acknowledge and they just think they're doing something bold by putting more people on Medi-Cal but they don't realize how crappy it really is for the people that are enrolled.

(05:24):

Q: Thank you. As of 2020, nearly half of the state's population got their health insurance through their employer. Tell us more about the inequity in employer-sponsored healthcare.

(05:33):

Song: Well, there was a time where you would get great coverage through your employer. My dad was a scientist for Exxon his whole life. He didn't receive much in terms of salary, but the healthcare benefits were always wonderful. Now, as he's passed away and my mom is still on that, they've now shifted her from the promise that they

gave her, of giving her great supplemental insurance, let Medicare be the primary supplemental insurance, but they've now moved her into – against her will – a Medicare Advantage plan that greatly reduces networks, access to care and at the same time where she never had a copay and deductible, now she has copays and deductibles and they just did this unilaterally. So they've broken promises to employers once you become retired.

But for those people who are still actively getting their coverage through their employer, right now, they're being asked to contribute more each month out of their own paycheck towards their premiums and then when they get sick or have to use the care, whether it be going to a doctor or paying for drugs, they're being asked to pay more in terms of copays, deductibles, more towards their prescription drugs. So as a result, not only do they have less take home pay upfront because wages remain stagnant. But then on the back end, they're being asked to pay more towards their own health care. And this is “ the great employer sponsored health care that so many corporate Dems defended during the Democratic primary.

(06:52):

Q: Wow. So do you think quality of care is better in employer based health insurance? Are employees getting more bang for their buck?

(06:59):

Song: It depends on the company you're working for and the degree of health care that you have, but there was a study done by the Kaiser Family Foundation that found that up to a third of people who got their coverage through their employer were grossly underinsured, meaning that if they got sick and had to use their health care, it would not protect them from financial harm either because the copays were too high or the deductibles. Some of these plans had deductibles of \$6,500 to \$7,000 a year and most American families don't have that kind of money sitting around and that is just the deductible side. Then once you use the healthcare system, if you have one of these really poor plans and you are responsible for 30% of the coverage, then you know, that all adds up as well.

(07:43):

Q: And then what about the limited choice of physicians and hospitals when you have employer-sponsored health insurance?

Speaker 4 (07:49):

Song: That's really more of a reflection of the insurance plan that they choose. But we do know that most plans in the state of California have narrow networks. A narrow network means that in your given county or region, that your plan only allows you to see 25% or less of all the doctors in the plan. So that's one of the things I always think is so ridiculous when you hear politicians say that Medicare for All would take away everyone's choice. Well, the reality is right now, most of us are in a plan that we can't see the majority of the doctors in our area, that we're very limited in the amount of doctors or hospitals or places that we can actually go for care that we need.

(08:30):

Q: Got it. Now let's talk about Medicare. According to the Kaiser Family Foundation in 2020 16% of the state's residents are covered by Medicare. How does Medicare fare in terms of equity?

(08:40):

Song: Well, Medicare is certainly far better than private insurance. It's far better than Medi-Cal. It's not perfect, but if you talk to most people who are on Medicare right now, they are far more satisfied than they were when they were on their private insurance. Obviously for outpatient costs, it only covers 80% of expenses and you know, for a lot of seniors who particularly do develop more medical conditions as they get older, there is the concern that you're going to use up your life savings paying for that additional 20%.

But unlike, you know, other health insurance plans, there's no narrow network, you can go anywhere. You can see any doctor you want. You can go to any hospital you want. You don't have to wait for preauthorization. Now, there are some doctors out there who choose not to participate in Medicare. I think that's really kind of against the Hippocratic Oath, but that's their choice, but they're far more doctors that participate in Medicare

than not and whereas an insurance plan may only allow you to have 25% of the doctors in your area, I can guarantee that most doctors in an area will accept Medicare far more than participate in a private insurance plan.

[\(09:47\):](#)

Q: Is there any way that Medicare can be made more effective?

Song: Yes. I think part of the problem of Medicare and you hear people say, 'well, it's going broke' is that the private insurance industry, they get to make all of this money taking care of people from like 18 to 65, which is relatively in the scheme of things, a low risk pool. But once you get over 65, the incidence of higher chronic illness, mental illness being on medications, being more dependent on long term care increases, and that's no longer the responsibility of private insurance, that's all been shifted to the government. So the government has, in taking care of people over the age of 65 has a much higher risk pool, right, of people that have more medical illness and problems. In spite of that, it does a better job of controlling costs. But imagine if we could allow you and I, and people under the age of 40 to enroll in Medicare. I'd rather pay a monthly premium to Medicare to help spread out the risk and provide a cash infusion to seniors instead of giving it to some for-profit entity that only makes money by denying care.

So if you allowed people to just buy into versus having to get their coverage through one of the other, you know, big insurers, I think it would go a long way to one reduce cost for seniors, increase their benefits, but at the same time, spread out the risk pool for the whole program in general. So, you know, as far as a public option, I am not in favor of setting up a defacto second public option, but if it allowed me to purchase the current Medicare that my mom participates in, I would rather do that than have a check go to United Healthcare, or one of the big insurers.

[\(11:30\):](#)

Song: Thank you, Dr. Paul Song.

Do you have a personal story you'd like to share about our 'wack' healthcare system? Contact us through our website at heal-ca.org.

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