



**'Scot free from scrutiny?'**

**The overlooked role of hospitals in America's healthcare fiasco**

*With producers  
Richard Master & Wendell Potter*

## ***This time on Code WACK!***

What led a CEO to produce a series of films to change America's healthcare system? **What role do hospitals play in health care's astronomical pricing? And what options do we have to rein in costs and make hospital care affordable to everyone?**

To find out, we spoke with **Richard Master**, CEO of **MCS Industries**, founder of [Business Leaders for Health Care Transformation](#) and executive director of American Hospitals, the latest film in his [documentary series](#).

He's joined by **Wendell Potter**, a former health insurance industry communications executive, the New York Times best-selling author of [Deadly Spin](#) and president of **Business Leaders for Health Care Transformation**.

**This is the first episode in a two-part series about the film *American Hospitals*.**

# SHOW NOTES

## WE DISCUSS

*American Hospitals is the fourth documentary about health care that you've produced. Why have you dedicated yourself to making these documentaries?*

"...10 years ago ... we started to turn over the rocks of the healthcare system.

"We did that because we were receiving persistent annual double-digit increases in healthcare costs, and we wanted to understand why this was happening. Sometimes they were high double digits, 20% and 30% on an annual basis. ...when you look at the cost of the healthcare benefit and what it means to [our employees], it really is dramatic and something that needs to be addressed.

"We felt it was our responsibility to address it." – **Richard Master**

*Talk about the struggles businesses face with health insurance hassles.*

"The business community has been taken advantage of by big insurance companies because insurance companies have been extraordinarily ineffective in controlling healthcare costs.

"And in fact, employers need to know ... that insurance companies not only are ineffective, they're not even motivated to bring healthcare costs down because as hospital prices go up, as drug prices go up ... [businesses] get hit every year with premium increases as Richard has, as the Kimmichs have in Vermont and we've got to do something more than rely on insurance companies to bring down the cost of hospital care... – **Wendell Potter**

## *Why should we all be concerned about hospital pricing?*

"...hospital spending is increasing in cost faster than pharmaceutical drugs are increasing. We're at 6%. And this is what economists and I'm concerned about. I have a background in economics.

"The hospital cost curve is rising faster than GDP....economists consider the healthcare system unsustainable." – **Richard Master**

## Helpful Links

[Fix It Healthcare Films](#)

[Find a local screening of American Hospitals](#)

[Readers and Tweeters Diagnose Greed and Chronic Pain Within US Health Care System](#), *Kaiser Family Foundation Health News*

[Hundreds of Hospitals Sue Patients or Threaten Their Credit, a KHN Investigation Finds. Does Yours?](#), *Kaiser Family Foundation Health News*

[Lawsuit: Hospital sued many poor patients illegally](#), *Albuquerque Journal*

[Charity Care? 'If you don't ask, they're not going to tell you'](#), *Code WACK! Podcast*

[Punished for being poor? Battling medical debt in America](#), *Code WACK! Podcast*

# Episode Transcript

*Read the full [episode transcript](#).*

## Biography: Richard Master

Richard is the Founder and CEO of MCS Industries Inc., North America's leading supplier of picture frames, decorative mirrors and other construction and consumer products.

Richard is a graduate of the Wharton School of Business at the University of Pennsylvania and Columbia University, School of Law in 1969.

In 1980, Richard founded MCS Industries, which evolved into a leading designer and manufacturer of picture frames, mirrors and home décor. MCS currently has manufacturing plants in the U.S., Mexico and China. MCS customers are the largest mass-market retailers in the United States in addition to 2,000 small and medium sized retailers.

Richard has an active interest in public policy. He has served as a Chairperson of the Bethlehem Authority, which finances the municipal water system for 13 communities in the Lehigh Valley Region of Pennsylvania. Early in his career, he served as a trial lawyer in the Civil Rights Division of the US Department of Justice (1970-1972).

His interest in healthcare was triggered by the relentless cost increases his company and its employees have been experiencing annually since 2000. His initial research and investigation led him to form the "Unfinished Business Foundation", which led to the production of the films Fix It: Healthcare at the Tipping Point, Big Pharma: Market Failure and Big Money Agenda: Democracy on the Brink, as well as multiple educational short films about healthcare. Richard serves as the film series' Executive Producer.

In 2019, Richard formed Business Leaders for Healthcare Transformation, a coalition of business leaders, CEOs, entrepreneurs, sole proprietors, and concerned citizens who believe that the employer-based health insurance system is fundamentally broken and hinders American competitiveness. The organization's mission is to educate the public and the business community about the economic development potential of fixing our broken health care system.

In 2020, Richard formed the Lehigh Valley Justice Institute, an independent nonpartisan research, policy, and advocacy organization working to develop and promote a reimagined criminal justice system that is equitable and fair for all.

## Biography: Wendell Potter

Wendell Potter is a former health insurance company executive who became that industry's worst nightmare. Time Magazine called Wendell "the ideal whistleblower." Bill Moyers called him a straight shooter. Michael Moore called him "the Daniel Ellsberg of corporate America."

Wendell walked away from his job at Cigna, the giant health insurance corporation, in 2008 after what he has described as a crisis of conscience. Now, Wendell is President of two organizations -- the Center for Health & Democracy; which publishes HEALTHCARE un-covered and houses the Lower Out-of-Pockets NOW Coalition and Business Leaders for Health Care Transformation.

Wendell has explained how insurance companies flout regulations designed to protect consumers, and how they intentionally make it nearly impossible for consumers to get information they needed about their policies in language they could understand.

Wendell went on to become a bestselling author. The New York Times called his first book – Deadly Spin – "a tour de force." Pulitzer Prize-winning author and historian Doris Kearns Goodwin called his most recent book – Nation on

the Take —“a stirring guide for how we can work together to reclaim our democracy and reunify our country.”

Wendell has also written numerous articles for publications in the U.S. and abroad, including the New York Times, the Washington Post, USA Today, the Los Angeles Times, the Chicago Tribune, Newsweek and the Guardian, and has been a frequent guest on TV and radio.

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