

Meet the Wall Street darlings ruining our health care

Featuring Wendell Potter



THIS TIME ON CODE WACK!

How did **UnitedHealth Group**, America's largest health insurer by revenue, make billions in profit in the second quarter of 2023? How do UnitedHealth Group, CVS and Cigna control 80 percent of the drug supply market -- and why should we be concerned?

To find out, we spoke to **Wendell Potter**, a former health insurance industry executive turned whistleblower, the New York Times bestselling author of [*Deadly Spin*](#) and the president of the [*Center for Health and Democracy*](#). He is the author of the Substack newsletter [*HEALTH CARE un-covered*](#) which covers out-of-control profiteering in U.S. health care, its impact on everyday Americans, and potential policy solutions.

SHOW NOTES

WE DISCUSS

After a successful career in corporate communications, why did you turn whistleblower on the health insurance industry?

"I was disillusioned with what I was doing for a living ... I saw just how beholden the executives of the company are to Wall Street financial analysts and shareholders. They're the top stakeholders for any for-profit company and when it comes to health insurance, the consequences can be really dire for people who think they've got good insurance, but find out in many cases that it's not as good as they thought ...

"I became concerned about the industry strategy of moving every one of us into a high deductible plan. I was expected to be a cheerleader for that. I went along with that for a while, but I knew that that was going to be a big burden for a lot of families.

"And I saw what was happening in terms of these companies being much more aggressive in terms of denying requests for procedures...

"I write a newsletter now, run a couple of nonprofit advocacy organizations and just try to raise a ruckus as much as I can and help people understand these are companies we cannot trust. We've got to change the system." –

Wendell Potter

Tell us about last quarter's profits of UnitedHealth Group, the country's largest health insurer by revenue and its vast Optum division?

"Well, the company made enormous profits. I think they're getting close to making \$30 billion in profits. It's just an enormous company. It has grown through acquisitions over the past several years to be the fifth largest

company in the country. And actually, I think it's number four now, but it's right up there.

"CVS is right behind it, which owns Aetna now. But United(Health Group) has just become this behemoth in particular that has moved beyond health insurance into a lot of other areas.

"They own more physician practices than anybody else does. They employ now 70,000 doctors. They have clinics. They have their own pharmacy benefit management company, which is a big deal because it's the middleman in the drug supply chain that insurance companies have realized they can make a lot of money there as well, too." - **Wendell Potter**

Explain how Wall Street controls our healthcare system -

"They call the shots, the Wall Street financial analysts and the big shareholders, so we're not talking about you and me as an investor.

"Most of the stock is held by big pension funds and other institutional investors that already have boatloads of money, and they want to make sure that they're continuing to get a return on an investment that they think is appropriate for them...

"Investors really want to make sure that these companies are doing what they can to avoid paying for care. The less they pay, the more is left over for profits to reward those shareholders and themselves, the top executives. It's something that we've accepted as the way things should be in this country, but the thing is, very, very, very few understand even what we're talking about. They probably never heard this from anybody else ... And that's why I write my newsletter at [HEALTH CARE un-covered](#) to try to help people understand this is what's going on, folks. The people that really matter are the shareholders. They call the shots, the executives kowtow to them and do everything they can to make sure that that stock price continues to go up and it has over time. " - **Wendell Potter**

Helpful Links

[HEALTH CARE un-covered](#), *Wendell Potter*

[Family fights insurance loophole, mourns teen denied a transplant](#),
Seattle Times

[UnitedHealth extends its hot streak as the most profitable payer in Q1](#),
Fierce Healthcare

[UnitedHealth stock jumps after earnings top estimates despite rising medical costs](#), *CNBC*

[How UnitedHealth Group Makes Money](#), *Investopedia*

[Sick Profit: Investigating Private Equity's Stealthy Takeover of Health Care Across Cities and Specialties](#), *Kaiser Family Foundation*

Episode Transcript

Read the full [episode transcript](#).

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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