

**'You're not safe':  
How middlemen are  
corrupting  
traditional Medicare**

***featuring Ana Malinow, MD***



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

You've probably heard about the dangers of Medicare Advantage, but **did you know that traditional Medicare is being privatized too?** How is this corrupting our healthcare system even more and ***what does this mean for patients?***

To find out, we spoke to **Dr. Ana Malinow**, who spent three decades working as a pediatrician with immigrant, refugee and underserved children in Ohio, Texas, Pennsylvania, and California before retiring as Clinical Professor of Pediatrics from the University of California San Francisco School of Medicine. She's past president of [Physicians for a National Health Program](#) and is currently a lead organizer for [National Single Payer](#) and **The Movement to End Privatization of Medicare.**

This is the first episode in a two-part series with Dr. Malinow.

# SHOW NOTES

## WE DISCUSS

*It's well known that American health care is insanely expensive and getting more expensive every day. What's going on?*

"... according to healthcare policy experts since the 1970s ... the reason our healthcare costs are high is due to [fee-for-service](#).

### [Fee for service](#)

A method in which doctors and other health care providers are paid for each service performed. Examples of services include tests and office visits.

***Healthcare.gov***

"Now, unfortunately, there is no evidence to back that up because we know what really drives up costs in the U.S. are prices and consolidation. Because if you look at other countries that have universal health care, that have better outcomes and have lower costs, they all use fee-for-service to reimburse their providers. So it cannot be that it's fee-for-service that is driving our high healthcare costs.

"Furthermore, we know that up to almost 40% of Americans say that they skip care due to cost. So if patients, if Americans are skipping care due to cost, it's not because they're getting too much care. In fact, they're getting too little care. So the myths about fee-for-service driving up volume from greedy doctors and greedy patients is just not true ..." – **Ana Malinow, MD**

*And then there's the Medicare Trust Fund which is running out of money - what can we do about it?*

“...unfortunately, what has happened is that Medicare has the wrong diagnosis – *that fee for service is the problem* - and as a result, they have come up with the wrong prescription, right?

“...The prescription for Medicare has been ... ***‘managed care under Medicare Advantage,’*** or ... ***‘value-based payments’*** for patients on traditional Medicare, to control costs.

***Managed Care***: a system of healthcare in which patients agree to visit only certain doctors and hospitals, and in which the cost of treatment is monitored by a managing company. ***Oxford Languages***

***Value-based care***: ... payment for health care goods and services is tied to predetermined, mutually agreed upon terms that are based on clinical circumstances, patient outcomes, and other specified measures of the appropriateness and effectiveness of the services rendered. In other words, rather than payment being solely dependent on the amount of services rendered, it is instead influenced or determined by value of care delivered to a population or specified group of patients. ***American College of Surgeons***

“Now, how are they doing that? Well, value-based payment inserts a middleman between Medicare and the provider. Remember, fee-for-service has no middleman. It's direct, but now they're inserting a middleman between Medicare and the doctor and between the doctor and the patient.

“So doctors are now on the hook to control costs, because if they do not control costs, then they're not going to be able to share in the savings that supposedly these middlemen are creating.

“But the problem is that value-based care ... has nothing to do with value, little to do with care, and a lot more to do with payment, everything to do with managed care, because that's what it's doing. It's inserting a middleman to manage the care of people on traditional Medicare.– ***Ana Malinow, MD***

*But now even people who didn't want middlemen in their health care, people who **CHOSE** to be on Traditional Medicare, are being pushed into these kinds of programs. . .*

"Exactly. That's exactly right ... That's really, really true and then one other thing that is really, really important is *"how do these seniors find themselves in an ACO?"* They didn't sign up for one.

**Accountable Care Organization (ACO):** ... ACOs have agreements with Medicare to be financially accountable for the quality, cost and experience of care that traditional fee-for-service Medicare patients receive. According to ACO [program guidance and specifications](#), participating in an ACO may involve earned shared savings payments or incurred losses. – **Mayo Clinic**

"... basically seniors are being assigned into an ACO without their knowledge or consent through their primary-care provider for the most part, or whatever health system they are part of. If the health system is now an ACO, they become entangled into that ACO as well." – **Ana Malinow, MD**

## Helpful Links

[What to Know about Medicare Spending and Financing](#), **KFF (Kaiser Family Foundation)**

[Healthcare Spending In the United States Remains High](#), **Peter G. Peterson Foundation**

[Definition: Managed Care](#), **Oxford Dictionary**

[Our Payments Their Profits](#), **Physicians for a National Health Program**

[Problems With Current Value-Based Payment Systems](#), *Center for Healthcare Quality & Payment Reform*

[Sometimes value-based care isn't very valuable](#), *Benefits Pro*

[The quiet privatization of government health insurance programs](#), *Axios*

## Episode Transcript

Read the [episode transcript](#).

## Guest Biography - Ana Malinow, MD

Dr. Ana Malinow spent three decades working as a pediatrician with immigrant, refugee and underserved children in Ohio, Texas, Pennsylvania, and California before retiring as Clinical Professor of Pediatrics from the University of California San Francisco School of Medicine.

She is past president of [Physicians for a National Health Program](#) and has been featured on national and international television and radio on health care reform and the stealth privatization of traditional Medicare.

She is currently a lead organizer for [National Single Payer](#) and The Movement to End Privatization of Medicare.

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