How Many Must Die? America's Health Crisis

"What we do know is that tens of thousands, indeed, hundreds of thousands of people die each year because of holes in our health insurance system. And that should be ample reason to ... adopt a health insurance system similar to all of the other wealthy nations." - *Dr. James G. Kahn*

911. What's your emergency?

America's healthcare system is broken and people are dying.

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

(music)

This time on **Code WACK!** Why are some 200,000 people dying a year due to insurance issues and access to care in America? Would a single-payer healthcare system put a stop to this? To find out, we interviewed **Dr. James G. Kahn**, an expert in health policy and economics, advisor to Code WACK! and editor and primary blogger of **Health Justice Monitor.** This is the second episode in a two-part series. Welcome back to Code WACK! Dr. Kahn.

Kahn: Happy to be here again.

Q; In the last episode, you shared that there are some 620,000 extra deaths per year in the U.S. compared with other wealthy nations, and you did a recent analysis that found that some 200,000 of those people die each year from insurance issues and impaired access to care. Why are such studies so important?

Kahn: Listen, I've spent more than 30 years attempting to quantify the cost and health implications of decisions we make about how we deliver health care and prevention. I'm a great believer that we want to attempt to quantify what we gain, for example, by a major HIV prevention program or by inventing drugs to treat HIV and AIDS. And I think the massive health insurance problems that we face deserve an effort to quantify the implications in terms of our compromised health.

So as I talked about last time, there haven't been efforts in the past to translate the very well documented barriers to care due to holes in our insurance, into estimates of how many people are harmed starting with mortality. I mean, think about it, the public health community has spent countless years and dollars and studies to quantify how many deaths there are from cigarette smoking, from obesity, from diabetes, from firearms, and that's all appropriate and extremely helpful to guide public policy. Yet for some reason, we haven't done it for health insurance despite the glaring problems that our health insurance system has, which is extremely well documented, we haven't translated those glaring problems into clear, understandable estimates of the health consequences.

Q: Looking closer at the 200,000 excess deaths per year, what's going on?"

Kahn: Well, it's well documented that people in the United States, adults in particular, face substantial cost barriers to care. Fully half of U.S. adults report that in the last year they skipped or delayed medical care for financial reasons, and half of those people said that this delay had consequences for their health. So that means that half times half – so a quarter of U.S. adults, about 50 million people, 50 million people report that financial barriers to care led to worsening health. Fifty million, that's a really big number. If only one in 500 or one in a

thousand of them would die because of these medical consequences, then you'd have very high numbers of excess deaths and that's essentially what we found.

Q: Wow. So there are just over 40 million residents in California, so that's more than the population of California.

Kahn: That's right. It's more people than in our largest state. So we have a health insurance pandemic that is our health insurance problems are just as serious, in fact, more serious over time than a pandemic like COVID.

Q: How are growing rates of care denials likely increasing the human toll based on both reports of personal experiences and national surveys of physicians?

Kahn: There is good evidence that denial rates are increasing, and UnitedHealthcare is one of the prime offenders there. Translating care denials into resulting deaths is really, really difficult. I'm exploring a method to do that with some colleagues, but it's really hard. The fact is that some care denials have no health consequences, as much as people would like to get a certain drug or a certain therapy, and we should support them in that. The likelihood that it would prevent a death for certain categories is low. But it happens so often and there are instances where the decision by the health insurer seems to be driven more by cost control than any medical logic.

And as you point out, there's now widespread use of artificial intelligence to make these decisions. I'm a big fan of AI in certain contexts, but I think that relying on AI algorithms and algorithms more generally that is sort of, you know, rules that are written on paper and a clinician is not really weighing in.

I think that's really risky because the algorithms are never going to be perfect and are never going to be able to take into account all the clinical considerations. It's more efficient for the health insurers to rely on algorithms. They don't have to pay a clinician to spend 15 minutes, half an hour looking at a problem. Unfortunately, that risks trading off efficiency and profits for the insurers with optimal healthcare decisions and with beneficiaries.

I think a much better system would be to remove the incentive for profits that the insurers have in denying care and make health insurance a public good. A public

good is a term in economics, which means it's something, it's a service that's intended to help the public. It is not ideally suited to for-profit companies. And we need to shift from a world where for-profit insurers, not to mention for-profit provider organizations, including private equity, are currently dominating to a world where we treat insurance for health and the healthcare itself as public goods. That's the goal.

Q: So do you think having a single-payer healthcare system would essentially eliminate these 200,000 deaths?

Kahn: I do because of the way that it's calculated. Remember, the estimate of excess deaths in the United States is in comparison with other wealthy nations. Those wealthy nations, about half of them have single payer, a single government payer. The other half have mandated consistent health insurance for everyone administered through not-for-profit insurers. So our comparison group to the United States is the world in which everyone has good insurance. So if we were to get rid of the insurance difference and switch to a single payer Medicare for All system, that would put us on par with these other countries, and therefore the the excess [deaths] would disappear. We'd still have issues of some diseases that are more common in the U.S. like obesity, opioids, firearms, et cetera. But the differences attributable to how we do insurance would disappear.

Q: In addition to saving lives. You've also researched how universal healthcare/single payer would save our government and most families money. Can you talk about this briefly?

Kahn: Sure. Well, we've done two things. One is back in early 2020, we published a study which reviewed 22 economic analyses of the societal costs of single payer. And almost all those analyses showed that we would save money in the first year of single payer and the reason is that the savings from streamlined administration and lower drug prices would be greater than the increase in care because people have better insurance and the savings would increase over time. And so from a societal standpoint, it's clear that the efficiencies of single payer would more than pay for the increased richness of coverage. And we're not the only ones to conclude that. The Congressional Budget Office has also concluded that. So that's

in the health economics world that's pretty well accepted and we were able to bring all the studies together and, and, and summarize them in one place.

We've also looked at the economic effects of single payer on households. And the way we've done that is to build online cost calculators, one for California and one focused nationally working with the Medicare for All PAC set up by Congresswoman Pramila Jayapal. We asked people to report what they spent on healthcare, both premiums, also what their employer contributed as premiums and out of pocket costs. And what we found for the thousands of people who completed these calculators is that the vast majority of people would save money with single payer…What we found is again that about 9 out of 10 people would save money and savings often reached – actually overall on average reached about $5,000 per year.

Wow. That's not a small amount. So when it comes to single payer, what's the bottom line here, Jim?

Kahn: The fact is society as a whole will save money with single payer, and the vast majority of households will save money, and importantly, they'll be protected from medical crises. So right now, if someone has a medical crisis, their costs can go way up and the rate of medical indebtedness, the proportion of the population that has medical debt is very high and medical bankruptcies are in the hundreds of thousands per year. We haven't talked about that, but all of that, the notion of medical debt and medical bankruptcy would go away.

In fact, I recently was visiting Ireland and I had a free morning and so I started walking around the streets of Dublin and walking up to random people on the street saying, 'excuse me, could I ask you a question about health care?' And they were like, 'oh, sure, go ahead.' I won't attempt to imitate a brogue, it'll go badly. And I said 'do you know anyone who has medical debt?' And the response was, 'what's that?' And I think that says it all. Why should we have a system where people can have medical debt? And I didn't even get to medical bankruptcy because they just didn't have a concept for what that was.

Q: Is there anything else you'd like to mention or is there a concluding statement you'd like to leave us with?

Kahn: Yes, let's not let the perfect be the enemy of the good when it comes to understanding the health consequences of our fragmented and flawed health insurance system. Don't pay attention to the naysayers who say, 'well, we don't know if it's exactly 200,000 excess deaths. It could be a lot less. We just don't know.' That's making the perfect the enemy of the good. Our estimate is never going to be completely precise. But what we do know is that tens of thousands, indeed, hundreds of thousands of people die each year because of holes in our health insurance system. And that should be ample reason to finally do the right thing in the United States and adopt a health insurance system similar to all of the other wealthy nations in the world.

Thank you Dr. James G. Kahn.

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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Code WACK!'s powered by HEAL California, uplifting the voices of those fighting for healthcare reform around the country. I'm Brenda Gazzar.