Profits over patients - America's sickening healthcare system

With Rachel Madley
Director of Policy and Advocacy
Center for Health and Democracy

This time on Code WACK!

Medicare for All is back in the spotlight! With two new bills recently introduced in Congress, what makes these proposals different from earlier versions— and why are some advocates feeling hopeful, even in the current political climate? ***What would a truly public, universal health care system look like, and how could it help curb the soaring costs, corporate greed, and bureaucracy plaguing our current system?***

To unpack this, we spoke with **Rachel Madley**, Director of Policy and Advocacy at the **Center for Health and Democracy**. A former health policy advisor to Congresswoman Pramila Jayapal — lead sponsor of the House Medicare for All bill — Rachel helped shape and reintroduce the landmark legislation in 2023. She's also a former FDA staffer and holds a PhD in Microbiology and Immunology from Columbia University, where she was active in both **Physicians for a National Health Program** and Students for a National Health Program.

SHOW NOTES

WE DISCUSS

In 2019, when we last interviewed you, you were still in graduate school but already a healthcare reform advocate. Can you tell us a little bit about how you became committed to fixing our broken healthcare system?

"Definitely. So my interest in health policy and our healthcare system really started when I was diagnosed with Type 1 diabetes as a teenager, which I discussed in my first appearance on [Code WACK!] and that really showed me how broken our healthcare system is, but also that we have a lot of things that we can improve on, and it doesn't have to be this way.

"So after I finished graduate school, I decided to go into the health policy sector. I worked as a congressional affairs specialist at the FDA, and then I went on to be health policy advisor for **Congresswoman Pramila Jayapal** for about three years, and she is the lead sponsor of the **Medicare For All Act in the House of Representatives.**

"So it was a true honor to get to help her lead that work. And now I am the Director of Policy and Advocacy at the **Center for Health and Democracy**. I work closely with our founder, **Wendell Potter**, who is a former health insurance executive turned whistleblower. We work to counter the corporate influence of big health insurance companies on our healthcare system, and we advocate and push for policies that will really put patients first and remove the profit motive from our healthcare system." – *Rachel Madley*

What do you think are the strengths of the Medicare for All bills introduced this year by Rep. Pramila Jayapal and Sen. Bernie Sanders?

"I think the top strength is that it removes the profit motive from our healthcare system, and we see at the Center for Health and Democracy, in our work of monitoring what health insurance companies are doing.

"If you listen to their calls with their shareholders and you look at their quarterly financial statements, the word patient is almost never used. It is all about profit margins. It's all about shareholder value, executive compensation, things like that. And the patient is often left out of those conversations totally. And so that is the real root of the problems in our healthcare system. Under the Medicare For All Act, the profit motive for insurance companies would be removed. Everyone would be covered under the improved and expanded Medicare program, which would be a fully public service. So it would leave hospitals and doctor's offices operating in much the same way.

"... Now, Medicare does not have earning statements. It does not have shareholders. It does not have Wall Street watching to see if it's able to squeeze out more money from patients that are on Medicare, and I think that's the biggest strength because right now investors on Wall Street see health insurance companies as an investment opportunity to build their wealth.

"We have to make health care a bad investment opportunity. No one should be making money on our health care, and when we get sick, when people are at their most vulnerable and they need care, that should not be a piggy bank for Wall Street investors." *– Rachel Madley*

Supporters of Medicare for All say it would reduce overall health costs and improve access. How does it do that?

"Medicare for All takes the money that we are currently spending on healthcare through taxpayer dollars and instead of using it to subsidize private insurance companies, it reroutes that money to make sure that we are using those dollars for health care.

"I'm gonna use an example in the current Medicare program to illustrate how that's happening. So right now in the current Medicare program, you have traditional Medicare that is the fully public program. That is administered by the government.

"You also have a privatized option called Medicare Advantage, and those are private plans that are run by health insurance companies like United, Cigna, Humana.

"Studies have shown that the companies running Medicare Advantage plans have found out how to game the system, and what they're doing is they are making their patients look sicker than they actually are because they learned that when a patient is sicker, you get a bigger payout from the government and the right of center **Committee for a Responsible Federal Budget** actually found that over the next decade, the government is going to be overpaying these private health insurance companies by more than $1 trillion ... because they have found out a way to game the system.

"Now those overpayments go to shareholder profits, executive compensation bonuses, things like that. So that is an incredible amount of waste and abuse in our current system, and it's coming from taxpayer dollars. So you and I and everyone listening to this podcast are essentially paying money that goes directly into big health insurance pockets.

"So the Medicare for All Act will decrease costs first by getting rid of that waste and abuse." *– Rachel Madley*

Helpful Links

[Center for Health and Democracy](#)

[Physicians for a National Health Program](#)

[Medicare For All Act H.R. 3069 (Jayapal)](#)

[Medicare for All Act S. 1506 (Sanders)](#)

[Medicare Advantage Will Be Overpaid by $1.2 Trillion](#), *Committee for a Responsible Federal Budget*

[How for-profit medicine is harming health care](#), *Harvard T.H. Chan School of Public Health*

[Less Care at Higher Cost—The Medicare Advantage Paradox](#), *JAMA Network, Internal Medicine*

Episode Transcript

Read the [episode transcript](#)

Guest Biography - Rachel Madley, PhD

Rachel Madley, PhD is the Director of Policy and Advocacy at the **Center for Health and Democracy**. She previously worked as health policy advisor to Congresswoman Pramila Jayapal and in the legislative affairs office at the U.S. Food and Drug Administration.

Rachel received her PhD in Microbiology and Immunology from Columbia University where she was also a member of the executive board of Students for a National Health Program and **Physicians for a National Health Program**.

Get Involved / Take Action

Keep Code WACK! on the air! Make a *tax-deductible donation* *to support our vital work.*

Subscribe *to catch all Code WACK! episodes*

Subscribe to HEAL California *for our Weekly News Roundup with a California twist*

Join Healthy California Now *- a coalition working toward a California single-payer system. Individual and organizational memberships available.*