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We've lost the reform knack despite 50 years of knowing how to fix healthcare.



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Insurance CEOs Aren't the Problem

violent; used in medical language

Thanks to email, which came before social media, press commentators like myself already knew America contained its share of stupid, malignant people, like those applauding the murder of a healthcare CEO.

They and their media encouragers point in the wrong direction. In fact, most insurance CEOs would like to get back to rational risk pooling against large, unpredictable costs rather than serving as gatekeeper to a grossly regressive tax loophole for the insured class's lavish health spending.

Even Medicare denies care—if it didn't Medicare would be going broke faster than it already is. A for-profit insurer at least has an incentive to balance the two wants of its customers, an affordable premium vs. access to the care they desire.

But understand the system we have today: It takes the 165 million most economically competent Americans, those in prime working years and their families, and gives them a giant, regressive tax incentive to overconsume and to be insensitive to trade-offs between cost and benefit.

As a gold-standard RAND Corp. experiment from 1974 to 1982 showed, these are the consumers best situated to control costs and assure quality. Instead we produce abominations of cost shifting like the following: In 2022, employers and private insurers paid hospitals 254% of what Medicare would have paid for the same services.

Unfortunately, President Obama was insincere. In principle, an individual mandate to stop free riders plus subsidies restricted to the needy could be the only system we need, no Medicare, no Medicaid, no giant tax subsidy to employer-provided insurance.

But instead we have the system we have and I find myself in the middle of my own experiment. The other motorist was at fault. Her insurer offered promptly to settle. I notified my insurer (Aetna) and my healthcare provider (Danbury Hospital) in writing that I would be assuming my insurer's share of my medical costs.

In writing, Aetna advised me to make "sufficient allowance in any settlement you receive to satisfy the health plan's claim." I did. After letting the bills accumulate, I spoke to my so-called Aetna One Advocate who assured me that, once booked, the charges don't change. I provided Aetna the requested paperwork to make sure I would be billed at the negotiated insurance company rate. The hospital responded in writing and said it would send a bill but "we need to allow more time for the claim to finalize."

You can guess what happened next. Six months later, I still haven't received a bill but, in just the past few weeks, the charges posted to Aetna miraculously doubled to \$81,840.22 from \$36,667.11.

Of course, I won't be paying this amount. The average cost for a two-day hospital stay is \$22,000, and that includes treatment. I received no treatment. The hospital said I might have a lacerated liver. Its representatives kept asking if my

pain and bloating were improving. I kept repeating I had no such symptoms. After 24 hours, the hospital acknowledged reality but still dragged its feet for a day before discharging me. On day two, my swollen ankle was finally Xrayed—a

calcaneal avulsion fracture, also untreatable. It heals on its own.

OK, Danbury Hospital does not have the most glowing online reputation. Did the hospital have an incentive, given my generous employer-provided, taxpayer-subsidized insurance, to keep me in the hospital as long as possible? Yes.

Understand: I'm no healthcare curmudgeon, having received excellent and even lifesaving care from George Washington University, Georgetown University and New York's Westchester Medical Center over 40 years. In common, they *listened*— notably, when I overruled a strong treatment recommendation that struck me as crossing the line into overtreatment. Not surprisingly, because I'm a source of valuable information about my own condition, I was right and saved the system many thousands of dollars in unnecessary care and myself unnecessary risk.

Your results may vary. Medicine is a business of mixed and uncertain outcomes. But the government could do no harm. At its worst, our system endangers patients with overtreatment. It also punishes the conscientious. On good advice, after all, I should have hired a lawyer and driven up costs for all concerned out of any relation to my actual suffering or loss.

The murder of United-HealthCare's Brian Thompson and two attempts on the life of Donald Trump recall the late 1960s and 1970s. It's no coincidence, I believe, that next came a period of energetic Carter-Reagan reform that restored dynamism to the economy and Americans' belief that their government can act competently.

In those days, white papers flooded journalists' inboxes. Constant were invitations to learned reform seminars in Washington hotel ballrooms. You'll know the tide has turned for the better when government again becomes ambitious really to fix things that can be fixed, like our healthcare payment system.

By Holman W. Jenkins, Jr.

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