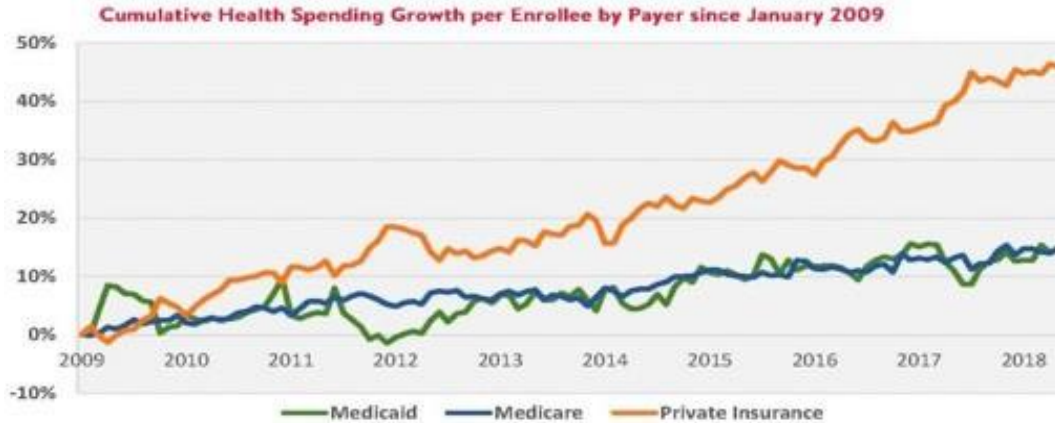


What Does Privatized Health Care Look Like?



Source: "Growth in Spending on Privately Insurance Drives Much of US Health Spending Growth in 2017 and Early 2018", Altarum Institute, [https://altarum.org/sites/default/files/uploaded-related-files/Public Private Brief_final.pdf](https://altarum.org/sites/default/files/uploaded-related-files/Public%20Private%20Brief_final.pdf)

As shown in the figure above, publicly-funded health care clearly has been able to keep costs lower than private insurance for [equivalent or higher value](#). [1] Like the pressure we have seen to privatize Medicare through Medicare Advantage, ACOs, and DCEs, much of Medicaid has also been turned over to [Managed Care Organizations \(MCOs\)](#). [2]

This trend is all the more puzzling since the private corporations make no secret of their stunning financial success that closely mirrors the growth of their health care [business with the government](#), [3,4] and they are increasingly [in the news](#) [5] for abusive business practices, highlighted in the program "[How Private Equity Makes Us Sicker](#)." [6]

Private Health Care Companies Got [Richer and Richer](#)

United Health and CVS/Aetna leapfrogged into the top 5 spots in the Fortune 500, behind only Walmart, Amazon, and Apple. Cigna made it to #13 spot. [7]

- The government [picked up the tab](#) for COVID treatments [8] while insurance corporations continued to [collect premiums](#) from workers who didn't lose their jobs as well as payments from Medicare for each MCO enrollee. [9]
- The government paid to fast-track vaccine development from which Big Pharma [corporations are profiting](#). [10]
- The documentary [Inhospitable](#) [11] tells of "non-profit" hospitals which use their tax exemption to add billions of dollars to reserves while soliciting donations and using city resources [without significantly "giving back"](#) to the community. [12]

Abusive Corporate Practices Abound in Health Care

- The [Oct 8 New York Times](#) chronicles rampant denials of

care, convictions for price-gouging and general anti-competitive behaviors [13] running up prices and veering into "[straight up fraud](#)." [14]

- [Other sources](#) have uncovered aggressive bill collection targeting even people billed in error. [15]
- The documentary [Corporation](#) [16] dramatizes that it is not just a few "[bad apples](#)." [17] Executives are required to put patients over profits or they could lose their [jobs](#). [178]

Can Programs UN-Privatize?

A handful of states have [taken Medicaid or Medicare back](#) from private MCOs [19] and had [better health outcomes, more physician participation, and lower costs](#). [20]

[Oklahoma](#) and Connecticut replaced their MCO's with a Primary Care Case Management model, [20] a form of "Managed Fee for Service" where the state retains control. CT raised Medicaid payment rates to Medicare levels and still [reduced overall costs by 14%](#). [21]

[Maryland](#) Medicare switched to an "All-Payer model with global hospital budgeting" which is not de-privatized but has some characteristics of public M4A plans. A regulatory commission set uniform payments within hospitals for commercial, Medicare and Medicaid patients, lowering total care costs. Its savings are 3 times those of CMMI's ACO programs. [22]

The ACA granted ALL [Libby, MT](#) residents, regardless of age, access to Medicare after an environmental disaster. [23]

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