



HEALTHY PEOPLE



HEALTHY DEMOCRACY

August 22, 2023

LWV Health Care Reform for the US Newsletter

Vertical Integration: What a Racket!

It feels a little like a joke when [You Tube doctor/comedian Glaucomflecken](#) explains "Vertical Integration" from the company's point of view *"It's awesome!"*

Picture the young idealistic doctor going into his boss's office at United Healthcare (UHC) asking, *"Is there anything we can do to lower the costs of our patients' prescriptions?"* Dr. G's answer is basically, *"Why would we want to do a thing like that?"* Then he delivers a crystal-clear lesson on Vertical Integration monopolies. In the skit, the UHC Pharmacy Benefit Manager (PBM) sets prescription drug prices and determines which medications will be covered by insurance and then tells the insurer *"also UHC"* which medications to cover and which pharmacy the patient must use to get those medications, OptumRx *"UHC again."* When Dr. G gleefully repeats, *"It's awesome,"* the young doctor asks incredulously, *"How is any of this legal?"*

[Matt Stoller](#), Research Director of the [American Economic Liberties Project](#), confirms that Dr. G's explanation is no joke; it's legal in health care. According to Stoller, "Vertical" took off after the [ACA capped insurance company overhead](#) at 15% or 20% and required insurers to actually pay out at least 80% of our premiums for medical services. There are laws against old-fashioned horizontal monopolies, where you buy or ruin your competitors, but, at least for now, in healthcare it's not illegal to buy out your suppliers and/or your customers. Vertical mergers are outlawed

"How is any of this legal?"

in banking (Glass-Steagall), manufacturing (Robinson-Patman), real estate, railroads, telecommunications, and others. It clearly goes against every fiber of [Conflict of Interest](#) regulation. But before healthcare was run on a profit model, no one thought to write such a law for the healthcare industry. This gap is a great boon. The companies get significantly more power *and* get their hands on some of that 80% they're required to spend. What could be better than to spend it--right into your own pocket!?!

Like UHC, CVS is a Goliath. They already had the largest chain of drugstores, were providers through their Minute Clinics, had added a PBM, and bought the Aetna Insurance Company. This year CVS acquired an in-home evaluation (IHE) company, Signify Health, [without anti-trust opposition](#). Signify gets data for insurers during annual health reviews in people's homes. Stoller notes that IHE is "a critical cog in Medicare overpayment schemes," but that's not all. With in-house IHE, CVS can use our premiums to choose their enrollees and gather information on their competitors' enrollees, among other unfair advantages. So, back to the young doctor's innocent question seeking lower drug prices for their patients. When insurers were paying out money to others on their patients' behalf, it was in their own interest to keep the prices they paid as low as possible. Now, thanks to vertical integration, big companies' incentives are reversed: **lowering prices for patients lowers their own profits.**

NEXT HCR4US MEETING
Sunday, Aug 27
8:00 p.m. ET
5:00 PT

Register at
<https://tinyurl.com/HCR4US-Aug27>
Tentative Agenda:
New Attendees
Announcements
Program Planning
Education/
Advocacy
Break-out Sessions

The March to Single Payer – Oregon & Washington on the Move

Last July, One Payer States engaged 34 Washington and Oregon single-payer leaders in activities which strengthened relationships and deepened understanding of each state's progress toward single-payer healthcare. Following a video preview, OPS President Chuck Pinacchio led a discussion on the State-Based Universal Health Care Act ([SBUHCA](#)), the bill sponsored by US Rep. Ro Khanna (CA) which will be refiled this fall. David Loud emphasized the importance of the Medicare for All 2023 bills as well as the importance of pressuring their own representatives to co-sponsor federal legislation for

single-payer healthcare. Next step? A strategic vision for the passage of the Oregon and Washington state bills. The passage of SBUHCA to facilitate movement on waivers for state implementation of single-payer cannot be ignored. This is an all-hands-on-deck moment in this movement! Additionally, agreeing on campaign plans and the sequence of steps to reach our goals must be clearly delineated. What can League members do? Stay tuned! Much more to come. Click here for the [program agenda](#) and the [first](#) and [second](#) half videos for the July 15 gathering.

In Case You Missed It

- May 9 OPS state-based health care movement with Joe Jarvis <https://www.youtube.com/watch?v=KrtqGdEvZFE>

Don't Miss It!

August 24 9:00 p.m. ET is PNHP Medicare Advantage Messaging Training
No registration. <https://us02web.zoom.us/j/81502170948?pwd=Z3BYT3h4Z0JpdjllTVNYR1Mwd0szdz09>

August 26 is Women's Equality Day, celebrating the 19th Amendment giving women the right to vote.
Sign the [LWV US petition for women's equality](#)

August 28 7:00 p.m. ET LWV West Contra Costa County hosts HCR4US leader Dr. Henry Abrons who will speak on the work, implications, and proposals of the Healthy California for All Commission. Go to <https://us02web.zoom.us/meeting/register/tZErcu2orD8sHNxK1sY4WIUURI7WMoG-cKLD#/registration> to register.

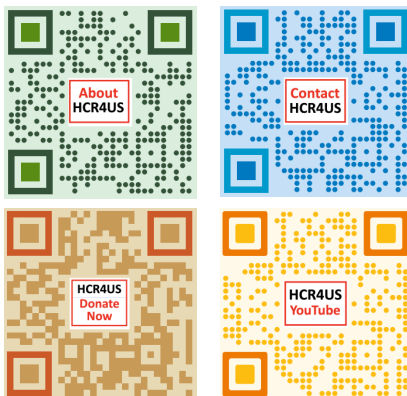
Websites

HCR4US Youtube Channel:
<https://www.youtube.com/c/LWVHealthCareReform>

HCR4US Web-Contact Form:
tinyurl.com/Contact-LWV-HCR-4US

HCR4US Google Drive:
<https://tinyurl.com/HCR4US-Minutes-etc>

HCR4US Toolkit:
<https://lwvhealthcarereform.org>



HCR4US: Dedicated to educating and mobilizing League members to work toward legislation that enacts the goals of our LWVUS health care position

Newsletter Committee: Barbara Pearson, Jon Li, Candy Birch, MaryLynne Courtney, Jody Disney

Medicare Birthday Quiz

At its annual **Medicare Birthday Celebration**, [Alachua County Labor Coalition](#) (FL) members enjoyed a game show. The Medicare Act of 1965 provided health coverage starting at 65, saving lives, saving money, and [helping to keep seniors out of poverty](#). Can you answer these questions?

- Which of these is the biggest threat to Medicare today: aging population, unsustainable costs, privatization?
- In the past decade, what has happened to patients now that private equity has stormed into US healthcare?
- *T or F* If your doctor enters into a practice agreement with a Medicare Direct Contracting plan (usually a Private Equity entity), YOU can be moved from traditional Medicare without your permission.
- How many lives would have been saved during the COVID pandemic with a Medicare for All plan?
- What percentage of people in your state are uninsured?
- The Coverage Gap occurs for people who make too much to qualify for Medicaid but too little to qualify for the ACA Marketplace. In your state, how many people fall in the Coverage Gap?
- How much money would it cost the 10 states without Medicaid Expansion to expand Medicaid and close the Coverage Gap for the working poor?
- What is the most the mother in a family of 3 can earn in a year and still qualify for Medicaid in your state?
- What rural hospitals have closed in your state since 2020?
- Where does your state rank in disabilities funding?
- Where does your state rank in mental health funding?



Dr. Chad Hood, Scott Darius, and Dr. Kayser Ennekin provided expert comment during the game show.

Washington State Addresses Behavioral Health in Prisons

Those incarcerated due to behavioral health crises have been estimated to be up to [37% of those in jail](#). Persons waiting for competency hearings and placement frequently experience extended stays and exacerbation and deterioration. The 2023 Washington State Legislature passed [SB 5440](#), **providing timely competency evaluations and restoration services to persons suffering from behavioral health disorders**. The bill addressed many of the problems regarding competency evaluations and restoration of competency in the Washington State criminal justice system. It contained numerous reforms aimed at enhancing access to care, diversifying service options beyond the court system, and optimizing overall efficiency. Among other things it established the position of clinical intervention specialist to collaborate and monitor treatment effectiveness of competency patients in jails and provided for continuation of medication after competency is restored. Click [here](#) for a more detailed description of the provisions of the bill as signed into law.