

## Film Review

# In 'American Hospitals' Pride Comes Before the Fall

By David W. Johnson  
April 13, 2023

The film “American Hospitals: Healing a Broken System” premiered in Washington, D.C., on March 29. This documentary exposes the inconvenient truths embedded within the U.S. healthcare system. Here is a dirty dozen of them:

1. Over half of hospital care is unnecessary, either [wasteful](#) or for [preventable acute conditions](#).
2. [Administrative costs](#) account for 15-25% of total healthcare expenditures.
3. [U.S. per-capita healthcare spending](#) is more than twice the average cost of the world's 12 wealthiest countries.
4. [Medical debt](#) is a causal factor in two-thirds of all personal bankruptcies.
5. [American adults fear medical bills](#) more than contracting a serious disease. [Nearly 40% of Americans](#) — a record — delayed necessary medical care because of cost in 2022.
6. Low-income urban and rural communities lack access to basic healthcare services.
7. [The financial benefits of tax exemption for hospitals](#) are far greater than the cost of the charitable care they provide.
8. Medical error is unacceptably high.
9. Hospitals are largely unaccountable for poor clinical outcomes.
10. The cost of commercially insured care is multiples higher than the cost of government-insured care for identical procedures.
11. Customer service at hospitals is dreadful.
12. Frontline clinicians are overburdened and leaving the profession in droves.





*Courtesy of fixithehealthcare.com*

Healthcare still operates the same way it has for the last one hundred years — delivering hierarchical, fragmented, hospital-centric, disease-centric, physician-centric “sick” care. Accordingly, healthcare business models optimize revenue generation and profitability rather than health outcomes. These factors explain, in part, why U.S. life expectancy has declined four of the last five years and maternal deaths are higher today than a generation ago.

It's hard to imagine that the devil itself could create a more inhumane, ineffective, costly and change-resistant system. Hospitals consume more and more societal resources to maintain an inadequate status quo. They're a major part of America's healthcare problem, certainly not its solution. Even so, hospitals have largely avoided scrutiny and the public's wrath. Until now.

“American Hospitals” is now playing in theaters throughout the nation. It chronicles the pervasive and chronic dysfunction plaguing America's hospitals. It portrays the devastating emotional, financial and physical toll that hospitals impose on both consumers and caregivers.

Despite its critical lens, “American Hospitals” is not a diatribe against hospitals. Its contributors include some of healthcare's most prominent and respected industry leaders, including Donald Berwick, Elizabeth Rosenthal, Shannon Brownlee and Stephen Klasko. The film explores payment and regulatory reforms that would deliver higher-value care. It profiles Maryland's all-payer system as an example of how constructive reforms can constrain healthcare spending and direct resources into more effective, community-based care.

The United States already spends more than enough on healthcare. It doesn't need to spend more. It needs to spend more wisely. The system must downsize its acute and specialty care footprint and invest more in primary care, behavioral health, chronic disease management and health promotion. It's really that simple.

My only critique of “American Hospitals” is many of its contributors expect too much from hospitals. They want them to simultaneously improve their care delivery and advance the health of their communities. This is wishful thinking. Health and healthcare are fundamentally different businesses. Rather than pivoting to population health, hospitals must focus all their efforts on delivering the right care at the right time, place and price.

If hospitals can deliver appropriate care more affordably, this will free up enormous resources for society to invest in health promotion and aligned social-care services. In this brave new world, right-sized hospitals deliver only necessary care within healthier, happier and more productive communities.

All Americans deserve access to affordable health insurance that covers necessary healthcare services without bankrupting them and/or the country. Let me restate the obvious. This requires less healthcare spending and more investments in health-creating activities. Less healthcare and more health is the type of transformative reform that the country could rally behind.

At issue is whether America's hospitals will constructively participate in downsizing and reconfiguring the nation's healthcare system. If they do so, they can reinvent themselves from the inside out and control their destinies.

Historically, hospitals have preferred to use their political and financial leverage to protect their privileged position rather than advance the nation's well-being. Like Satan in Milton's "Paradise Lost," they have preferred to reign in hell rather than serve in heaven.

Pride comes before the fall. Woe to those hospitals that fight the nation's natural evolution toward value-based care and healthier communities. They will experience a customer-led revolution from outside in and lose market relevance. Only by admitting and addressing their structural flaws can hospitals truly serve the American people.

## SHOWTIMES

See "American Hospitals: Fixing a Broken System" at a theater near you. Here are upcoming screenings in April and May 2023. For more, visit [Fix It](#).

**April 13**

Montpelier, Vermont  
Savoy Theater

**April 18**

San Francisco, California  
Vogue Theater

**April 24**

Bloomington, Indiana  
St. Mark's Church

**May 9**

Minneapolis, Minnesota  
The Main Cinema

**April 16**

Santa Clarita, California  
Laemmle Newhall

**April 20**

Sebastopol, California  
Rialto Theater

**April 26**

Sacramento, California  
Tower Theater

**May 10**

San Diego, California  
Reading Cinemas  
Town Square

**April 17**

Berkeley, California  
Rialto Cinemas

**April 21**

Larkspur, California  
Lark Theater

**April 27**

Santa Fe, New Mexico  
Violet Crown Cinema

**May 28**

Arcata, California  
Minor Theatre

**April 18**

Charlotte, North Carolina  
Queens University

**April 24**

Bethlehem, Pennsylvania  
ArtsQuest

**April 30**

Asbury Park, New Jersey  
The Showroom Cinema

## AUTHOR



**David Johnson** is the CEO of 4sight Health, a thought leadership and advisory company working at the intersection of strategy, economics, innovation and capital formation. Dave wakes up every morning trying to fix America's broken healthcare system. Prior to founding 4sight Health in 2014, Dave had a long and successful career in healthcare investment banking. He is a graduate of Colgate University and earned a masters in Public Policy from Harvard Kennedy School. Employing his knowledge and experience in health policy, economics, statistics, behavioral finance, disruptive innovation, organizational change and complexity theory, Dave writes and speaks on pro-market healthcare reform. His first book *Market vs. Medicine: America's Epic Fight for Better, Affordable Healthcare*, and his second book, *The Customer Revolution in Healthcare: Delivering Kinder, Smarter, Affordable Care for All* (McGraw-Hill 2019), are available for purchase on [www.4sighthealth.com](http://www.4sighthealth.com).