

4sight Health Roundup Podcast

Consumer Unrest Over Healthcare Costs Grows

9/10/26

[Intro and outro music by C. Ezra Lange]

David Burda:

Welcome to the 4sight Health Roundup Podcast, 4sight Health's podcast series for healthcare revolutionaries. Outcomes matter, customers count, and value rules. Hello again, everyone. This is Dave Burda, news editor at 4sight Health. It is Thursday, September 10th. Labor Day and summer are in the rear view mirror. And you know what that means, right? It means we're gonna be working furiously hard until the week of Thanksgiving when we slam on the brakes and then coast until the new year. So let's get it done. On today's show, we're gonna talk about a new survey on what consumers want fixed in healthcare and who they want to fix it. Two people who know how to fix healthcare, but who weren't a choice in the survey are Dave Johnson, founder and CEO of 4sight Health, and Julie Murchinson, partner at Transformation Capital. Hi, Dave. Hi, Julie. How are you two doing this morning? Dave?

David W. Johnson:

Well, I'm doing fantastic. This is really my favorite time of the year. , Warm days, cool nights, no humidity. I'm savoring it for as long as I can, and we know it does not last forever.

Burda:

No, no. Open up the back door and have coffee on the porch, that's what I say. Thanks, Dave. Julie, how are you?

Julie Murchinson:

I am immersed when I'm not realizing that fall has hit and it's about to be a storm. I'm immersed in tennis and watching it all hours of the evening, basically, since I re-watched the daytime. So I'm treating it like the, like the World Cup.

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Burda:

Yeah, that's, that's great. Good for you.

Johnson:

US Open.

Murchinson:

Yeah. Exactly.

Burda:

Okay well, since we're on the topic of sports, before we talk about this new consumer poll, let's talk football. , You guys know the NFL season opened last night with the Seahawks Patriots Super Bowl rematch, and with the same result. so now it's time to make your Super Bowl pick. Dave, who do you have lifting the Lombardi Trophy on February 14th next year?

Johnson:

Well, , of course, I'm gonna go for the purple and pick my Minnesota Vikings, even though they never won a Super Bowl. Shoot, they haven't even played in a Super Bowl in almost 50 years. This has to be the year. Has to be the year.

Burda:

Go for it, Dave. That's great. , Julie, how about you? Who are you betting on for Super Bowl champion this year?

Murchinson:

Well, my Dolphins are not gonna get it done. <Laugh> And, , you know -

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Johnson:

Realist, a realist. Totally.

Murchinson:

Listen, I have a soft spot for the Seahawks, but we're a Niners family, so, you know, there you have it.

Burda:

All right. Good. They've got a good roster this year. Well, first, let, let me say that I'm just not thrilled that the big game is on, Valentine's Day. I mean, what are you thinking? And I think if I were a, , statistician, I'd look for a spike in divorce rates when we look back at it, so.

Murchinson:

Totally.

Burda:

That's just not gonna, not gonna be good. But either way, , you know I'm gonna pick the Packers, right, like I've done every year since I was six years old. And, , I'd like to be right at least one more time and enjoy it. So, , okay, let's see if consumers are right on how to fix healthcare and who's in the best position to fix it. And there's your transition. It's a new consumer poll conducted by the Commonwealth Fund. It's a survey of nearly 26,000 US adults aged 19 or older, and here are some of the top line findings and a few findings I found curious. 42% said the number one problem [00:12:30] that has to be solved or meaningfully improved is the cost of health insurance premiums. That was the top answer followed by the cost for medical care and drugs. Ask who's in the best position to solve those two problems. Consumers said by far the federal government for both the cost of insurance and the cost of care at 51% and 41% respectively. Who's in the worst position to solve those

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two problems? Tech companies who use AI. They just got 1% of the vote on both questions. Dave, what message are consumers sending with these poll results? Is it the right message? And how would you respond to that message from a policy perspective?

Johnson:

Yeah, right on. , Basically, responses one and two are really the same, right? The, the cost of health insurance and the, the cost of, , copays and deductibles for drugs and so on. , They both get to the whole question of affordability and you put the two together, almost 75% of respondents are basically saying healthcare costs too much money. , 75%. That is simply too large a percentage of the population to ignore. And as you noted, this survey was 26,000 respondents, so it's accurate. , So what's the message that consumers are screaming at the top of their lungs? It's, "Fix the problem, stupid." And by the way, it's the right message. , Why is it the right message? I mean, here's a story from yesterday that illustrates, , why it's the right message. I had a dental appointment, , new dentist for me in Michigan, and just a fantastic, , dental hygienist. And she was a young mother and very friendly, very talkative. And she asked me what I did for a living, and I said, , you know, I write about how broken the healthcare system is. And immediately, she launches into this story of, , two kids, and she did genetic testing for each of the two kids. , The first one, a son, , when she went in, they gave her a choice of paying \$250 cash from her own pocket or submitting it to insurance. , She opted for insurance, and insurance covered the whole thing. The second child, a daughter, , same, same thing, , 250 bucks are put into insurance, worked with insurance the first time. , This time it was partially denied, and her bill from the insurance company, , for her portion of, of the test was \$3,500. <Laugh> \$3,500. She goes, "You wouldn't believe what they were charging the insurance company for this test, whoever the genetic testing company was." Wow. And, you know, everyone in the United States of America has a story like this. , And, you know, and people are frustrated. They don't know what to do. It, it. We, we've got lack of access, lack of coverage, people going bankrupt because they can't pay medical bills. , I mean, it's just, they're screaming at the top of their lungs, "Fix the problem." , so shift on over to policy, Dave, because you said, "What do you want me to do with it?" And one of the things I found, you know, given how politically divided we are, , Democrats, Republicans, and Independents all agree on the problem. , Their results were essentially identical. You know, again, you get on health insurance and then the cost of drugs and copays, you get about 75%. To me, what was

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much more interesting was the party divide on who's best positioned to solve the problems. For example, the health insurance problem. , Dem said the federal government, 65% first best positioned. R's, 30%, and independents, of course, in the middle at 41%. The 65% figure, , that suggests to me the growing popularity of the Medicare for All among Democrats. I mean, as you both know, and anybody who's listened to this show ever, I, I think that would be a terrible policy outcome because it essentially locks in current dysfunction at lower prices. It, it, it won't fix the problem. It just, you know, will just pump along. , The, the challenge is that US healthcare, as it currently exists, is that we can't fix it incrementally. <Laugh> We just can't. It's, it's, , it's too broken. , You know, incremental fixes won't work. And most policymakers, most economists are incremental thinkers. So consequently, we need, , foundational exponential reform, revolution, not evolution. , I do believe we need universal health insurance coverage., It should be through, , multiple payers, not a single payer. , We need pricing transparency, robust exchanges, , whole person care delivery, decentralized to care delivery, , regulatory education overhaul risk orders for extremely costly cases and so on. We know what to do, , but we choose not to do it. And that, to me, may be the single biggest tragedy of all.

Burda:

Yeah. Yeah, the lack of will, right? Yeah. The lack of will to make it happen. Thanks, Dave. , Julie, any questions for Dave?

Murchinson:

Yeah, Dave, , really well put there. I think the question in my mind is, are we just in a phase that people think the federal government can fix this and they're not realizing that the entire way in which healthcare can be delivered is starting to shift? Or are they onto something that the federal government can really fix this with Medicare for all and we should just all throw in the towel? <Laugh>

Johnson:

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Well, we did have that big battle on, , enhanced premium subsidies, which we shut down the government and, , eventually got nothing for the effort <laugh>. And the irony there is that enhanced subsidies were never a long-term solution. They were just throwing more dollars at the, the current system. , I honestly think, , the American people, , really don't know what to do. They just know they're pissed, right? , They're angry, they're frustrated. , They can't believe they have to go through this. And honestly, what bothers me the most, , far and away bothers me the most, a little bit where I ended up on my, my big response, is that I don't even think we're trying anymore to fix the problem. , This was not, you know, Berta and I are old guys, right? But, , our experience growing up was that the United States could do big things, , space program, great society, Title IX, on and on and on., We responded to challenge and, , I just don't think we're trying anymore. , Since we started with our Super Bowl predictions, I'll use a sports analogy, , we got the big game , at one o'clock today and we're not even taking the field. And I don't know how in the world we're gonna stand up to the challenges we confront as a nation unless we actually regain some of that spirit that we can fix what's broken. , So to your question about the American people, I think they're desperate for real leadership, not fake leadership, real leadership that tackles big problems. And, , where are we gonna get it? , So,, our issues are almost more spiritual than they are economic.

Burda:

Yeah, we need a champion and a surgeon general and HHS secretary, not, not really what we have now. So, - Yeah. good response. Thanks, Dave. Okay, Julie, it's your turn. , What are consumers telling you with this new poll? Are they, , on point or missing the point? And how would you respond to what they're telling you from a market perspective?

Murchinson:

Yeah, they're on point and brutally so. I mean, let's start with the fact that eight in 10 Americans say, agree on the problem, like, whether you're insured, uninsured, it doesn't matter. And Dave, you, you throw out some stats about, , the political, you know, landscape, but when you look at the agreement on, ranking premiums number one, like, it was effectively all in the 40% for Republicans, Democrats, Independents. Like - Yeah. In this political environment, like, it's not just a talking point or a headline, it's real bipartisan

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agreement. So, , , I don't know. It's really. I mean, consumers are best, to Dave's point. So, , listen, I don't. They're not confused. They're living the math. And, you know, , with, , marketplace premiums up dramatically, insurers floating double-digit rate hikes, you know, Sarah Collins from the Commonwealth Fund says that people are struggling to afford both the coverage and the care it's supposed to pay for, but it's not like that's a finding, right? It's like a restatement of what people are living with and their bills that they're looking at, right? So it's just, , there's just such a disconnect between, I think, really where, , the, the macro policy market and a lot of, a lot of businesses obviously are with Luigi and the like and where consumers are. But here's where it gets interesting. I think that, , they might be missing the point on the role of AI. Of course, I'm gonna go here, right? But when you look at, , the fact that AI and tech companies drew 1% is the best position to solve this and 1% is the worst position to solve this, consumers don't think AI is anywhere near a solution for this. And I think that's because, you know, they don't see AI, they don't see the, how AI solves their cost problems, which they're probably right about that. And I think that's something that we, as a market, , and frankly, everyone really needs to sit with because Washington sets these policy knobs, right? Subsidies, mandates, et cetera. But the cost architecture that we talk about here all the time, prior authorization, thank you, Delaware, claims adjudication, all the network waste, all the administrative overhead, that's where the AI, or let's just call it tech-driven efficiency, has real traction right now, and consumers can't see that, or they don't trust it. And probably because their only visible experience, you know, with AI and healthcare is a denial letter, really, because that's what's been in the news. They're, not seeing a discount. And what's interesting is this administration of all administrations is actually trying to use its platform, even if it doesn't really have the power to address these kinds of things. But the, you know, the market response, they're not gonna be able to really do what needs to happen. And this visibility gap needs to get closed for consumers to really trust it. So, you know, here's what's interesting. If savings that is created could end up in the pockets of some consumers, they might actually start to see the new different ways of healthcare as being an option and not rely on the government as the only solution because that's where we've been, that's where we are right now. But, you know, the. I'm not so sure that the incumbents are gonna start lowering costs as a result of, you know, using technology for efficiency, but I know who might, and, you know, we, we might see change. I just don't know if it's gonna be in time for consumers to really realize it.

Burda:

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Right, right. Whether it's a direct to consumer, like Dave, you were talking about who is cheaper for that, , a person you met to pay out of pocket, right, than, , use their carrier. So, -

Johnson:

Yeah. Well, you know, the end of that story was, , she said she eventually worked it out, but I said, "Well, how much time and energy did that take out of your, out of your life that shouldn't have had to happen, right?"

Burda:

Exactly. Well, thanks, Dave. Thanks, Julie. , Dave, any questions for Julie?

Johnson:

Yeah, Julie, I've got a corollary question, , for you relating to the one you asked me. You asked me about the feds. I wanted to ask you about the states, and given how differently and meaningfully, , individual states regulate and manage healthcare insurance and delivery in their states, were you surprised that only 9% of respondents believe states are best positioned to solve the system's affordability issues? Are they right or wrong?

Murchinson:

Yeah, such a good question. You know, they see the federal subsidy fights in the news. They don't see their state insurance commissioner and the headlines for his or her hand in the process. And they see employer-based insurance, which they don't think the states have anything to do with, my guess. They see, you know, that many of the issues, , are in the commercial and Medicare populations, which feel more federal, of which is not really entirely true so much of the Medicaid, but that's, it's a different, different view. , What's interesting about your question, Dave, is states like New York and California, for instance, have used rate review and public option pressure in a big way to meaningfully bend the, I won't even call it the cost curve, but premium growth, right? Yeah. Consumers just don't know that that's happening. So it doesn't register. I don't think it's a solution, that's my

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guess. It's like the inside baseball. Yeah. Yeah. Yeah. We're very paternalistic, not even are we paternalistic from a clinical care perspective. We're very paternalistic from an overall system perspective, and our, our consumers don't understand how it works.

Burda:

That's a good point because you do see more and more states taking action to regulate, , business practices and, you know, feudal attempt to hold down costs. But, , if you ask a person on the street, you know, "What did your state do?" They would have no clue. You're right.

Murchinson:

Mm-Hmm.

Burda:

It's, not a headline. So that's great. Thanks, Julie. Well, you know, no one likes the government until you need the government, just like no one likes the police until you need the police. So, , to me, the results scream for market-driven innovation to solve the affordability crisis, , whether consumers say so or not. So let's do it. Thanks, Dave, and thanks, Julie. Now let's talk about other big healthcare news that happened this past week. , Julie, what else happened that we should know about?

Murchinson:

Well, I'm gonna bring it down to a personal experience also, which is really not a big deal compared to even the Michigan dentist day. But I just sent my daughter back to school, and we had to get her into the doctor in time and print out all the forms that look like they've been photocopied a million times that are barely legible, that the doctor doesn't read and sign <laugh> and then give them to the school. And I'm trying to imagine, like, Will's receiving all this paperwork, are they keeping it in paper file still? <Laugh> Are they actually scanning it? Like, what are we doing? <Laugh> And you know what, if we don't remember to

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book that doctor's appointment, like, it is a nightmare to get in to see that doctor for the school forms. Like, it's just, it's asinine. Yeah. So that's my news of the week, is we gotta. We're all being affected.

Burda:

You'd think by now, the clipboard manufacturers would be out of business, but I think they're still, still doing fine.

Murchinson:

Everybody still in business.

Burda:

Yeah. Whoever makes those pens that connect to the clipboard with those little chains, right, they're rolling in it, so unbelievable.

Murchinson:

And the company that makes your insurance card, that company's killing it. <Laugh>

Burda:

Oh, that's, that's great. Especially when they have to redo them because they didn't give you the right primary care provider.

Murchinson:

Yes.

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Burda:

Right? So, yeah, I hear you. That's great. All right, Dave, what's your big healthcare news of the week?

Johnson:

Well, you know I walked the fine line between, , skepticism and cynicism on a daily basis when it comes to US healthcare. <Laugh> And I, after this show, I'm, I'm full down into the cynicism mode. So, , New York Times had a story about, , Roger 'Doc' Marshall, the US Senator from Kansas that's, , in a tight reelection, , battle right now. He's a former obstetrician, and it turns out he was quite litigious. , He filed over 700 lawsuits against his patients, , for as little as 100 bucks. , Most of the recipients of these lawsuits or the victims of these lawsuits were, were young mothers, right, obstetrician, , from a rural, low-income rural county called Barton County in Kansas. , , He had 81 people arrested. , He had innumerable bank accounts, , and , wages, , garnished at an 18% interest rate. You know, I'm wondering, will this revelation be, , be the difference for, between him winning and losing? And, , , it's pretty cynical when this is how you choose to, you know, treat your patients.

Burda:

Yeah. Holding the young mothers upside down, shaking them for their last dime, right? Yeah. That, that's what I would draw if I was an editorial cartoonist. But, , wow. That, that's something. Thanks, Dave. And thank you, Julie. That is all the time we have for today. If you'd like to learn more about the topics we discussed on today's show, please visit our website at 4sighthealth.com. You also can subscribe to the Roundup on Spotify, Apple Podcast, YouTube, or wherever you listen to your favorite podcasts. Don't miss another segment of the best 20 minutes in healthcare. Thanks for listening. I'm Dave Burda for 4sight Health.