

RALPH NADER RADIO HOUR EP 409 TRANSCRIPT

Tom Morello: I'm Tom Morello and you're listening to the *Ralph Nader Radio Hour*.

Steve Skrovan: Welcome to the *Ralph Nader Radio Hour*. My name is Steve Skrovan along with my co-host, David Feldman. Hello, David.

David Feldman: Hello everybody.

Steve Skrovan: We are in January. And the man of the hour, Ralph Nader. Hello, Ralph.

Ralph Nader: Hello. Helpful and happy new year to everybody.

Steve Skrovan: Yes. And we're gonna try to help you get through the rest of 2022. And we're gonna start off with a bang. On today's show, we're gonna turn our focus to another one of our favorite topics: healthcare. We often hear politicians criticizing American healthcare as a "broken system". What if it's not a broken system? What if it only seems like it's broken because we're judging it as people with feelings and hopes and self-respect and respect for other people would? What if it is, in fact, a very well-functioning, inequitable, prejudiced, undemocratic corporatist system?

Marshall Allen is an investigative reporter. In his new book, *Never Pay the First Bill[¹: And Other Ways to Fight the Health Care System and Win]*, he lays out the inner workings of the American healthcare system--how it's designed to cheat customers, how it's designed to cheat consumers, and how we can stick up for ourselves and get our money's worth.

Mr. Allen would be our only guest. And after that, though, Ralph has some instructions for the Congress Club members. Stick around, Congress Club members, for that, some clarifications and encouragement. Plus Ralph has some questions about the direction of the January 6th insurrection Committee [The US House Select Committee to Investigate the January 6th Attack on the United States]. As always, somewhere in the middle, we'll check in with our corporate crime reporter, Russell Mokhiber. But first, I don't want to pick a fight with my health insurance. I just wanna pay my premium, visit my doctors. But if they want to fight me, I want to win. Our next guest has the guerrilla guidebook that can help you do that. David?

David Feldman: Marshall Allen is a Pulitzer Prize finalist where he covers the healthcare industry. His latest book is *Never Pay the First Bill: And Other Ways to Fight the Health Care System and Win*. Welcome to the *Ralph Nader Radio Hour*, Marshall Allen.

Marshall Allen: Thank you so much.

Ralph Nader: Thank you very much, Marshall. Just to humor you a little bit, I called a Canadian friend of mine and read him portions of your book, chronicling all the problems that consumers have--being ripped off, delayed, overwhelmed, harassed in the healthcare system in this country. And his first response was, "Are you sure this isn't a satire?" And that reflects that in Canada, most of these problems don't even exist, that you deal with in over 200 pages. They don't even exist because of single payer. Everybody is insured from cradle to grave. Everybody in, nobody out. A Medicare card is presented to the hospital. They don't ask what's your health insurance. Their first question is what's your health problem. So, this is my way of saying that I think we're all obligated when we write these consumer assistant books to have at least a small section on

complete prevention, systems that prevent. You do mention in the book that if there are enough people fighting back, it'll put forces in motion to have more systematic prevention of these ills. But the situation is totally out of control.

What you described in your book, *Never Pay the First Bill*, is basically, largely a criminal enterprise. You use polite words like bogus bills, healthcare providers, which imply that something charitable rather than healthcare vendors. But we're dealing here with a corporate crime wave that is so intricate, so gamed, so premeditated, so capable of cooling out certain objectors, such as you recommend consumers who read your book to become, that it continually gets worse. So, it's sort of like serial bank robbers who go from one bank to another through a city, robbing the banks. And as they leave the bank, someone says, "Stop," and they throw a \$20 bill and keep going and rob the next bank. So, I want to try to get our listeners not to feel overwhelmed here. Because if you follow a lot of Marshall Allen's suggestions, you'll basically say, I don't have enough time in a century to do this, to tackle the insurance company, to go to small claims court, to try to deal with the regulators insurance departments of various states.

But what Marshall does in this book is he gives you shortcuts. He gives you actually draft letters that you can send to health insurers or to whoever is bilking you and save you a lot of trouble. He gives you references to nonprofit and profit groups, whose business is to catch these overbilling schemers. Some of them get a percentage of what they save. Some of them are nonprofit and they're there to help you deal with problems free. And throughout the book, he gives you the names of these groups. I found that very interesting, Marshall, that this is sort of an industry that has grown up to deal with massive overbilling.

Now, just to indicate to our listeners how massive this criminal enterprise is and that's what it is. Malcolm Sparrow is the expert on overbilling in the health insurance industry. He's a professor at Harvard [University] I've mentioned many times on this program and an applied mathematician. And the last time, couple years ago, I spoke with him. I asked him how much is ripped off by billing fraud and abuse just in the healthcare industry, which is a subject of this book. And he says, "At least, minimally, 10%. I think it's more than that," he said, "but minimally, 10%," which would be \$360 billion this year, billion dollars.

This vast enterprise, Marshall, is so vast that when I looked at your index, I found no reference to Congress, no entry under corporation, no entry under Canada, and no entry under the classic Johns Hopkins School of Medicine report of five or six years ago that over 5,000 people a week in this country die from medical problems or what you call medical errors in hospitals. Not clinics or doctor's hospitals. They didn't cover that data. Just in hospitals. 5,000 people in the United States lose their lives from these preventable problems.

Now, with that introduction, I want you to see if you can consolidate your wonderful advice here based on a lot of experience without overwhelming the listeners into throwing up their hands and saying, This all is very good advice, but I don't have anywhere near the time to go through all the steps and harassments on the phone and letters and going down to small claims court. How do you balance this out so we don't overwhelm the consumers who want to do something about how they're being ripped off, denied benefits, blocked in all kinds of ways?

Marshall Allen: Well, Ralph, I think that's a great question. I think my goal with writing that book is to give the average working American an actual guide of what they themselves can actually do to handle these problems that are afflicting them. And you're right. A lot of this is criminal. In fact, I have a whole chapter in the book on fraud. I think upcoding is a constant

problem in healthcare. I think it's endemic. And I think if anybody were to do a deep dive on hospital billing, they would find that there's fraudulent practices taking place all the time, where people are being billed for things that didn't actually happen; they're being overcharged for things that were not actually done, or were not done to the severity of the billing levels.

So, you're right. I think that there is actual criminal behavior that's happening throughout the system and I write about that in the book. But there's also a lot that goes on that's not criminal. It's deviant behavior. It's immoral behavior. It's unethical behavior, but it's actually not criminal. It's not criminal for hospitals to make up prices that are multiples of the prices that they would accept for Medicare. And this is something that's happening to every working American every time they go to a hospital. They're being charged multiples of the amount Medicare would pay for the exact same services. That's not a criminal enterprise. That's actually within the realm of the law. It's unethical and it's immoral because it's profiteering based on someone's sickness, but it's not actually all criminal. A lot of it is very legal!

And so what I've tried to do is, you know, I could have written a policy book. There have been a lot of policy books written about healthcare. A lot of them are very good. But, Ralph, this is a product of a failed system here. A lot of failed public policies that have been going on for decades on the right and the left. Our elected officials have completely failed the American people. And so, we're in a position now where I didn't want to write another policy book. This isn't about policies. This is about reality of what is happening to working Americans every day. One out of every five working Americans has medical debt in collections right now because of our failed healthcare system.

And like you mentioned, internationally, this book would go in the comedy section. Because globally, our healthcare system is a total joke to people internationally. We spend more than twice the amount per person on healthcare than the average developed country spends on healthcare. And like you said, they have universal coverage where everybody is covered. Here, we're spending twice as much per person and we're not even providing coverage to about 30 or 40 million Americans.

So, I didn't write a policy book. I wrote a handbook that is a guide for working Americans that shows them what they can actually do right now when they get these egregious and inaccurate medical bills and when they get their insurance company denying them.

Ralph Nader: It's more than a handbook. I think it could be a case book for a total course in consumer economics for a full year at a college or university. That's how comprehensive it is. I wanna ask you this question. When I read this book and I said to myself, why didn't I learn this when I was in middle school and in high school? Why don't we learn consumer skills now? Why aren't they taught? Shouldn't this book be used in high school?

Marshall Allen: Well, I hope so, because I'm now on a health literacy campaign and it's financial health literacy, right? As an American, you learn to balance your checkbook. You learn to look at your credit card statements to make sure you're not getting ripped off. And unfortunately, because of the predatory way our healthcare system overcharges people and bills people, we need to learn financial self-defense to navigate our healthcare system. And so that's what I tried to do with the book.

Ralph Nader: And give us a specific. You have a section around page 120 on what happened to insulin prices and how still Washington hasn't been able to crack down on that. Although both conservative liberals think it's an outrage. Give us detail on that.

Marshall Allen: Well, the Senate Finance Committee put out a fascinating report just about a year ago, where they looked at hundreds of thousands of pages of documents from the pharmaceutical companies and from the PBMs, the pharmacy benefit managers. What they found is just the steady drumbeat of increased prices in insulin over the decades with no improvement to the drug itself. And so, there are a lot of games that get played. I really just call them deceptive schemes to take our money where there's not actual value being added to the patient and to the employers who are paying for these health plans for working Americans.

The same is true also for Medicare and Medicaid. I just didn't focus on Medicare and Medicaid because those patients are not actually the ones being hardest hit financially. But what we have is we have a series of middle men that are inserting themselves between the clinicians who provide the care and between the patients and the employers who pay for the care. And these middlemen are extracting a lot of cost, but they're not adding value. And that's really the cause of our high healthcare costs.

And so, if we could find a way to eliminate the waste in our healthcare system, like you said, you just mentioned the fraud and Sparrow's work is great on the fraud. And the estimates I've heard are that about 10% of our healthcare spending is fraudulent, but about 25% of our healthcare spending is wasted. And it's wasted on things like fraud, ridiculous prices, the overly complicated way we pay for our claims, and run things through hundreds of different insurance companies and insurance plans. Over treatment is a huge problem. About 25% of all care is estimated to be unnecessary. And so, you know, we have to show everyday people how to survive in our healthcare system, unfortunately.

Ralph Nader: And you point out how many deductibles there are in these policies, how much copay. Actually, the biggest employing industry in the United States is the health insurance industry because they have millions and millions of their policy holders who are tied up in copays. And they're basically partners. They don't get much for it, but they're basically in the insurance business insuring themselves and ensuring that the insurance companies make even more money. Tell us about the figure on medical debt. This staggered me. I had no idea it was that great. What is the total medical debt outstanding by the American people right now?

Marshall Allen: Well, I can't cite that statistic right off hand, but I did see a recent study that shows that one out of every three Americans has medical debt right now. And about one out of every five has medical debt in collections.

Ralph Nader: In your book, you estimate \$1 trillion. That's the figure you give. That people are in medical debt. Never mind other kinds of debt – student loan and so forth. Just medical debt, Americans, \$1 trillion.

Marshall Allen: Yes. And medical debt is the leading cause of bankruptcy in the United States.

Ralph Nader: Now, you mentioned that a lot of these rip-offs are not criminal. Well, that's because the corporations have made sure that there's not a criminal penalty in these regulatory laws, but they are criminogenic. That is they fill the common law principle of premeditated stealing from people.

Marshall Allen: Yes.

Ralph Nader: And repeating it. So, I want you to give the example of the pierced ear case as an example.

Marshall Allen: The pierced ear case is a fascinating example of overtreatment and overpriced healthcare. I talked to a woman who took her daughter, who is about five years old, to a doctor because the daughter was tongue tied, which is the actual term they use for a kid whose little ligament under their tongue is too tight. And so the child has a difficulty speaking. So, it was a very simple outpatient procedure. And the surgeon asked the mother, “Hey, do you want me to pierce her ears while she's under while I'm doing the operation?” And the mom thought that was kind of a strange request, but she went ahead and granted it. And so, she showed up that day for the operation with the little pair of gold star earrings. And she came out of the operation with her tongue loosened and her ears pierced. And everything was fine until the bill came. And then the bill came for over \$1,800 for that ear piercing procedure.

And the mom fought this and argued it and debated with them. But you know, these billing departments often do not relent even when it is a ridiculous charge for something like ear piercing. And the reason they did the charge is because they added the ear piercing as a procedure. And that created a facility fee at the hospital. And so, they actually counted this as two different facilities. One for the tongue tied procedure and one for the ear piercing. But the problem is even when they fought it, they wouldn't listen.

And that's why ultimately, sadly, we have to take small claims court into our arsenal of what we can do to defend ourselves when we're being taken advantage of. In this case, I ended up writing a story about that for *ProPublica*. And by the time I called as a journalist, of course, the hospital relented and they waived the bill. And that's often what happens when you have journalists call the hospitals or doctors. They'll take care of the bills when the journalist calls.

Ralph Nader: This is what I mean about criminogenic behavior, that they gave the mother the impression that while they were gonna charge for the tongue procedure, that the piercing was no charge. And later, it came close to \$2,000. So, they basically are trying to coerce her to pay for something that she thought was not charged for. That's criminogenic behavior.

Marshall Allen: Well, that's correct. That's correct. I don't know that it's criminogenic in that case, and there are plenty of cases that are, of course. But in that case, you know, the doctor didn't really know how that was gonna be billed. And I think in a lot of cases, it shows the disconnect between the doctors and the surgeons and the other clinicians and the billing departments for hospitals that are just trying to maximize revenue any way they can. And so, in that case, you have a billing department that takes a medical record and the medical record documented the ear piercing. They counted it as a procedure. Now, the doctor didn't know they were gonna do that; I don't think.

Ralph Nader: The key is the mother didn't know. The mother was not informed.

Marshall Allen: Well, of course, of course the mother didn't know. That's a complete shock.

Ralph Nader: That's what makes it criminogenic. Yeah. I mean, (chuckle) there's no doubt here, Marshall, this is a criminogenic procedure. I've been in Washington a long time and I've watched these corporations excise proposals to put a criminal penalty in safety and health laws. For example, the auto safety law has no criminal penalty for willful and knowing violation that costs lives by auto companies; the same for the Federal Aviation Administration. So, I think you should look into this criminogenic situation only because the companies have the power in Congress to cut out the criminal penalty. But I want to finish the insulin thing. Give the price comparisons and what they did in the insulin product for millions of diabetics.

Marshall Allen: Well, I apologize, but I can't cite the exact statistics just off the top of my head. So, I would have to actually go back and look at that study to give you those numbers.

Ralph Nader: Well, do you have your book? It's page 120.

Marshall Allen: I'm pulling it up right now. Let me look.

Ralph Nader: This is an amazing example of greed on a mass basis. I mean, as you say, you can't say, "No, thanks. I'm not gonna use insulin."

Marshall Allen: Right. So, basically, the price of the insulin tripled between 2007 and 2017.

Ralph Nader: And the Washington politicians have been talking about this year after year. Both Republicans and Democrats think it's an outrage because they're constituents have diabetes who are Republicans and Democrats back home. They still haven't done anything about it. This gets me to a point you alluded to. When reporters expose these billing rip-offs and they name the company like Sarah Kliff does regularly now in the *New York Times*, they back away, they cancel the debt, they apologize, but they continue with 99.9% of their overbilling on other consumers.

Marshall Allen: Correct.

Ralph Nader: So, what do you think of reporters who are on this investigative treadmill that they do take care of a case here, take care of a case there; they inform their readers or listeners how outrageous these greedy companies can be, but they never go to the prevention area. They never interview the key senators and representatives and ask, What are you doing about this? And I'll tell you that I've been trying to get ahold of Sarah Kliff now for over a year and a half, because we started going after billing fraud in the 1970s. So, we have a long history of documentation. And she would never return the call. Until recently she said, well, she's very busy and she'll try to find an opportunity to return a call. And I say to her in my letters, "Sarah, I'm just trying to help you because you can spend the rest of a hundred years on case after case on a treadmill and not get anywhere but otherwise disillusion your readers because they get tired of these exposes that don't go to the arena of prevention, systemic prevention, prosecution, imprisonment, and fault corrections. What do you say about that as a sterling investigative reporter for the eminent group *ProPublica*?"

Marshall Allen: Well, Ralph, I can tell you myself that I've felt that I've been on that treadmill, right? I mean, I've been writing about healthcare for 15 years and you do story after story. And that's what led me you to write the book. I write so many stories about all the things that go wrong. And I realized as I dug into people's medical bills - looked at their medical records, and looked at the different leverage points, that we as consumers have to help turn things in our favor - that I could put together a guide that could actually help people. And you're talking about the policy world. Well, Ralph, I'm just telling you, man, I'm looking at 30 years of evidence, 40 years of evidence that show that the policy world has failed the American people in the realm of healthcare. The policymakers have not come up with solutions on the right or the left that actually are going to be fair for working Americans. And so, that's why I didn't write a policy book because I want to show people what they can actually do.

And I do wanna challenge you in a myth that I think a lot of people perpetuate. It's not always as hard as you think. Sometimes it's actually really easy for people to save money if they know how to navigate the financial pitfalls of the system. For example, I got a bill in the mail for \$250 for my son's urgent care appointment that he had. Well, I was able to look at the bill and scrutinize

it. It said the bill was due. It said I owed the money. It had a deadline on it. But when I looked at the bill and scrutinized it, I could see that my insurance company hadn't paid anything on that bill. I was able to call my insurance plan. And in about five minutes, I could see they had not even submitted that bill to my insurance plan. Within about five minutes, I got them to send the bill to my insurance plan. I saved myself \$250. That's a good return on investment.

There are other cases where we can avoid unnecessary care that we don't need just by asking careful questions of our doctors. And so, I show people how to do that in the book. So, sometimes it's a difficult fight and other times it's not a difficult fight and it's been really fun to see readers take my book, apply the principles, and save big money in the process.

Ralph Nader: Well, you're right. The abuses are so egregious. The overreach in dollars is so greedy that simply objecting will get them to back off on a portion of it. Because if they think they're dealing with a persistent consumer, one that says, if you don't straighten this out, I'm gonna take you to small claims court; they will back off. Because inside these companies, they hire and pay these people poor wages, and they make them take the heat from aggressive self-righteous consumers who are properly upset. And it isn't the corporate executives that have to take the heat. It's these people who have to answer the phones when they return the calls.

Marshall Allen: That's right.

Ralph Nader: And that's why your advice when you object to a company: Go straight to the top, do not leave messages, say you'll call back again, go straight to the executives. And I would add one more thing, put it out on the internet with the name of the CEO [chief executive officer]. Put it out on the internet because they snag those internet messages to go to the public relations department and they say, hey, call this person and fix it. We don't need any more people on the internet knowing what's going on with our procedures.

I want to ask you about small claims court. I've been a champion of small claims courts for many years and I've watched the corporate takeover. They were designed for small consumers, no lawyers needed--fill out a form, make your case, get the decision quickly. Instead what's happened is that the creditors have taken over small claims courts. The landlords against tenants have taken over small claims courts. And one of the consequences is the fee for the small claims court in Connecticut is \$95.

Marshall Allen: Wow.

Ralph Nader: So, \$95. And not only that, but in a case I was familiar with, you couldn't get through to them. They were an adjunct to the superior court in Litchfield, Connecticut. And you couldn't get through to them. You couldn't get a person, you got voicemail. And so, we're suggesting that consumer groups all over the country and law school clinics should put out reports investigating small claims courts, seeing many of the users are really vendors, sellers like tenant, landlords, and creditors, and how few people are able to use it much less get through the obstacles.

So, I thought that your part on small claims court was very well taken. When you can get in, you can succeed because a lot of these companies don't wanna hire lawyers \$100 an hour, \$200, or in-house lawyers to oppose you. And so, you can often get a default judgment. And listeners, he also tells you how you can collect against the company once you get a judgment. But clearly, small claims courts have been taken away from small claimants all over the country.

Marshall Allen: First thing, I did not realize that was the bigger picture with small claims court. But I have talked to a lot of patients who have done this. I've helped a lot of patients do this. And I found it still to be very effective at least for the little guy or little gal when they go to take on the hospital or the physician group that's predatory billing them.

Ralph Nader: Well, as you point out, the mere promise to a bilking company that you're gonna take them to small claims court gets you a considerable advantage, just talking that way. Because they see you as an unusual consumer. That's not gonna be...

Marshall Allen: That's right. That's right. And like you said, there's a lot of persistence.

Ralph Nader: Yeah. So, this all argues for our educational system having consumer skill programs, starting in the middle school, high school. Children love it by the way because it relates to their daily life. You know, they have to click on to these fine-print contracts they never see on Facebook or Instagram. They're getting ripped off in a lot of ways now that children never were ripped off because they were never directly marketed to decades ago. Now, these corporations circumvent parental authority and go directly to the children and hundreds of billions of dollars a year with junk food, junk drink, and things that are not good for their health. And when these children have to get healthcare, they get ripped off again.

So, there's a never ending cycle here. And if they look at consumers as soft touches, as people who never seem to have time to object, they're just gonna be emboldened to do more. So, your book is very well taken in that way. And it's very easy to read. It's got dark print for grandparents to read and advise their grandchildren. It's a hard back. So, it could be a good gift to your local library. Published by Penguin [Random House]. And go to your school principal. Go to your community college. Why isn't this part of learning life skills? And you learn about the economy, don't you? You learn really about how the economy doesn't work instead of these vague principles of supply-demand garnished by the myth of free market capitalism, right?

Marshall Allen: Right. Well, I'm glad you're bringing up that health literacy, Ralph, because I actually left *ProPublica* a few months ago. I no longer work there, but I've launched what I'm calling Allen Health Academy. And my goal is to teach these principles to patients, to families, to employers, even employer-sponsored health plans to roll out these concepts. I've turned my book into a series of educational videos that I'll be launching in the coming months. And if people are interested in learning more, they can sign up for my newsletter by going to marshallallen.com.

And I also want to invite your listeners. I love to help people navigate these problems. I have been helping and guiding patients to fight their insurance company denials. I've been helping them understand their medical bills. I've been helping them sue in small claims court. I do it for free. And honestly, Ralph, I do it for fun. It's a delight for me to help people. So, if people want to reach out to me, they can do that through my website, which again, is marshallallen.com.

Ralph Nader: This is an amazing offer, listeners. Marshall is not just an author who writes a book and goes to the next subject for the next book. He actually enjoys helping you free. Give that website again, slowly.

Marshall Allen: marshallallen.com.

Ralph Nader: And I might add, I thought one of the strongest parts of your book was the overdiagnosis i.e., how people are given too many MRIs [magnetic resonance imaging], too

many mammograms, too many diagnoses that lead to invasive surgeries because that's where the money is. The more they work you over, the more money they get.

And the question I want to ask you that our listeners may be thinking about is if the insurance companies are paying this, although as you point out at the beginning of the book, all this money, these trillions of dollars that are expended are eventually or immediately paid by the taxpayer, Medicare, or by the consumer. So, you, listeners, are paying for all this abuse, all this overcharging, waste, corruption, fraud, and you should take it personally. But I thought that was one of the strongest parts of your book. Something like a study you cited, 25% or more of all medical procedures aren't necessary. That was a few years ago. And it totaled up to about \$800 billion a year.

Marshall Allen: That's right. That's right. The National Academy of Medicine estimated that about 25% of all healthcare spending is wasted. And at the time they did the study, that amount was about \$800 billion and other estimates have been done that are more current, that are in the same realm. And a lot of that is that overtreatment you're talking about. And the piece of advice I like to give people is when your doctor or other clinician is recommending something discretionary; maybe it's a drug, a test, maybe it's a procedure, ask the doctor what happens if we wait. What's the worst thing that can happen to me if we don't do this right now? And that will reframe the conversation. It doesn't mean that you're not gonna get that procedure, but it will reframe the conversation. Instead of talking about the risk of doing it, you can talk about the risk of not doing it. And then that might give you time to get a second opinion by asking another clinician what you should do, or do some research on your own, or try some other less invasive types of treatments. And this can protect people from a lot of that unnecessary care.

Ralph Nader: Well, that's in part two of your book, avoiding the need to fight. Prevention is the most efficient way. And of course, I want to caution you, Marshall, that when you say you can win, what you really mean. If you're charged, say, \$500 for something that wasn't even a procedure; you know, there are a lot of overbillings of ghost procedures in these complex, long printouts of medical bills and falsely upcoding medical bills, which you explained. But you never win extra funding for your aggravation, for your tears, for your emotional harm, for the time you spent.

So, like you mentioned how you recovered something in your own family. You recovered it, but you spent quite a few hours doing that. They didn't reimburse you for that. So, I think one of these days, the consumer movement should go beyond simply refunding something that was unjustly charged, but actually paying for the aggravation. I once knew a person who would go to a doctor's office for two o'clock and he would wait 2:30, 3:00, 3:30, and the doctor then would see him at 4:00. And he got so tired of this that he submitted an hourly bill to the doctor. ↵

Marshall Allen: That's awesome.

Ralph Nader: He said you took two hours of my time.

Marshall Allen: So, let me talk about the real win, Ralph. Because there are some actual wins here and this is where I think employers are real key to true healthcare reform. Because there are employers right now who are disconnecting themselves from the big box insurance companies like UnitedHealthcare, Cigna, and Aetna. Now, don't forget about 60% of employees are in self-funded plans. That means the employer is not paying for traditional insurance. The employer is hiring an insurance company to administer the bills, but the employer and the employee's compensation actually pays for the care. So, when employers who were self-funded detach

themselves from the big giant, for-profit corporations, and they then work with third-party administrators, advisors, and other vendors who will be fair with them and treat them fairly, they are winning. They're saving 30%, 40%, even 50% on their healthcare costs while delivering better, more affordable care to their employees. And that's what I call a real win. A real win is when we detach ourselves from the predatory players in the healthcare industry. And then we reward the fair people with integrity with our business. That's the win. And when people do that, they're saving up to 50% on their healthcare while getting the same high-quality care that they need.

Ralph Nader: Prevention is always a win is what you're saying.

Marshall Allen: Well, it's not just that. It's better care, you know? Insurance companies will never tell you. You talked about the quality of care. I've done years and years of reporting on patient safety issues and the quality of care. Insurance companies know which doctors are dangerous in their networks. They will not tell you that. But you can go to a different vendor that is looking at different data and looking at different quality metrics. Those vendors are looking at the data and they can tell you who the high-quality doctors are and who are not the high-quality doctors.

And then if you're working with one of these vendors in your self-funded plan, you can incentivize and show your employees how to go to the higher-quality doctors and the higher-quality hospitals. And by the way, those are usually the lowest-cost facilities and providers too. Because in healthcare, there is not a correlation between quality and cost. And so, it's really interesting when these health plans detach themselves from the big box insurers and start working with vendors who will show them where the highest-quality care is they are getting huge, huge wins. And it's not just prevention, it's actual treatment. They're getting specialty drugs at a much lower cost. Everything they can get is less expensive and often a higher quality.

Ralph Nader: By the way, listeners, he makes it easy for you if you're ever called by a collection agency. Because some of these hospitals not only sue their patients directly, but when they can't get paid for their overcharges, they sell the debt to these debt collectors. And on page 66 of his book titled *Never Pay The First Bill*, he has the letter that the Consumer Financial Protection Bureau of the US government has provided you to send to your debt collector. And it's based on a demand for verification. You say to the debt collector, "You say I owe this, I want the following verification." And there's a whole letter written by very smart lawyers in this regulatory agency that you can use and save yourself a lot of time and be more encouraged, as Marshall Allen says, to fight back. On a promising note, before we conclude, Marshall, I want to go to Steve and David, tell us about the Montana story in your book.

Marshall Allen: Well, this is an exciting story because it shows what can be done and it shows what real winning looks like. In the state of Montana a few years ago, their state employee benefit plan was nearing bankruptcy. They were paying the hospitals and doctors too much. They weren't avoiding unnecessary care. They were paying way too much for their drugs. Well, they brought in a really dynamic leader named Marilyn Bartlett. And Marilyn came in with a plan to change the hospital pricing where the employer-sponsored plan would actually set the prices for the hospitals. They would determine what a fair price is and they would insist that they get a fair price. And if the hospitals didn't want to play along, then they would not be able to treat the patients from that health plan. And in this case in Montana, this was the largest health plan in Montana. So they actually had a lot of leverage to push the hospitals for a better deal. And they pushed the hospitals for a better deal and they made the high-priced hospitals bring down their

prices. And the low-priced hospitals actually got paid more. Then they broke free of some of the pharmacy benefit manager games to get fair prices on their pharmacy. They put in direct primary care. So, the primary care was less expensive and more comprehensive. And they saved the health plan. They saved the health plan so much money that the health plan actually paid back money to the general fund in the state of Montana because they had such a surplus of funds.

Ralph Nader: And why don't more states learn from this and do the same thing? Or is that happening?

Marshall Allen: Well, it's happening slowly, but you know what? It's controversial, because a lot of people have been making money the same old, same old way. And when you look at all that wasteful spending in the healthcare system, that's the paychecks, that's the bonuses, that's the boats and vacation homes of healthcare executives. And so, there are forces that are opposing this, and this is why it is a fight. If we're gonna lower healthcare costs, there are going to be winners and losers. And right now, the working Americans and the employers have been the losers. And we need to make it so that they become the winners. They're the ones paying for the care and they're the ones receiving the care.

And there will be winners healthcare industry when this flips, okay? When this gets disrupted, the winners in the healthcare industry are going to be the hospitals, the doctors, the drug manufacturers, and everyone else who says, we're gonna treat people fairly; we're gonna operate with integrity; we're not gonna engage in the criminal behavior that you've been talking about; we're not gonna create deceptive schemes to take people's money just because they're sick.

We need to shun those people who are engaging in that unethical and immoral behavior and sometimes illegal behavior. And we need to reward the people who are treating us fairly. So, there are gonna be winners and losers. And I really think, Ralph, that we're poised for disruption here. I mean, when you look at the pain that's being caused to the American people, people are willing to fight back. People are willing to take the hassle because they're doing this to fight for their own financial livelihood. They have to fight back. Otherwise they'll be bankrupted. And so, it is a hassle; it's inconvenient. It's a policy failure. It's a failure of our elected officials. I wish it wasn't the reality, but I think we have to do something about it. And thankfully, there's a lot we can do.

Ralph Nader: Well, you're getting an audience for your new book, *Never Pay The First Bill*. Are you taking the occasion to take a minute or two and urge that we go to a single-payer system like Canada?

Marshall Allen: Well, there's no question a single-payer system would save so much money. Studies have shown it would save hundreds of billions of dollars a year if we just didn't have to have the nonsensical and absurd claims payment system that we have right now in this country. You know what? I don't get into that though in the book. You know why don't? Because I think it's a bit of a fantasy to think that our elected officials are ever going to muster what it would take--the courage and the leadership it would take has not been displayed by our elected officials. And so, I don't put my hope in them changing the system in a way that's really going to benefit the American people.

Ralph Nader: You haven't been listening to our program, Marshall. We've shown again and again how a very small number of people in congressional districts knowing what they're talking about, representing public opinion, often left/right public opinion can change the majority of 535 members of Congress. They can do it on living wage, but they're not out there because they have

the same discouragement level that you just reflected. You should read my little book, *Breaking Through Power: It's Easier than We Think*.

Marshall Allen: I'll check it out. I will because you've demonstrated that certainly in your career. So, I could definitely learn a little. And I mean, and I'll be honest, after doing 15 years of investigating of the healthcare industry, it gets discouraging. You see this stuff over and over again. And patient safety is a great example. I have done years and years of in-depth work on patient safety, and patient safety used to be a big buzzword in the healthcare industry even 10 years ago, five years ago. But I feel like patient safety problems are worse than ever! I don't think patient safety has gotten better in our hospitals, even after the Johns Hopkins report and all the other reports that have been done. And so, you know, it's possible. I have become just a little too jaded, but I will, I'll check out your book. I'll really look forward to seeing that.

Ralph Nader: And a suggestion to your publisher, which is the biggest publisher in America, who published Marshall Allen's book, *Never Pay the First Bill: And Other Ways to Fight the Health Care System and Win*. I suggest that your publishers send free books as part of their marketing plan to key members of Congress who are on the health committees. And have you accompany the book with a letter urging immediate public hearings. What are they waiting for? They have all these committees, all these committee staffs. They only work Tuesday, Wednesday, and Thursday. And then even on those days, they're spending money raising money. So, get your publisher, as part of the marketing plan, to send this book and try to produce a public hearing, the way *Unsafe at Any Speed* did, the way *Silent Spring* did, the way *The Other America [Poverty in The United States]* on poverty did in the 1960s. So, you take a book like this and you begin integrating it in the political economic culture of the society. And the same is true for getting this book into the high schools and community colleges and universities as part of learning about the real economy, not the theoretical economy.

So, my last question is this, and I'm sure it's on the minds some of our listeners. If they do start to fight back, if they do start to challenge the vendors, the brokers, the intermediate people, the bill collectors and the vendors get an earful, and then they say in a very sly way, Do you know if you persist like this, it's gonna affect your credit rating and lower your credit score? What do they do when they hear something like that?

Marshall Allen: Well, first of all, they've got nothing to lose because that's happening already. That's happening if you don't fight back. And so, literally, the possible win when you're faced with these kinds of challenges is that you could save hundreds or thousands of dollars per healthcare interaction and you could be avoiding possibly care that you don't need if you follow some of these principles and put them into place. And if you don't, you're gonna continue to be overcharged. You're gonna have erroneous charges. You're gonna be sent to collections. And the same thing is gonna happen. The status quo is not gonna change. And so, literally, you've got nothing to lose. And if they threaten to send you two collections, you might have to fight with it on that level. But literally, it sadly could not get any worse for the working Americans who are dealing with these high healthcare costs. And so, the best option forward is to who get engaged, get informed, get equipped and be empowered and push back. And when you do, you can win.

Ralph Nader: Well, I'm afraid there are some people who think there's more to lose, that their credit score can be dropped even further with the rupture of being able to borrow and having to pay higher rates or not being able to borrow at all. But I would suggest that when consumers get that kind of threat, that they say that they're gonna report the vendor to the Attorney General in the state.

Marshall Allen: That's a good idea. Yeah. That's a great response.

Ralph Nader: Steve and David, I'm sure you're eager to come in here, Steve?

Steve Skrovan: Yes, yes, I'm champing at the bit, and both of you have covered so much of the book, so forgive me if this question goes beyond the scope of the book because I would like to avail myself of the Allen Health Academy. I have a friend who pays over \$600 a month for premiums. He is self-employed. He has a \$7,000 deductible. He has health issues, but really, for those rates, can't afford to go to the doctor. Do you have any practical advice for a person like that?

Marshall Allen: Well, every case is so unique that it's hard to know exactly what type of things he's dealing with. But one thing that I've found some people have had some success with is something like a direct primary care relationship. It is, it is costly. You have to pay, but you might pay between \$100 and \$200 a month to have a primary care doctor who literally you would have the cell phone of that doctor. And that doctor then would be able to really help somebody who has those healthcare needs. I know that's expensive, but it's tough because you're effectively uninsured. If you have a deductible of \$7,000 and if you're living on the median income in this country, that's almost like being uninsured because you cannot afford to pay for the type of care that you need.

Another option is financial assistance policies so, if he ever did find himself in a case where he had a massive bill at a hospital, nonprofit hospitals are required by the IRS [Internal Revenue Service] to have very generous financial assistance policies. And so, I don't know how much money your friend makes, but even people who make up to six figures can qualify for some financial assistance at many hospitals. And if you make under 200% or 300% of the federal poverty level, you can usually get all your bills forgiven. It does take persistence. You have to go through the process, but it's easier than you think. And some of these massive bills can get waived in that way.

Ralph Nader: It's truly amazing that politicians don't make this a campaign issue although it reverberates across red state, blue state, conservative, liberal. They're all bleeding. They're all being ripped off. And because they get money from these commercial corporate interests, they keep their mouth shut. It's not like they don't know what's going on. They get some of the same complaints to their congressional offices and state legislative offices that you do, Marshall. So, that's another subject. Let's go to David.

David Feldman: There's something I've never understood. I know there's no such thing as efficiencies in the market, but I know that there's greed. And so, if a hospital charges \$12 for a single aspirin, why doesn't the insurance company challenge it? Isn't it in Humana's best interest to bring these costs down?

Marshall Allen: Well, that's a good question. So, there's two different types of health plans. One, remember I talked about is that self-funded plan where the employer actually foots the bill. In that case, the insurance company is just processing the claims and giving the employer, the patient's access to the network. But they don't care because it's the employer's money that's paying for that \$12 aspirin. So, in self-funded plans, which cover 60% of working Americans, the insurance companies have no incentive to bring down the cost because they're not actually paying the bill.

Now, in fully insured plans, which is more with traditional insurance where we pay premiums, they pool the premiums, and they use that money to pay for the healthcare costs. In that case, the

Affordable Care Act had what's called the Medical Loss Ratio (MLR). And that says the insurance company has to spend between 80% and 85% of every dollar on medical expenses.

So, if you think about the insurance company, they're just a middle man, okay? They're taking everybody's money; they're doling out a portion of it for healthcare, and they're keeping a portion of it for their administrative and profit. So, let's say their profit is going to be 15%. Well, the only way for their profit to grow year after year is for that entire pool of money that they bring in to grow. They need healthcare costs to go up, because their revenues or what they're keeping is only 15% of the total. So, they have to have healthcare costs rise in order to keep bringing in more revenue year after year, which is what they have to do to reward their shareholders.

Steve Skrovan: Wow.

Ralph Nader: Before we conclude, Marshall, I want to point out that one good feature in your book. After every chapter, listeners, at the end of the chapter, he has in darker print, take action. 1, 2, 3, 4, 5, 6, 7, take action. So, he makes it easy to summarize and decide whether you want to take action. Can you once more submit your remarkable free offer to our listeners and give the website?

Marshall Allen: Absolutely. Absolutely. So, if you go to marshallallen.com. Again, that's just my name[dot]com. And sign up for my newsletter and you can message me on the website too. I'm every day talking to patients who are trying to navigate their healthcare system. They're trying to understand their bills. They're fighting unfair bills. I'm showing people how to get their medical records. And so, if people need help right now, you can reach out to me and I will help you. And what I'm doing with Allen Health Academy is I'm going to be systematizing this and I'm gonna be bringing this to scale. So, this is something I'm in the process of building out right now. But for now, just contact me and I'm happy to help and give you whatever advice I can.

But what I'm trying to do is, you know, you can actually feed a person of fish or you can teach them to fish. What I'm trying to do is teach people to fish, right? So, I can't solve these problems for people, but I can show them how they can hopefully solve them for themselves. And so, that's really what my goal is with this advice that I give. But I welcome people to reach out. I consider myself kind of a, a coach and a friend and it's also an opportunity for me prove the concepts that I have in the book. So, I benefit from it. And then I also share people's stories. So, when I help people win, I ask them to write me an Amazon[.com, Inc.] review and show how you won. And if you read my Amazon reviews, you can see lots of stories. Some of those people, I helped save a lot of money on their healthcare; some of them, not. And then also, I tell victory stories. So, if you look on my website, there's a link for victory stories, which is just what I call it when the little guy wins. These are underdogs fighting massive giants. And it's deeply satisfying when people win. And then when they win, we can also learn from one another about the tactics and the approaches that work. So, that's what my own selfish kind of goal is with that.

Ralph Nader: And Marshall Allen is spelled MARSHALL, last name, ALLEN. Last, give the website once more.

Marshall Allen: marshallallen.com

Ralph Nader: One last request, Marshall. Send a special book to Bernie Sanders and tell him, "Senator Sanders, you campaigned all over country for president 2016 and 2020. You still haven't put a single-payer bill in the Senate. Maybe this will help fortify your resolution to do so."

Marshall Allen: That's a great idea.

Ralph Nader: Thank you very much, Marshall.

Marshall Allen: Thank you.

Ralph Nader: It's very good. So, have the publisher do that on Capitol Hill. You should be the star witness at the hearing.

Marshall Allen: I'll definitely talk to them about that. Hopefully, they will.

Ralph Nader: As someone once said 20 times, take action. That's the heading of your ending

Marshall Allen: That's right.

Ralph Nader: We've been talking with Marshall Allen, the author of the brand new book, hardback, *Never Pay the First Bill: And Other Ways to Fight the Health Care System and Win* Published by the massive, number one publisher in America by size, Penguin Random House. Available everywhere. Thank you, Marshall.

Marshall Allen: It's my pleasure, Ralph. Thank you.

Steve Skrovan: We've been speaking with Marshall Allen. We will link to his work at ralphnaderradiohour.com. Let's take a quick break. When we come back, Ralph's gonna talk to us about the Congress Club and he's got some choice comments about the January 6th insurrection Committee. But first, let's check in with our corporate crime reporter, Russell Mokhiber.

Russell Mokhiber: From the National Press Building in Washington, D.C., this is your *Corporate Crime Reporter* "Morning Minute" for Friday, January 7, 2022; I'm Russell Mokhiber. The United States lost its 20-year campaign to transform Afghanistan, but many contractors won big. Four months after the last American troops left Afghanistan, the US is assessing the lessons to be learned. Among those, some officials and watchdog groups say, is the reliance on battlefield contractors and how that adds to the costs of waging war. That's according to a report in the *Wall Street Journal*. Since the Sept. 11, 2001 attacks, military outsourcing helped push Pentagon spending up to \$12 trillion, creating opportunities for profit as the wars in Afghanistan and Iraq stretched on. One-third of that sum went to five large defense corporations: Lockheed Martin, Boeing, General Dynamics, Raytheon, and Northrop Grumman. For the *Corporate Crime Reporter*, I'm Russell Mokhiber.

Steve Skrovan: Thank you, Russell. Welcome back to the *Ralph Nader Radio Hour*. I'm Steve Skrovan along with David Feldman and Ralph. Now, we wanna conclude here by talking to you, Ralph, a little bit. Give us a little Congress Club report.

Ralph Nader: Well, we're not getting enough returns from our Congress Club members. Remember, they were inclined to send the two letters that were written precisely to senators and representatives. One, to have them take a position on the corporate crime wave and what do they propose in terms of reforms preceded by public hearings, and the other dealt with the necessity to restore some of the higher tax rates on the super wealthy and the big corporations that have gotten away with much more lower tax rates and get the position of their (two US) senators and representative on that.

And then listeners were going to send us a report like they sent the corporate crime letter to Senator [Richard] Blumenthal. He responded with either a form letter or did he respond with a substantive letter? This is just a hypothetical. Or did he call you up or have a staffer call you and

discuss it? We need that kind of full-circle report by Congress Club members. Otherwise we cannot get on these senators and representatives staff and ask why haven't you thoroughly responded, Senator [Joe] Manchin, to a constituent who sent you the corporate crime letter? So, it's not only that we want you to get more involved because you actually applied to be part of the Congress Club, but we want to help you. So, this is an urge for those of you who have it on your to-do list to actually get it done.

Steve Skrovan: Well, thank you for that analysis, Ralph. I wanna thank our guest again, Marshall Allen. For those of you listening on the radio, that's our show. For you, podcast listeners, stay tuned for some bonus material we call "The Wrap Up." A transcript of the show will appear on the *Ralph Nader Radio Hour* website soon after the episode is posted.

David Feldman: Join us next week on the *Ralph Nader Radio Hour*. Thank you, Ralph.

Ralph Nader: Thank you, everybody. May you all have a healthy, safe, and civically vigorous new year.