

Don't 'Break up Big Medicine', Instead 'Level the Playing Field' and 'Change the Game'.



REINIER SCHUUR

MAR 08, 2026



107



69



5

Share

As for US healthcare, I like to say: "we get what we tolerate." That Americans tolerate the obvious wealth transfers of our system surprises me. This piece clearly lays out basic problems and provides simple solutions. Why there is extreme resistance to what Dr. Schuur proposes is shocking. JMM

With the affordability of healthcare becoming a major electoral issue for many Americans, politicians are looking for who they can blame and what quick fixes they can sell to voters.

Big healthcare corporations make for an easy target to pin the whole issue of unaffordable healthcare on. In particular, Senators Josh Hawley and Elizabeth Warren are seeking to [break up so-called vertically integrated healthcare corporations](#) by making it illegal for parent companies to own both a health insurance company, a pharmacy benefit manager (PBM), a medical provider practice, and/or a pharmacy chain. Vertical integration allegedly makes healthcare more unaffordable by enabling the corporations who practice it to 'steer' patients to more costly and/or unnecessary care.

But this gets the relation between 'bigness' and 'affordability' all wrong. The size of healthcare corporations, whether vertically or horizontally integrated, or both, does by itself *lead* to costly and/or unnecessary care. Costly and/or unnecessary care exists

well before the era of 'Big Medicine'. And in other industries some of the largest corporations provide some of the lowest prices (e.g., Walmart).

Sensible Medicine is free of industry influence.

Please consider becoming a free or paid
subscriber.

What sheer size, i.e. 'bigness,' does do is *reveal* what the American healthcare system rewards and how. And what it reveals is an uneven playing field that rewards corporations for getting bigger through regulatory capture regardless of the value they provide to patients. It also reveals a 'game' that by its very design rewards 'players' of any size to steer patients to more costly and/or unnecessary care.

Reducing the size of the players will therefore do nothing to change this uneven playing field and the 'rules of the game' that rewards steering patients to more cost and/or unnecessary care. The only way to really change that is to 'level the playing field' and to change how the 'healthcare game' rewards value. Here are several ways to even out the uneven playing field for buyers and sellers of healthcare.

Level the Playing Field' for the Buyers and Sellers of Healthcare

Buyers: employers receive tax benefits to buy health insurance that individuals lack, and therefore the system caters to them. Employers aren't necessarily bad, they are just not as good as you are as a buyer. And this ties both you to your employer, and ties businesses to providing this benefit.

Here's how to even that out: give to individuals the same tax benefits that employees have to buy health insurance. Such 'tax-equity' would free up individuals to vote with their own dollars if they think their insurance premiums are too high or if they think their healthcare is too integrated (or not enough).

Sellers: big healthcare systems benefit from regulations and exemptions that reward their growth regardless of the value they provide to patients. Here are three big regulations.

1. Certificate of Need (CON) laws give existing healthcare providers a veto on whether to let in new competitors.
2. Facility fees, which large medical facilities can charge to patients and their health insurance on top of their service fee. Moreover, if these healthcare corporations buy up smaller practices, those practices can now also charge a facility fee, even though the nature of the care hasn't changed.
3. Tax exempt status for non-profits, which exempts big healthcare corporations from paying taxes on their revenue and properties.

These three things reward the growth of healthcare corporations regardless of the value they provide to patients and at the expense of healthcare businesses that can take advantage of them.

Here's how to even that out: Eliminate CON laws. Eliminate facility fees. Have stricter and more transparent guidelines for acquiring and maintaining tax-exempt status for nonprofits, such as ensuring that they must provide a specified percentage of Medicare for free or at a much lower cost to the community. More generally, we need to make it easier for *for-profits* to operate in the healthcare market so that there is no longer a market advantage for acquiring or merging with a 'non-profit' health system.

Evening out the playing field for the buyers and sellers of healthcare will go some way to getting rid of the rewards for growing bigger in healthcare through regulatory capture instead of by providing better value for patients. But such reforms can only go so far. We also need to 'change the game'.

Change the Game' Between Providers and Insurers to Provide Real Value to Patients

In *The Price We Pay*, Marty Makary, MD, (and now the FDA commissioner), describes the 'game' that medical providers and health insurers play with each other. Providers charge absurdly high 'list' prices to health insurers, knowing they won't pay that amount. Health insurers never pay the list price, and negotiate a hefty discount for the patient. But the patient always ends up paying. Whether in what remains of their bill or if they have to pay 'nothing', then in higher premiums, or in higher taxes for the subsidies given for employer and government sponsored health insurance to keep down rising premiums.

But what is this game? Makary describes it as a game of forgetting about the patient to make as much money as possible for everyone else. But I don't think that's quite right. Making money is not the issue here. It's about *how* the money is made. Money made in the current healthcare system by providing healthcare regardless of its actual cost and/or whether patients actually need it.

What makes that possible is by having insurance be the primary means for paying for most of healthcare. Having insurance pay for most of healthcare means that patients are not rewarded for shopping for more affordable care, providers are not rewarded for offering more affordable care, and the insurer can just keep increasing premiums since most premiums are subsidized. This is what creates this game where making money in healthcare is separated from providing value to patients, a game that by design rewards the players, whether big or small, for steering patients to unnecessary and/or costly care.

What we need then is to 'change the game' to one where money is made by providing true value to patients. What we need is to break up with this idea of having insurance pay for most of our healthcare. Here are several ways we can reward insurers and providers for providing real value to patients.

1. Expand access to direct payment models for healthcare, such as Direct Primary Care (DPC), which rewards providers for managing *the health* of patients, not for providing as much healthcare as possible, since patients pay for a monthly all-inclusive subscription. State laws should be clarified that direct care models, whether for primary or specialty care, are not insurance. Giving such clarity (in a 'safe harbor law') clears up a major legal ambiguity for expanding this model.
2. Legalize truly catastrophic health insurance plans so that insurers can go back to what they do best, which is insuring patients against the financial risk of very expensive and/or unexpected medical bills. This will reward insurers for reducing premiums, put downward pressure on the most expensive healthcare, and relieve insurers from having to 'manage' most of our healthcare.
3. Expand and lift restrictions on Health Savings Accounts (HSAs) so that every American can save for their healthcare expenses, and so that Americans can vote with those healthcare dollars to *steer to themselves* healthcare businesses that offer care that is both necessary and affordable.

'Breaking up Big Medicine' will not make your healthcare more affordable. 'Big Medicine' reveals an 'uneven playing field' and 'a game' that rewards them regardless of the value they provide or the cost to you and your family. The only way to truly change that is to 'level the playing field' and 'change the game'.

References

Huey-Burns, C. (2026, February 10). Elizabeth Warren and Josh Hawley, bipartisan senate duo, aim to break up "big medicine." *CBS News*. Retrieved from <https://www.cbsnews.com/news/elizabeth-warren-josh-hawley-break-up-big-medicine/>.

Makary, M. (2021). *The price we pay: What broke American Health Care--and how fix it*. Bloomsbury Publishing.