



\$84,000.

Of all the eye-popping numbers I came across while researching why the United States has the most expensive health care system in the world—and why my company, MCS Industries, Inc. has faced double-digit health insurance rate increases year after year—that’s the one that shocked me the most. **Every physician in this country now has to spend \$84,000, on average, just to interact with private health insurance companies.** \$84,000! By comparison, doctors in Canada spend a little more than one-fourth of that interacting with that country’s single-payer system.

My company now has to pay \$1.5 million a year to provide access to health care for our workers and their dependents. When I investigated where all that money goes, I was shocked. I found that the first three cents of every premium dollar goes to the insurance agent who helps MCS select an insurance plan and negotiate rates with our insurer. The next 20 cents goes to the insurance company to help pay for its sales and marketing and other administrative functions, which includes the work of a huge staff that does nothing more than approve or deny care. Another 10 cents (at least) goes to cover what it costs doctors and hospitals to handle the massive amount of paper work and phone time made necessary by my insurance company’s pre-approval demands, denials and other payment issues. **That’s 33 cents of every premium dollar, 33 cents that has nothing to do with the delivery of health care.**

As if that weren’t bad enough, I learned that private insurance companies have not been doing nearly as good a job negotiating with health care providers as they’ve led employers like me to believe. **The truth is that private insurers end up paying 20 percent more for health care services than Medicare,** which, keep in mind, is our government-run program for people much older than the average privately insured American.

These and other startling findings of my research so outraged me that I felt an obligation to share it with other Americans, especially other American CEOs. That’s why I reached out to award-winning filmmakers to produce *Fix It: Healthcare at the Tipping Point*, **which makes a compelling case for scrapping our complex and needlessly expensive multi-payer system for a single-payer.**

I learned as we conducted interviews with some of the nation's leading health policy experts—like Dr. Don Berwick, former administrator of the Center for Medicare and Medicaid Services, and Dr. Theodore Marmor, Professor Emeritus, Public Policy at Yale University—as well as doctors and nurses, other business and government executives and ordinary, hard-working people, that the insurance industry has been selling us a bill of goods for years. I've come to realize that insurers comprise a **completely unnecessary middleman that not only adds little if any value to our health care system, it adds enormous costs to it.** Costs that are passed on to Americans and their employers.

As a consequence of all this waste and inefficiency, our **total spending on health care recently soared above \$3 trillion in 2014, the growth in cost continues.** We spend more on health care than any other country, and we have far less to show for it. **More than 17 percent of our national GDP is now eaten up by health care costs,** far more than any other country. Canadians, by contrast, spend less than 11 percent of their GDP on health care and they have better health outcomes and live longer on average than Americans. And Taiwan, which switched to a single-payer system in 1995, spends just 1.6 percent of its total operating health care budget on administration.

I learned that it's a myth that under a single-payer system, the government takes over the delivery of health care. Not only are hospitals operated privately and doctors are in private practice in Canada and Taiwan, patients in those countries have complete freedom of choice of providers. By contrast, more and more Americans find themselves in health plans that severely restrict their access to providers. If they see a provider "out of network," they may have to pay the full cost out of their own pockets.

We spent a lot of time in Canada interviewing doctors and nurses and even conservative business executives who were completely baffled that Americans tolerate such an inefficient, costly and inequitable system. "I'm a member of the Conservative party of Canada, and we stand for removing waste, being more efficient and finding ways to grow our businesses, said Dann Konkin, president of a Canadian industrial screen printing company in British Columbia. "And one of the greatest ways that we can grow our business is to reduce costs, and that's why we embrace the Canadian healthcare system. What I don't understand is why my fellow conservatives in the United States tend to fight this."

Konkin told us that he decided against opening facility in the U.S. after finding out how much he would have to pay to provide health insurance for his American workforce. "The more we looked at it, the amount of costs that we would have incurred by having our company relocate into the United States just through the insurance coverage costs alone made it a nonstarter," Konkin told us. "If I had to increase my costs by over a million dollars in my company because of insurance coverage costs, that along would probably drive me to bankruptcy."

Several years ago, Michael Grimaldi, then president of General Motors of Canada put it this way: **“Canada’s public healthcare system significantly reduces total labor costs for automobile manufacturing firms.”**

A fellow Pennsylvania business owner—David Steil, who served as a Republican member of the legislature for 16 years—told us this: “Conservatives should be supportive of single-payer because it costs less. When they look at the single-payer model they will come quickly to the conclusion that it is the **least expensive, the most supportive of a free market, and will have the most direct effect on the costs of their operation.**”

I’m confident that after watching *Fix It* and reviewing the accompanying materials, you will come to the same conclusion. It is time we realize we don’t have to tolerate a system—a \$3 trillion system—in which one of three dollars is wasted. A system in which just a few sick employees can take down a company. A system that starves the rest of our economy to the point that we don’t have enough money for our schools and roads.

Please join me and many others in the fight for a simplified, single-payer health care system. A single-system in which one entity that pays the bills. A single-system, in fact, like our original Medicare, but for all ages.

We can’t afford to wait any longer.

Richard Master, CEO

MCS Industries, Inc.