



Since January 2020 Elsevier has created a COVID-19 resource centre with free information in English and Mandarin on the novel coronavirus COVID-19. The COVID-19 resource centre is hosted on Elsevier Connect, the company's public news and information website.

Elsevier hereby grants permission to make all its COVID-19-related research that is available on the COVID-19 resource centre - including this research content - immediately available in PubMed Central and other publicly funded repositories, such as the WHO COVID database with rights for unrestricted research re-use and analyses in any form or by any means with acknowledgement of the original source. These permissions are granted for free by Elsevier for as long as the COVID-19 resource centre remains active.



Schwartzreport

Covid-19 and the documented failure of the American illness profit system – We have to stop treating our doctors, nurses, healthcare workers, and ourselves this way

Stephan A. Schwartz



I can't speak for you, but as I watch day-by-day, the thing that stands out for me is that we are asking a relatively small group of men and women to both save us and put their lives on the line. And yet we are failing them in almost every way. What kind of mental space do you have to be in not to see this? I will never forget the images of ER personnel cutting holes in 50-gallon trashbags and putting them on because they didn't have enough proper PPE gear. The only thing comparable is going into combat knowing you might be killed or crippled in some way that would dominate the rest of your life and doing it anyway. That is real heroism. I think there should be some kind of national recognition, something special.

But because of those images, and that reality, what I want to talk about is the failure of the system that put these people in that position. If you stress a system to its limits, its strengths, but also its faults and weaknesses quickly become very apparent. Every engineer and physician knows that. Can anyone doubt that the healthcare system in the United States has been severely tested? As I have written in these pages over many years now, we do not have what I consider to be a healthcare system, because healthcare is just that. A system for fostering individual and social wellbeing which starts with health. What we call healthcare is actually an illness profit system in which the first priority is profit. It is primarily an economic system. So how has America's illness profit system performed in the pandemic of Covid-19, and treated the physicians, nurses, and other healthcare workers?

I write this in the first week of April 2020, knowing that everything I know about Covid-19 and the numbers that stand for human lives will have radically changed when you read this. So think of this as a report from the trail, as it were. As of today, the 5th, there are over a million cases, 1,203,932 to be exact. There have been 64,787 deaths, and 247,301 recoveries. The U.S. now leads the world with 311,637 cases, and 8,454 deaths. But in truth the numbers will be different by the time I finish this paragraph, and they will be a great deal larger when you read these words. We're number one, that's for sure.

The media endlessly cite the numbers, but I have heard almost no one cite what I think are perhaps the most relevant numbers. With only 4.25% of the world's population the United States as 30% of the world's cases, and 28% of the world's deaths. How is it possible that the richest nation in the world has numbers like

those? Do you need a starker condemnation of America's illness profit system?

So, what have we learned? I don't mean about the disease; if it hadn't been the novel coronavirus, Covid-19, it could have been something else. I mean, what have we learned about how the illness profit system performs when stressed in a major nationwide way. I think history will be very clear that the Trump administration and its departments and agencies have botched the overall management of this crisis about as badly as one could. But for this thought experiment that's a plus, because it allows us to look at the basic naked healthcare system in America. And, instead of the usual political partisan bloviation, let's deal entirely with objectively verifiable data.

The first thing that stands out and is universal and determinant across all aspects of American healthcare, is money and profit; and I don't mean just drugs and insurance, although I will get to them. Instead, let's take the patient's path, and start where patients often start, the emergency room of a local hospital.

To begin with your emergency room may not even be staffed by the hospital. The Association of American Medical Colleges in April 2019 published an exhaustively survey, *The Complexities of Physician Supply and Demand: Projections from 2017 to 2032*.¹ They reported a current shortfall of physicians that within 12 years will grow to between 46,900 and 121,900 physicians. Broken down further that will be between 21,100 to 55,200 primary care doctors by 2032 and a shortage of non-primary care specialties of 24,800 to 65,800, including a deficiency of 14,300 to 23,400 surgical specialists of all kinds.

When it comes to nurses the situation is no better. The American Nurses Association (ANA) estimates that there is a need for an additional 203,700 new RNs each year through 2026 to fill newly created positions and to replace retiring nurses.² Employment opportunities for nurses are projected to grow at a faster rate (15%) than all other occupations from 2016 through 2026.

Now what I find particularly interesting about all this, is that the annual salary of an Emergency Room physician ranges from a low of \$206,17 to a high of \$380,985. The median is \$287,049.³ Emergency room nurses have annual incomes running between \$68,168 to \$84,625.

How is it that jobs that pay this well have such shortfalls? The full answer to that is a story for another essay, but one of the main reasons for both doctors and nurses can be expressed in one word: Burnout.

E-mail address: saschwartz@earthlink.net

Six years ago when the economy, medicine, and society itself were in a much less stressed place, burnout was already a problem. A multi-institution team led by Tait D. Shanafelt of the Mayo Clinic undertook the first nationwide study of Burnout noting, “Despite extensive data about physician burnout, to our knowledge, no national study has evaluated rates of burnout among US physicians, explored differences by specialty, or compared physicians with US workers in other fields.”⁴

What the research showed, and this has been supported by subsequent research, is that the illness profit system was the problem. They reported:

“Of 27,276 physicians who received an invitation to participate, 7288 (26.7%) completed surveys. When assessed using the Maslach Burnout Inventory, 45.8% of physicians reported at least one symptom of burnout. Substantial differences in burnout were observed by specialty, with the highest rates among physicians at the front line of care access (family medicine, general internal medicine, and emergency medicine). Compared with a probability-based sample of 3442 working US adults, physicians were more likely to have symptoms of burnout (37.9% vs 27.8%) and to be dissatisfied with work-life balance (40.2% vs 23.2%) ($P < .001$ for both).”⁵ And since that time, the Burnout Effect has only grown worse

Why do doctors and others in the American illness profit system feel as they do? In January 2020, another Mayo Clinic study answered the question, again with data that cuts through the political arguments; they reported this:

“There were 52.3% of the hospitalists and 54.5% of the outpatient internists affected by burnout ($P=0.86$). High scores on the emotional exhaustion subscale (43.8% vs 48.1%, $P=0.71$) and on the depersonalization subscale (42.3% vs 32.7%, $P=0.17$) were common but similar in frequency in the 2 groups. Hospitalists were more likely to score low on the personal accomplishment subscale (20.3% vs 9.6%, $P=0.04$). There were no differences in symptoms of depression (40.3% for hospitalists vs 40.0% for outpatient internists, $P=0.73$) or recent suicidality (9.2% vs 5.8%, $P=0.15$). Rates of reported recent work-home conflict were similar (48.4% vs 41.3%, $P=0.64$), but hospitalists were more likely to agree that their work schedule leaves enough time for their personal life and family (50.0% vs 42.0%, $P=0.007$).”⁶

It can be boiled down to one simple point: loss of control. The sense of being trapped in a system, where what you might like to do for a patient to foster their recovery and wellbeing will not be possible for some utterly nonmedical reason, and that you have become entrapped in a healthcare system in which profit not wellbeing is the first consideration. It places not just physicians but all healthcare workers morally, and emotionally, in direct contradiction of the Hippocratic ethos that drew them to medicine in the first place.

About a third of the hospitals in the U.S. contract with outside firms to staff their emergency rooms. As with everything else in America it has become monopolistic. There are just two such corporations, Envision Health, which employs 69,000 healthcare workers nationwide, and TeamHealth which employs over 20,000. And the owners of both are not medical institutions but Wall Street financiers. The private equity firm Kravis Kohlberg Roberts (KKR) owns Envision. Team Health is owned by the private equity firm, Blackstone Group. So how is it to be an employee of one of those groups? A recently retired ER physician makes it very clear, “Work environments that are high demand and low control are most likely to lead to burnout. ER docs work for somebody else... They are pretty much at somebody else’s mercy.”⁷

The Covid-19 pandemic has also brought into focus another structural weaknesses of the Illness Profit System. The PPE debacle is matched only by the lethal farce of the ventilators. Because we in the U.S. don’t really have a national health system,

trying to handle a national medical crisis in which hundreds of thousands, and by the time you read this perhaps millions of people come down with the same illness and require the same treatment regime, just blows what little system there is apart. And when there is no federal planning, as is the case with this crisis, everything quickly devolves into every hospital for itself. Neoliberal economics expressed medically. Which is exactly what has happened. There is no overarching plan, there is no coordinated supply network. No preparation occurred. No national effort existed to stockpile and distribute as needed the day-to-day materials an epidemic requires. As anyone can see the United States, the richest country on the planet, cannot even handle something as simple as getting enough protective masks for the hospital workers who risk their lives daily keeping the rest of us alive.

Speaking of not supporting the healthcare heroes, let’s revisit those private equity employers of so much of a hospital’s staff. This is really hard to believe. On 3 April *ProPublica* reported, “The country’s top employers of emergency room doctors are cutting their hours — leaving clinicians with lower earnings and hospitals with less staff in the middle of a pandemic.

“TeamHealth, a major medical staffing company owned by the private-equity giant Blackstone, is reducing hours for ER staff in some places and asking for voluntary furloughs from anesthesiologists, the company confirmed to *ProPublica*. Multiple ER providers working for a main competitor, KKR-owned Envision Healthcare, said their hours also are being cut.”⁸

As *MedPage Today* reported: “In less than 1 month, COVID-19 has made swift, deep cuts in hospital billings. Despite high volumes in the first 2 weeks, March revenue plunged by \$16 million at Sarasota Memorial. Surgery cases fell by more than 50%, and volumes dropped by 45% at two emergency care centers and by 66% at seven urgent care centers.

Squeezed by plummeting income and climbing COVID-19 expenses, hospitals and health systems are bracing themselves for system-wide disruption by announcing temporary layoffs, reassignments, and pay cuts.”⁹

And nowhere is this more an issue than in rural hospitals spread across America. It isn’t just the staff cuts, however. It is the collapse of entire rural hospitals because they aren’t profitable enough. If you live in some parts of the center of the country and you are a pregnant woman, and your water breaks at 2 a.m. as it so often does, you may deliver your baby in your truck on the side of a country road because the nearest hospital is so far away you can’t make it. Rural hospitals are disappearing like the bees. As I write this, Covid-19 is just beginning to leave the coasts and move inland in a big way. If that happens another failure of the illness profit system will come into focus; it has already started.

David Mosley and Daniel DeBehnke, both of the Navigant think tank, in 2019 assembled the relevant data, and this is what they reported, “...an analysis of the financial viability (total operating margin, days cash on hand, and debt-to-capitalization ratio) of rural hospitals nationwide shows 21% or 430 hospitals across 43 states are at high risk of closing unless their financial situations improve. These hospitals represent 21,547 staffed beds, 707,000 annual discharges, 150,000 employees, and \$21.2 billion total patient revenue.”¹⁰

At the same time, as critical life-saving staff is being cut back because the illness profit system is basically about profit, and costs are soaring, reports are coming in from all over the country of rampant profiteering. States have to bid against other states and the federal government to get desperately needed supplies, and this is not small time grift. Then there are the members of Congress who use private briefings to make investment sales or purchases as the market is impacted by the coronavirus.

Then there are the rightwing media hucksters like Alex Jones telling listeners he is selling a toothpaste that will protect them from the coronavirus. “I’m just going to tell you that for just your daily life and your gums and your teeth for regular viruses and bacteria, the patented nanosilver we have, the Pentagon has come out and documented and Homeland Security has said this stuff kills the whole SARS-corona family at point blank range.”¹¹

Jones’s claims became so blatant that on 9 April the FDA sent him a warning letter telling him, “This is to advise you that the United States Food and Drug Administration (FDA) and the Federal Trade Commission (FTC) reviewed your website at the Internet address www.infowarsstore.com on March 26, 2020 and April 6, 2020, respectively. We also reviewed your websites at the Internet addresses www.infowars.com and www.banned.video, where you direct consumers to your website, www.infowarsstore.com, to purchase your products. The FDA has determined that your www.infowarsstore.com website offers “Superblue Silver Immune Gargle,” “SuperSilver Whitening Toothpaste,” “SuperSilver Wound Dressing Gel” and “Superblue Fluoride Free Toothpaste” for sale in the United States and that these products are intended to mitigate, prevent, treat, diagnose, or cure COVID-19... You must immediately cease making all such claims. Violations of the FTC Act may result in legal action seeking a Federal District Court injunction. ...”¹²

But Jones is small potatoes compared to what is going on in the pharmaceutical industry. Because the industry through what amounts to legalized bribes, as the result of Citizens United, has enormous influence in the United States Congress, America lacks the basic price controls that are in effect in most other developed nations. How big is this lobbying effort? The investigative website, *The Intercept*, studied this issue, and reported, “In 2019, the pharmaceutical industry spent \$295 million on lobbying, far more than any other sector in the U.S. That’s almost twice as much as the next biggest spender — the electronics, manufacturing, and equipment sector — and well more than double what oil and gas companies spent on lobbying.”¹³

Posner, who has spent years studying this issue, reported, “Pharmaceutical companies view Covid-19 as a once-in-a-lifetime business opportunity... Those lobbyists deserve a medal from their pharma clients because they killed that intellectual property provision.” Posner added that language inserted into legislation that prohibited the government from responding to price gouging was even worse. “To allow them to have this power during a pandemic is outrageous.”¹⁴

And finally, let me mention insurance. Once again, because the entire U.S. healthcare system is set up as an economic machine to make profit, studies are now coming out projecting an increase in insurance premiums by as much as 40%. That’s right, almost half again more than what people are paying so that the insurance corporations can recoup what the Covid-19 pandemic is costing them. According to Covered California, the state’s marketplace analysts, “expects that this year’s care associated with the virus will cost between \$34 billion and \$251 billion, or between 2% of premiums and 21% of premiums. The analysis estimates that insurers would price the costs at double the rate into their 2021 premiums, projecting increases that range from as little as 4% to more than 40% for the 170 million workers and individuals who have private plans.”¹⁵

Peter V. Lee, the executive director of the marketplace. He views could hardly be clearer: “Covered California’s analysis shows the impact of COVID-19 will be significant, and that absent federal action, consumers, employers and our entire health care system may be facing unforeseen costs that could exceed \$251 billion. Consumers will feel these costs through higher out-of-pocket expenses and premiums, as well as the potential of employers dropping coverage or shifting more costs to

employees.”¹⁶ So this means that even when the pandemic is over, it isn’t going to be over, and hundreds of millions of Americans are going to see their monthly expenses soar. And once premiums go up, they rarely come down.

As I said when I started, when you stress a system its flaws and failures become prominently noticeable. So somewhere on the trail that will be the epoch of Covid-19, what do we see? Overstressed and insufficient staff. Inadequate equipment and protective gear. Failing institutions inappropriately scattered across the country. No real national coordination system and rampant profiteering.

We need to get our priorities straight. HIV (1981), SARS (2003), Ebola (2014), and now Covid-19 should be seen as a constantly ringing alarm. As the damage we have done to the environment becomes worse and worse, as is happening, and the environment changes, viruses and bacteria are going to mutate to accommodate to their new circumstances. The novel coronavirus is not the last pandemic.

How many people have to die? How much social damage needs to happen before we realize that fostering wellbeing is, and must be, the first and main priority. And that is best handled by a universal birthright, single-payer system, with resources distributed not on the basis of profit, but equitably across the country with the purpose of fostering individual and social wellbeing. Universal birthright health care is not only best for the individual, it is best for society. And it is also the cheapest option by orders of magnitude. When you hear someone advocate for an illness profit system, in whatever form, telling you “we can’t afford single payer,” you should suspect their income is in some way linked to the present system, or they are willfully ignorant. Ten minutes on Google can teach you all you need to know.

The question is: As Americans sit in self-isolation, unemployed, millions without employer linked healthcare, stressed about contracting an illness they did not even know existed less than a year ago, without enough money to pay their rent or mortgage, watching millions of other Americans sicken and die will this pain, this suffering be enough to change the consciousness of enough people that the illness profit system is replaced by something fostering wellbeing? It is up to each of us to answer that question.

REFERENCES

- Dall T, et al. 2019 Update The Complexities of Physician Supply and Demand: Projections from 2017 to 2032, Association of Medical Colleges; April 2019. https://www.aamc.org/system/files/c/2/31-2019_update_-_the_complexities_of_physician_supply_and_demand_-_projections_from_2017-2032.pdf. Accessed 5 April 2020.
- Aiken LH, Cheung RB, Olds DM. Education policy initiatives to address the nurse shortage in the United States. *Health Aff (Millwood)*. 2009 Jul-Aug;28(4):w646-w656.
- Physician - Emergency Room Salary in the United States. <https://www.salary.com/research/salary/benchmark/er-doctor-salary>. Accessed: 6 April 2020.
- Shanafelt T, Boone S, Tan L. Burnout and Satisfaction With Work-Life Balance Among US Physicians Relative to the General US Population. *Arch Intern Med*. 2012;172(18):1377-1385. <https://doi.org/10.1001/archinternmed.2012.3199>.
- Ibid.
- Roberts, D, Shanafelt T, Dyrbye L, West CA national comparison of burnout and work-life balance among internal medicine hospitalists and outpatient general internists. <https://doi.org/10.1002/jhm.2146>. Accessed: 8 April 2020.
- Moore J. Burnout: Emergency Medicine Hit Hardest. *MedPage Today*. 29 November 2015. <https://www.medpagetoday.com/emergencymedicine/emergencymedicine/54916>. Accessed: 5 April 2020.
- Arnsdorf I. Overwhelmed Hospitals Face a New Crisis: staffing Firms Are Cutting Their Doctors' Hours and Pay. *ProPublica*. 2020. April 3, 6:23 p.m. EDT; <https://www.propublica.org/article/overwhelmed-hospitals-face-a-new-crisis-staffing-firms-are-cutting-their-doctors-hours-and-pay>. Accessed: 9 April 2020.
- George J. Pay Cuts, Furloughs, Redeployment for Doctors and Hospital Staff. *MedPage Today*. 7 April 2020. <https://www.medpagetoday.com/infectiousdisease/covid19/85827>. Accessed: 9 April 2020.
- Mosely D, DeBehnke D. RURAL HOSPITAL SUSTAINABILITY: New Analysis Shows Worsening Situation for Rural Hospitals. *Residents*. February 2019. <https://guide-house.com/-/media/www/site/insights/healthcare/2019/navigant-rural-hospital-analysis-22019.pdf>. Accessed 9 April 2020.
- Alex Jones. *Infowars.com*. 10 March 2020.

- 12 Unapproved and Misbranded Products Related to Coronavirus Disease 2019 (COVID-19). Warning letter to Alexander E. Jones from the Center for Drug Evaluation and Research. 9 April 2020. <https://www.fda.gov/inspections-compliance-enforcement-and-criminal-investigations/warning-letters/free-speech-systems-llc-dba-infowarscom-605802-04092020>. Accessed: 9 April 2020.
- 13 Lerner S. Big Pharma Prepares to Profit from the Coronavirus. 13 March 2020 11:46 a.m. <https://theintercept.com/2020/03/13/big-pharma-drug-pricing-coronavirus-profits>. Accessed: 7 April 2020.
- 14 Ibid.
- 15 Derysh I. Health care insurers expected to raise premiums by as much as 40% to recoup coronavirus losses. *Salon*. APRIL 5, 2020;2:00. PM (UTC). Accessed: 10 April 2020.
- 16 The Potential National Health Cost Impacts to Consumers, Employers and Insurers Due to the Coronavirus (COVID-19). Covered California. March 22, 2020 <https://hbex.coveredca.com/data-research/library/COVID-19-NationalCost-Impacts03-21-20.pdf>. Accessed: 10 April 2020.