

## **David Goldhill, The Catastrophic Care Approach to Healthcare Delivery**

*Transcription By Isaiah Mudge*

The problems I've been looking at in healthcare are in great part, frankly, intellectual. Which is, we have this view of healthcare that it is fundamentally different than everything else, and in some ways that's right. Healthcare is one of the small handful of services for which we have a direct safety net. It's something where intervention in markets has been assumed to be the correct policy for a very, very long time. It is something with [certain] unique characteristics obviously. There's not much you can do being a customer when you're unconscious and you have something that's a genuine emergency. Many people are born with things that will assure that their entire lives are unhealthy lives. Societies have tried to address that in a variety of ways. But one of the things that's most interesting to me is that the debates about healthcare fundamentally have not changed since the mid twentieth century. That's fascinating if you think about it, because everything else has.

We had a debate about how healthcare should be properly financed and governed ad addressnaha(04(a) hT

knowledge that the seller had, meant relying on normal consumer markets in healthcare was impossible.

argue that it is technology that has pushed up the cost of care, sometimes I think is intended to be irony, but it's not. One of the key arguments that Arrow made and a key part of the conventional wisdom, is that patients can't possibly have enough knowledge to be medical consumers. What's interesting about that is again that pre-internet understanding. Any doctor will tell you that the average patient shows up with the diagnosis that they've come up with online, and a variety of treatments. And for most doctors that's annoying because the patient's often wrong, but it doesn't matter. It's completely changed. And what's more important, even if you get away from patients [trying to be] their own doctors and trying to tell doctors how to be doctors, [is] the nature of care has changed. We went from a sort of auto-mechanic idea of change—you had a heart attack we need to fix you—to chronic care. Even for cancer now, almost invariably a patient has to make a choice as to the type of treatment, and a doctor is an advisor as to

[I] was running a 500-person entertainment business in the U.S. And I looked at what somebody starting with us would contribute to the healthcare system over her lifetime. Now I should warn you, these numbers I first calculated in 2009, so they're out of date. But at the time if you looked at a young woman starting to work at say

you also see an extraordinary problem of overtreatment. You see massive amounts of uncoordinated care. The statistics on just the number of seniors who are taking contraindicated drugs is extraordinary. You see an enormous amount of accidental death and death from error. You see literally no governance of the system. All the time I hear from supporters of Medicare For All that Medicare is really cheap to run. I've never been, until recently, in the healthcare

technology, customer service—the type of information a consumer's going to need to make the

sesame for people who were either uninsured or high deductible and had figured it out. What I mean by figured it out is that in any given year around 15% of American families bust through

When I had my second child, I was uninsured. I walked into a hospital; I negotiated a deal. In a price transparent noncompetitive world, I'm not sure that deal is available. A lot of what we do on Sesame is those deals. It's a hospital chain that is losing out to the big merge



