

# People Are Raising \$650 Million On GoFundMe Each Year to Attack Rising Healthcare Costs



The United States healthcare system continues to run amok – costs are three times the average of other nations and except for serious diseases or bad accidents, the care we receive is subpar compared to most other countries. To add insult to injury, we use more healthcare than any other nation because the incentives are aligned to deliver the most care, not the best care. This leaves people with tremendous healthcare bills they often can't afford. How do we fix this?

People are hit financially in a number of areas when they develop a serious illness. More and more, yearly deductibles are in the \$10,000 range. If a person has the misfortune of not getting care through their insurance company's network, the cost can be significantly higher. The loss of employment also hits hard for both the patient and any caregivers. And the incidental expenses add up – wound care supplies, transportation, and special diets are just a few. These costs can wipe out any savings. People often skimp on the appropriate care to save money or because they don't have the resources in the first place.

How are people making up the shortfall? A recent story by Mark Zdechlik for Minnesota Public Radio shared stories about the use of GoFundMe to raise money for those facing large medical bills. One in three campaigns through GoFundMe are for medical costs and the GoFundMe site states they are the leader in online medical fundraising. There are over 250,000 medical campaigns per year raising \$650 million each year. This is sad and insane. I've written about this before – charity is not the answer to funding our healthcare needs. We need to fix the healthcare system and how we pay for healthcare.

A number of the GoFundMe campaigns are for people who do not have health insurance. Since health insurance is now guaranteed issue, should we fund people who did not fulfill their responsibility to obtain coverage?

Alas, for many people, health insurance is no longer affordable. In 2018, the average silver based plan for a 40 year old is close to \$6,000 yearly and the average deductible is about \$4,000.

For older individuals, the cost is much higher. Individuals making just one dollar over \$48,560 do not qualify for premium tax credits that bring down the cost of insurance. If insurance and deductibles are \$10,000 per year, that equates to about 17% for someone with the estimated median household income of \$59,000. After housing, food, and transportation, the average household cannot afford to shell out that much money for medical care.

The answer to this issue is we need to fix the healthcare system. There are many solutions that can lower healthcare costs.

- We spend 10% to 20% more in overhead than other countries. This equates to at least \$300 billion per year in useless spending. costs. Implementation of a single billing system would fix this.
- Fee for service payment needs drastic overhaul. Payment should be based on how well care is delivered instead of how much care is delivered.
- Electronic medical records have killed efficiency. We need one electronic medical record built around patient care instead of billing.
- Primary care needs to be removed from insurance and provided directly without an insurance middleman adding to the cost. Insurance is meant to cover high cost and rare events. Primary care is not insurable. Primary care could be provided as a public service just with the money we save in overhead.

A switch to Medicare for All wouldn't necessarily solve these problems and the public is tired of the arguments about how to pay for our healthcare system. A wise politician would change the conversation and talk about how they are going to fix the system first. An overhaul of primary care, implementation of a nationalized electronic medical record, or introduction of a single billing system would go a long way toward regaining trust before we take up the fight of free market versus Medicare for All versus the Affordable Care Act yet again.

The bottom line – GoFundMe is plugging a hole, and that \$650 million a year people are giving to support those with healthcare needs could go to so many other worthwhile causes. If donors reached out to politicians at the same time they hit the “GoFundMe” donation button, we might get the fix we need.