

## Let's Raise the Level of Discourse Around Health Insurance

*Author: Justin Hornburg*

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In the wake of last year's killing of Brian Thompson, UnitedHealthcare's CEO, there has been an increased amount of public discourse around health insurance and health insurers in the U.S. (Full disclosure: I have worked in insurance and currently have a client base of insurers, although I do not work in health insurance per se.) Much of this discourse is not fact-based but instead driven by personal anecdotes, sentimentality, and a refusal to engage with the realities of how insurance—and, indeed, how all economic systems—must function.

At the heart of this debate lies an unchallenged assumption: that insurance companies exist to pay for unlimited care to all, at all times, without concern for cost. This is not how insurance works. This is not how any rational system of resource allocation works. Insurance (including self-funded employer-provided coverage) is a contract, an agreement to spread risk and costs in a sustainable way. It is not, and was never meant to be, a limitless well of funding. Marty Makary, MD, of Johns Hopkins, argues in *The Price We Pay* (Chapter 1) that some medical treatments are unnecessary—and at times, even harmful. Insurance companies play an important role in, yes, denying to pay for such “care” to keep costs more reasonable for everyone.

Yet in the discussion surrounding Thompson's murder, insurers are cast as villains, while doctors and hospitals are portrayed as infallible. The implication? If not for these “heartless” insurance companies, our healthcare system would function perfectly. This is an argument borne of evasion, of an unwillingness to acknowledge that medicine, like every other field, must contend with scarcity, trade-offs, and rational decision-making.

A recent article, like so many others, follows a familiar pattern: a doctor seeks approval for a procedure, UnitedHealthcare denies it, the patient later dies, and the insurer is framed as the villain. But questions that are not asked are just as important as the facts presented:

Why was the procedure denied? What criteria were used?

Did the hospital have the ability to perform the procedure regardless, absorbing the cost or seeking alternative funding?

Did the doctors exhaust all options, or did they allow a bureaucratic decision to dictate a life-or-death outcome?

The omission of these questions is not accidental. They would complicate the simplistic morality play the public is being asked to accept—that insurers are the only obstacle

between patients and life-saving care, while doctors and hospitals are cast as powerless bystanders. This is an evasion of reality.

I would also like to see a greater contribution to this debate from my own profession—the actuarial community. Actuaries are the architects of insurance systems, the ones who define and quantify risk and understand how and why insurance companies work. The insurance industry is being attacked on a fundamental level by those with a limited understanding of the facts and how the insurance industry works.

Insurance companies are not perfect, and there are hard questions that should be asked about our healthcare system. However, they should be answered by one who has experience in the industry vs. someone from the media who does not have a full understanding of insurance and what goes into the decision process. If we want a better system, we must start by demanding a better conversation—one rooted in facts, in economic reality, and in a willingness to acknowledge that trade-offs are unavoidable.

The level of discourse around health insurance is unacceptably low. It's time to raise it, and I encourage my fellow actuaries to join the debate.

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