Making a profit isn't enough for Wall St.: You are going to have to pay with your money (and maybe your life!)

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Wendell Potter, in his "Health Care Un-Covered" substack, recently (Aug 6, 2025) reports that 'As Americans Struggled, Health Insurers Made a Record-Breaking $71.3 Billion in Profits. In 2024, seven big insurers posted $71.3 billion in profits and paid their CEOs more than $146 million.' There are several things being said in that sentence. First is that health insurance companies made a lot of profit. Second is that some people, specifically health insurance CEOs, are doing very well, thank you. Third is the assumption that Americans are struggling, presumably with their health insurance and healthcare. Let's think about each of these.

These health insurance companies, per the chart that Potter includes, made $71.3B in profits. That seems like a lot to me. For most, it's also more than the prior year. But not for all. Note that Humana made 33% less than in 2023, a mere $2.7B.

Fortunately, that was enough to continue to pay its CEO over $15M.

At least UnitedHealth, the largest health insurer, is doing fine, right? It increased its profits 6% over the year before, and its CEO Andrew Witty (head of UnitedHealth Group, not to be confused with the assassinated Brian Thompson, CEO of UnitedHealthCare, who worked for him), is the highest-paid health insurance CEO at $26.3M, so I guess he deserves it because the company is doing so well. That shows that I (and possibly you) are not expert in the ways of Wall St. investors. It wasn't enough for them. Just two days earlier, on Aug 4, Potter posted 'Inside the Midyear Panic at UnitedHealth'. It makes fascinating reading, although the lessons learned by an MBA student may be different from those learned by, say, a regular person needing healthcare. As far as Wall St. is concerned, it is not enough to stay profitable; corporate profits need to continually go up so that these investors can meet their expectations for their *own* profit. It is important to understand that, as much as health insurance companies can be seen to be greedy parasites who produce nothing but obstruction and cost for those providing and receiving healthcare which they sell as producing "value", private investors are a meta-level worse. They don't even pretend to produce anything; they are, as an old family friend liked

Company	CEO	2024 Compensation
UnitedHealth	Andrew Witty	$26.3M
CVS/Aetna	David Joyner	$17.8M
Cigna	David Cordani	$23.3M
Elevance	Gail Boudreaux	$20.5M
Humana	Jim Rechtin	$15.6M
Centene	Sarah London	$20.6M
Molina	Joseph Zubretsky	$22.0M
	Total:	**$146.1M**

Company	2023 Revenue	2024 Revenue	Change	2023 Profit	2024 Profit	Change
UnitedHealth	$371.6B	$400.5B	8%	$32.4B	$34.4B	6%
CVS/Aetna	$357.8B	$372.8B	4%	$13.7B	$12.0B	-12%
Cigna	$195.3B	$247.1B	27%	$7.4B	$7.4B	0%
Elevance	$171.3B	$175.2B	2%	$8.7B	$9.3B	7%
Humana	$106.4B	$117.8B	11%	$4.0B	$2.7B	-33%
Centene	$154.0B	$163.1B	6%	$2.9B	$3.8B	31%
Molina	$34.1B	$40.7B	19%	$1.6B	$1.7B	6%

to say, "in money". They invest and expect money back, more money all the time, and don't care much about how the companies they invest in get it.

Nearly 500 years ago, Shakespeare wrote the "Merchant of Venice", an excellent but anti-Semitic play about a greedy Jewish moneylender named Shylock.* Shylock has been widely decried for centuries for demanding a pound of flesh as repayment for the loan (how horrible!) But, by today's standards, particularly in health insurance, he'd be a piker. While a lot of people, including me, could afford to lose a pound (or 20) of flesh, the health insurance companies are being spurred on by their investors (along with their own lack of values), are doing much worse. The actions that they are taking to ensure Wall St. investors make what they believe to be sufficient ROI will end up *killing* people. Antonio should have been happy to give up his pound of flesh!

Of course, the financial investors in health insurance companies are not gauche enough to literally demand the killing of their clients. But they did demand changes that will undoubtedly have that result. While UnitedHealth saw an 8% increase in their Medicare Advantage plans, which they generally like because these plans allow them to do what they do with regular insurance, obstruct access, they still had to pay more out in medical claims than the shareholders were happy about. As Potter says, *"Those seniors figured out how to get at least some care despite the company's high barriers to care (aggressive use of prior authorization, "narrow" networks of providers, etc.)."* Sounds good if you're a patient, but if you're an investor, it's horrific. Remember what the insurance industry calls the percent of the premiums that they collect which they actually have to pay for medical care? The "medical loss ratio"! They *hate* it when they make less profit because they are paying for your care! Yes, UnitedHealth made *$14.3 billion in profits* during the second quarter, but it was less than the $15.8 billion they made in the second quarter of 2024, so something had to be done!

Potter describes what UnitedHealth promised its investors they would do:

- *Dump 600,000 or so enrollees who might need care next year* [after all it is much more profitable to collect premiums on people who *won't* need care]
- *Raise premiums "in the double digits" – way above the "medical trend" that PriceWaterhouseCoopers predicts to be 8.5% (high but not double-digit high)* [ie., you, the customer, pay more for less]
- *Boot more providers it doesn't already own out of network* [when they work for you, money you pay them goes back to yourself!]
- *Reduce benefits* [of course]

Yup, these changes most definitely *will kill people.*

Most insurance involves has you betting against yourself; you pay premiums to protect you if something happens that you do not want (or expect) to happen, but might. You have homeowner's insurance, but you hope your house doesn't burn down. You have auto insurance, but you hope you are not in a car accident. Originally, health insurance followed the same idea; it was not intended to pay for routine care, but to protect you if you had to be hospitalized and or have surgery for something you didn't expect. But then it began covering (or hopefully covering) regular medical care, visits, treatments, and drugs. It was paying for what you wanted – regular care, not unexpected and unanticipated "major medical" care. This is different from what insurance usually is. Actually, though, insurance companies preferred as it is predictable and relatively low cost. With Medicare Advantage plans, for example, they take money from Medicare to cover seniors who are happy to have coverage for prevention, doctor visits, drugs, and even gym membership without having to pay separately for a Part D plan, a Medicare Supplement plan (to cover the 20% of hospital costs Medicare Part A doesn't pay for), etc.

When those people get sick, however, they want their bills paid, and not infrequently United and the others were denying it. But as Potter points out, not often enough to please their investors. People were sometimes, increasingly, getting their bills paid – indeed CMS, the Center for Medicare and Medicaid Services, was requiring that they be paid. That is what infuriated investors – all that money going to pay for medical care rather than profit and shareholder dividends! So, they will reduce benefits, increase premiums, further limit the doctors you can see and hospitals you can use, and make being sick more unpleasant than it already is. Tough luck.

But that's what you get when you have a "healthcare" system that exists primarily to make profit, not to provide healthcare. When you live in the United States. Why do we put up with this?

* Jews were moneylenders because it was an area open to them; in those quaint days Christians actually thought they had to abide on the Biblical prohibition on earning interest from lending money. It's complicated; most of the prohibitions are actually in the Old Testament, but this was often interpreted as not lending money to other Jews; Christians were OK. Of course, they were presumably lending to other Jews when New Testament describes Jesus turning over the tables of the moneylenders in the Temple, saying per Matthew 5:42 'Give to the one who asks you, and do not turn away from the one who wants to borrow from you'. Anyway, both Jews and Christians lend money – "invest" – now.