Wait Till It's Free
Guest: Colin Gunn
October 1, 2014

Colin Gunn is a documentary filmmaker.

WOODS: I had numerous people write to me, well, including you yourself, saying that I should look at this documentary of yours and then consider having you on the program, so I did. It's called *Wait Till It's Free*. I don't want to steal your thunder here, so you tell people: what are you talking about? Wait till what's free? And why?

GUNN: Well, we're warning people about the danger of the word "free." You know everyone likes it. I am a Scotsman. Free is one of our favorite words. But the problem with free is it actually comes at another cost, and there's a considerable issue in relation to health care, which is the subject of our movie. If you want free health care, well, that's an interesting notion, but it comes at a considerable cost to you, and of course, when we look at socialized medicine across the world, particularly in my homeland of Scotland, you realize the true cost of what free is when you have a government-controlled healthcare system. The problem that comes from that are so catastrophic that that's what we're trying to warn people about. It was not trying to push towards free health care. It's an illusion anyway. We like the feeling of it, but it just doesn't exist. The costs are just too high.

So that's what our film is about. We're warning people about socialized medicine, but we're also highly critical of what's going on in this country. In this country, we've actually got something that's almost worse than socialized medicine. We have a crony capitalist system, which is a combination of bad, socialist ideas, but this form of cartelization of the hospital industry, insurance industry, and big pharma; we have a disaster here. So we're pointing out that the true solution is medical liberty. And that is the purpose of our film, to show that there is this option that is actually very exciting to me and many of the people in our film that talk about the issue of socialized medicine. There's this solution to this problem. So that sums up, I think, the idea of what our film is about.

WOODS: You can find a lot of articles online talking about free-market medicine, but I would say that your film is vastly more effective in conveying these ideas because they put human

faces on the problem. At the very beginning of the film you meet real, ordinary people, and you hear about their health difficulties, and then you see the staggering figures they're expected to pay in terms of medical bills. You get real faces, and then you talk to real doctors, real medical professionals, who talk about the real problems that they face as well. This is so much more effective than anything I have ever written on this subject. I cannot emphasize enough how valuable this is, because this can actually get people thinking the right way. It seems too abstract and too neat and tidy when we write free-market articles about medical care, but the way you've done it—I just can't say enough about it. First of all, do you have a website for it?

GUNN: Yeah, you can go to wtifree.com, and you can get the film there, but you can also go to ColinGunn.com, which is my personal website, and we have the film available there in DVD format, and you can also get our other films, because I've been making movies for about 10 years now. We've covered education and many other topics, and what you said is really our goal with—why we make documentaries, and we believe that people respond to stories. They are driven by stories. When you see someone state something, and you see the reality of it, and you see the problems of the doctors in the film—what we're trying to do is engender the sympathy for real problems that we talk in the abstract, and then we'll still be talking just political punditry, and we don't have any of that in our film. We're just pointing people towards the reality of the stories about health care and then give them real solutions, and so I think documentaries are excellent in that way of just convincing people these stories really matter. It is not about politics, and we honestly don't see many political solutions other than just limiting the power or stopping the intrusion of government into the healthcare sphere. So I hope our film helps people at least in that way to get motivated by real, true-life stories.

WOODS: Well, you made a good point right at the beginning that a lot of people seem to think that we have two choices really. We have either the kinds of systems that we see in Europe or we have the existing system today. I suppose Obamacare is a way station between the two, but that's really what we're choosing from. But your point in the film is that in this discussion there is a very, very important option that is simply being left out.

GUNN: Yeah. We talked to Dr. Keith Smith in Oklahoma who I know you know about; you talked about him on your show. I am a huge fan of Keith Smith. He has in the film a great line where he just says, I just decided one day that I just simply wasn't going to work with the government anymore. And that's a form of personal secession, which being Scottish I love the idea of secession.

WOODS: I should have had you on for that. Why didn't I think of that? I should have had you. All right, look, when that comes up again, I want you to understand you are officially lined up as my guest.

GUNN: Well, I'm happy to do that, but what we're talking about—I encouraged my Scots brothers: look, you didn't get secession, but don't worry. You can personally secede from most things anyway. We've done it with homeschooling where we said, oh, your public school

systems are bad, and we're not even going to waste our time trying to reform them. They are that bad. We're just going to homeschool. We're just going to leave, and we're going to go to private schools or homeschool, and there's a health-care situation that's like that, too, where the doctors are just like, I'm not going to work with them. I'm not going to take third-party pay because the insurance companies are a mess. I'm not going to work with the government. I am going to do my own thing. And there's a patient equivalent of that as well, where we decide I don't want to buy into insurance policies that fund things I don't like. I don't want to be working with the government controlling or knowing about me. I am just going to go this other way and personally secede and do my own thing. But I am going to take a lot of personal responsibility in that. I am going to be responsible for my family. I am going to be responsible for the poor voluntarily in some circumstances, and that's this great thing that we have in America, and this is why I like being in America is that we still have a lot of liberty to do those things.

WOODS: Let me raise with you an objection that I raised with another guest. I think it was the fellow who runs The Self-Pay Patient blog. For the sake of devil's advocate here, let's recall in March of this year, 2014, we had our fifth daughter, and she had to be in neo-natal intensive care for, I think, an 11-day period, and my wife and I were convinced this was overkill. This is clearly some regulatory requirement or something. It made no sense. They said, well, she has to flourish. She has to be fed successfully a certain number of times. We assured them this would happen far more successfully in our home, which indeed it did. Events have since proven us 1,000 times right. That's not the point. The point is, we got the bill later, and the bill came to $42,000. Now the insurance took off—they have agreements with the hospitals, and they get reduced rates, and then they kick in their own subsidy and everything. They got it down to about $3,000. We wound up paying about $3,000 out of pocket. But no matter what kind of cost-sharing mechanism you have or being just a very informed self-pay patient, how would you possibly be able to handle a bill of such staggering scope?

GUNN: Well, in the film we talk about the issue of the high bills first. So we have the commentator, Stephen Brill, who wrote the wonderful article "Bitter Pill" in *Time* magazine, and he talked about the first question is not who pays, which is often the big issue politically. He talks about why are the bills so high in the first place, and when we're talking about the actual cost of health care, what he finds is that a lot of the time the costs are massively inflated, and so those artificial numbers of $40,000 or $100,000 or $300,000. Those numbers are completely fabricated, and there's incentives within the hospital insurance industry to make those as high as possible. The hospital industry actually benefits from the difference between what is actually paid and the high price of the bills that they send out to people that they know can't pay, and the government picks up the difference. The hospital industry benefits, too, in that they get a percentage of the mark between the artificially high, inflated number and what they actually get paid. So this crazy system that we've developed, which is a third party, and then we're not completely objecting: a third party can obviously exist in the free market, and there's multiple avenues for that. I like the idea of self-pay and cost-sharing ministries that I'm involved in. I

think that's the best example that I have found within the free market. Insurance isn't excluded from a free-market option, but the problem is that the insurance industry as it stands isn't really a true free-market system that is set up with a true evaluation of risk. The insurance industry is essentially broken in a lot of ways, and the problem with buying insurance as it stands is you're often paying for a lot of things you don't want or will ever need. One of the things is that insurance companies are mandated, especially under Obamacare, to cover this that and the next thing, and you're really not pricing appropriately a free-market insurance industry. So there's reasons why those big bills exist, and people have to have a lot of wisdom in how they go around making sure that they're covered essentially for these large bills. But the reason those big bills are there in the first place is because of the way we've decided to pay for health care, and that's somewhat a premise of the film—how you pay for healthcare has everything to do with the type of service that you receive. So if you go the insurance route, well, that actually has consequences, and I think we cover a few of those ideas in the film.

WOODS: Well, how did we get on this wrong path to start with? Where did the American health-care system go wrong? Because obviously something has gone wrong.

GUNN: Well, we like to make it clear that things didn't get bad with Obamacare. To political pundits, that's the disaster that's happened, and that's just, in my mind, the doubling down on all of the terrible ideas that we've had for 100 years. So everything that's gone bad in health care has been a progression of bad decisions starting from the beginning of licensing of professionals that excluded many people from the health-care realm and created an artificial shortage of people that supply a medical service, and then we progressed into collectivism through the New Deal, and then we started to push employer insurance. That sort of became the standard after the wage freeze during the Second World War. Companies weren't allowed to raise wages, so they started using incentives, including employee coverage. That ended up with tax benefits, which resulted in it being the standard for most people, so you ended up with a weird circumstance where people would walk in jobs and couldn't get insurance unless they got a job with insurance, and that's being a sort of a mark of the American system for so long, and then of course, we had Medicare and Medicaid, and then we had a bunch of other bad decisions—HIPAA and PALA, and all these crazy ideas have come along. And of course, each politician has progressively seen the system is broken, and we are going to fix it, and that's what they've all said for the last 50 years. And we're today with this gigantic mess, and it's discouraging in one way, but as I said in the film, there's an exit strategy that we're trying to encourage so that personal responsibility—letting capitalism work in our country, which it can do. Doctors finding medical liberty. So that's the story we're telling in the film, where we have whole timeline of health care and what the intrusions have been and the consequence that those intrusions have had for the patient. One of the points of the film is, whatever you do to the doctor with all of these regulations you do to the patients. So when I started this movie, I thought this was a patient story because that sort of engenders the most empathy, and if you watch Michael Moore's *Sicko*, it's mainly about the patient, but I realized this is a doctor story

as well, and we have to grant liberty to the doctor for the sake of the patient, too. So that is what we're trying to communicate in this film.

WOODS: I've had on this show Dale Bellis from Liberty HealthShare, and he's running one of these health-share ministries in which people are technically, and for regulatory purposes, not getting an insurance policy, but nevertheless, they feel as if they are, we might say, covered. Describe for us what these kinds of institutions are doing for people, because you do spend a little time in the film talking about this as one of the potential ways out, even in the age of Obamacare, when we feel as if government involvement is getting greater and greater, and the avenues for opting out are getting narrower and narrower. This is an option.

GUNN: Well, it's exciting to see this, and it's one of the only good things about Obamacare: the exemption given to cost-sharing ministries, effectively. But other people are using that exemption for the purpose of providing a way to pay for health needs without using the insurance model. It's a very interesting scenario for me because personally that's what I use, and what it does is it, at least in the group that I am a member of, Samaritan Ministries, what you are doing is you're not sending your money to a big, giant insurance company that then will argue with you about sending it back to you when you have a need. What's going on there is other members of the ministry are subsidizing your health-care costs, and so they're sending you directly money from their own accounts to your account to cover your health-care costs, and you just submit your needs to the headquarters, and they're sent out to these other members. So it's a little bit unusual, and it takes a little bit of time for people to understand what's going on there. But there's a couple of benefits to that.

One is, you're not walked into this insurance industry where there's corporate, hard-edged circumstance where you just don't really know if you're going to get that money back. The second part is you're only sending checks off to people with genuine needs. You're not funding things that the insurance industry has become obligated to pay for, and there's a lot of things I could list that genuinely a lot of people just don't want to pay for. They are things that they might find are immoral, or they might just disagree that it's something that's effective, and the model of the cost-sharing ministry—they're not tied to all the insurance industry regulations. There's a lot of liberty there. And there's also a form of compassion and camaraderie where you know that you're sending this check to someone who has a genuine need, and you have an idea of what the need is, and you're happy to do it. So it's very different from the insurance model, but the great benefit is that it's something that has been able to pay all of our health-care needs, and we have quite a few kids now, and we have been able to have all of them through the ministries—through these cost-sharing ministries, and there's this remarkable amount of liberty. An example of the liberty that you can have is that you can choose exactly the kind of health-care that you want. For example, we have a home birth. The home birth is 100% covered. If we wanted to go to the hospital, it would be 100% paid for as well. So it's these opportunities that it's very hard to control your health care under the insurance model.

WOODS: What about for doctors? What are the options that are available for doctors? I guess we do hear from time to time about doctors who have opted out of the Medicare system, for example, but what else can they do, and why would a doctor feel it necessary to try to escape from the current system?

GUNN: Well, the first one is the bureaucracy of all and just dealing with the government as a decidedly unpleasant experience. We all know that from our own lives with the DMV and all the rest of it, but these doctors are massively burdened. Everyone knows when you've gone to the doctor in the hospital now that it was very common that they won't even look at you, and the eye will be staring at a laptop. Well, the reason they are doing that is not that they are studying your charts. It's because they have to get everything right, to get the codes right, so that they can get paid either by the insurance company or by the government. So what's happening there is this big wedge has been driven between the patient and the provider, and these doctors—and if you see our film, you'll notice two things about the doctors that have got off all of the third-party pay system, the government system. The notable thing is they are the happiest two doctors in the movie. When you see Keith Smith and you see Jill Madrigal, you realize, well, they seem happy, and they are because they've restored the vision which drove them into the medicine in the first place, and that is just to serve the patient and no other. So they are not worrying about the government and the third-party pay system. They are just serving the patient and their needs. And that's remarkable. What we're seeing with Jill, a doctor in Marble Falls, Texas, people that can qualify for Medicaid don't go to the Medicaid clinic. They'd rather come and pay Jill's cash-for-service that she provides because they know that she'll take care of them, and they have a relationship with her. The same is true for Keith Smith's clinic in Oklahoma, where people are flying down from Canada—where they have free health care, supposedly—and they're coming down to Keith Smith because they don't to wait in line, and they know that they want to get good quality service.

That is what we're seeing as the revolution that's happening in our country, and we have the liberty to do it. So I am very thankful for these doctors who are getting out of that system.

WOODS: Colin, I know that this is a small matter in and of itself, but I think it's emblematic of the larger problems involved with government regulation. In your film there's a discussion of indeed these codes that need to be used, and the codes are so bureaucratic and minute that there's a specific code for someone who has been bitten by a parrot for the first time, but then there's a separate code for someone who was bitten by a macaw—because of course the health consequences would be vastly different. There's a specific code for someone burned by water skiing. No normal person comes up with things like this.

It seems to me you could partner very nicely with a documentary like this working with somebody like Jane Orient and the Association of American Physicians and Surgeons. I have featured her on this program. Have you had outreach to some of these free-market physicians out there?

GUNN: Oh, absolutely, we're big fans of Jane Orient. She appears in our film as well, and AAPS as an organization, and we featured lot of their doctors in fact, and we were able to go and have a relationship, and that's where I kind of got the sympathy for the doctors. That was when we started the film. We thought this was a patient story, but when we started to talk to the doctors, we started to see what a burden. This is the ridiculousness of the intrusion into their lives that they're worried about these codes. They are worried about getting codes wrong, even to the point that if they get things wrong, they can become criminals and get in a lot of trouble with the government, and it's a huge burden. So when we got to talk to these doctors and saw their problem, it really pushed me on to really see this film as a doctor's film, as a film that shows that we need to maximize the liberty that they have so that they can just do their job; simply provide the health care. That's why they got into it.

Yeah, we cover the negative side of that with doctors retiring, and it's really just because of the bureaucratic burden. We had a doctor who just had all of his files stacked up behind him. He can't just quit his job. He's got to give all these files off to other doctors, and it's a huge expense. He was supposed to digitize them all, and then he realized the cost to do that, which was hundreds of thousands of dollars, wasn't worth it. So he just retired, and to me that's a tragedy when you have a guy who has a skill, and has ability as these doctors do, and they have a wealth of experience as they've worked into their 60s, and then they retire because of the bureaucratic burden. That's a tragedy to me because doctors should just work until they drop. They only get better with their abilities, because their skills just improve over time because of their knowledge, and this is what we're losing. We're seeing people retire from the medical profession because of the bureaucratic burdens. So we're encouraging doctors to get this film, and screen it, and show it, let people see it so that they can have a defense for maybe making a decision themselves to go off of the government dole and independent of the third-party pay system as well.

WOODS: One last thing. Because I talked to Dale Bellis about his program, I know that these health-share ministries are indeed a kind of loophole in Obamacare, but there has to be some kind of religious element to it—or does it just have to be some kind of ethical element? Could a bunch of, I don't know, ethical humanists get together and say we're going to have a health-share ministry?

GUNN: Well, I believe in a form of voluntary collectivism. I like the idea of collectivism. A church is a form of collectivism, and the ministry I am involved in is voluntary; you join it. And I think that if you don't agree with me ethically, then go ahead and we can start this collective—I don't know about the law, but in terms of morally speaking I think it's a good thing that people who have commonalities in terms of their lifestyle should consider each other's health-care needs together. Certainly, Christians have a very good reason for doing this because we object to abortion. We have big questions over modern psychiatry. We have many things that we debate, but maybe someone might just not like the idea of paying for someone else's lap band surgery. There's an example of something that maybe covered by insurance, but it might be something

that someone who might just think that's not something that should be covered, and so there's a form of voluntary collectivism that could exist as an alternative to insurance, and if the insurance industry works well enough, then that would be sort of—the problem is the insurance is so controlled by government codes. They don't have that liberty. So these cost-sharing models certainly should work for many segments of our American community.