

# Americas Health Care & the Budget - Part II - Solutions

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## SUMMARY KEYWORDS

debt, society, david, work, part, population, healthcare, cures, dramatically, government, happen, data, math, workers, functionally, good, medicare, put, ebt card, financing

## SPEAKERS

David, Keith

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**K** Keith 00:00

We are pleased to provide this text from our podcast. As you know, the spoken word is often less formal and sometimes less precise than a written piece that may be carefully edited. I have also been known to sometimes jumble my words beyond recognition! Please let us know if you have any questions or concerns -- and thank you for supporting "As I SEA It!"  
Keith DeGreen

**K** Keith 00:07

I'd like to welcome you as a premium member to this exclusive podcast. Now, as Congressman Schweikert explained, in part one of this two part series in part one is available on our public site, we face an enormous challenge to reform America's health care system, Medicare, Medicaid, and Social Security are all projected to run out of money over the next decade. If we attempt to borrow our way out, we'll be adding to the \$250,000 of debt that each taxpayer in America already finances. And we'll be burying our children and grandchildren in even more debt. Now, in this exclusive segment, David and I discuss that the very real solutions that present themselves if we have the courage to act.

**K** Keith 00:55

David Schweikert, is serving his fifth term in the United States Congress for what is now Arizona's first congressional district. If you're just joining us remember that there is a first segment of this discussion, an extensive segment where David helped define for us the monumental financial challenge fiscal challenge that our nation faces. And I hope that you will take the time to watch segment one, even before you launch into this one. But there are rays of hope here. And I know David wants to us to get into some of the potential things that may happen that we might make happen that will help accelerate the growth of our economy and

help us face some of these monumental fiscal challenges. I'll remind you that David Schweikert is a high ranking member of the Ways and Means Committee, and that he is chairman of the Subcommittee on something something Social Security something

**D** David 01:58

I now have oversight over, or you have over the years. That is now you cover all the subjects.

**K** Keith 02:04

Cool, cool, cool. So David's got he's been around in Congress. Now. This is his fifth term, extensive record of public service in the state of Arizona before he became our congressman. So David, again, I want to thank you for being with us and into David and I have known each other for 35 years. So now let's get down to the good stuff. All right, because you're an optimistic guy. I mean, I you know, you despite all the all the wonky data that you that you spew, I know that you are also an optimistic guy, you believe in the capabilities of what can happen automatically.

**D** David 02:40

I thought he wants to tease me because I'm being 60 years old, and having a 11 month old. That's the definition of being pathologically optimistic. It is, oh, my wife, pathologically my age, we

**K** Keith 02:54

Wow, wow. Well, you guys are saints, because you have two beautiful, very, very young children. And, you know, I've had five children now and eight grandchildren, and not one of them is at home. Congratulations. Yeah. Thank you very much. Yeah,

**D** David 03:14

I appreciate you. Because in the previous segment, you sort of let us ramble about the scale of the federal debt. Yeah. Within that neither of us even touched on the scale of pension systems that are dramatically underfunded, multi employer, pension systems are dramatically under an individual's savings under. So you, you have to sort of think through the layers of stressors that are particularly in retirement security in the society right now.

**K** Keith 03:49

Yeah. The, it's reminiscent of the defined benefit plan, crisis that we saw a lot of, in the late 80s and 90s, when most companies began to switch to defined contribution plans, yet we cannot get our state, local, large elements are our state and local governments to bite the bullet and make that switch as well. And the result and of course, then you've got your unions, your



Give me some bright lights, some. Okay, shining, good shining cities on a hill? How are we going to how are we going to know,

D

David 07:02

there are some things we can do. But here's the moment of reality, you have to sort of do all of them at once, for really to work. And I do not know if the voting population is ready to hear a story that's this disharmonious to what they believe it's not shiny, so it's not going to be on cable news or on the blogs or on your Twitter account, because it's not someone saying something inflammatory, and you can go back and forth and do a meme on. These are big complicated, interlocking. But the math there is a way where the math actually works. Okay. So if I came to you right now and said, I need a unified theory, I need a revolution in the cost of healthcare. We need economic growth, we actually need within that economic growth. One of the pillars is you need to fix the immigration system, you cannot import waves and waves and millions of poverty, at the same time, not invite high skill populations, into your society. It's just it's crazy. You know, what we do? And then I

K

Keith 08:22

have a whole I have a whole podcast on that. Regarding this, our immigration problems, and the fact that the left needs a perpetual underclass, in order to perpetuate isn't

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David 08:36

irony that it was only 1520 years ago, that the left used to accuse us on the right of wanting cheap labor. Right, and they were often the proponents of locking up the border and, you know, limiting immigration. And here we all are these years later. And it's their argument that basically made it clear that when you bring in substantial millions and millions of low skill populations, you crush your working poor in the United States.

K

Keith 09:09

Oh, you absolutely, absolutely do. You know, let's sort of get to the point. And we can but yeah, but we can. It's a discussion I'd love to have with you. And we'll save it for another day. The that entire demographic situation, the possibility of ultimately having to require that in order to receive anything other than emergency medical care. You must be a US citizen,

D

David 09:34

it's or high enough some of those make a difference, but they're rounding errors. So let's start our healthcare and we're gonna we're gonna work through some things. And I promise you if I don't make you at least uncomfortable on some of this discussion, I'm obviously not trying hard enough. So let's do some top line. And the first segment we talked about just house running. We you know how stunningly ugly the math is, right? And it's going off the charts and the unwillingness of the political class often to tell their voters the truth. So if I came to you right

now and said, What's the biggest cost for Medicare? Medicare itself? Well, turns out diabetes is 31% of all spending related to diabetes, and Medicare, not Medicaid. So 31% of all Medicare has association with diabetes. Okay, 33% of all health care over here. And then on top of that, if you add in Alzheimer's, you're actually starting to approach almost 60% of all Medicare's spent, wow. There's this lie out there, or excuse me misrepresentation, where a lot of folks have to say, well, the most expensive part of Medicare is your last six weeks of life. That's absolutely true for the individual. Not for the system. You know, it's your basic those who actually fairly comfortable doing statistics, it makes perfect sense 5% of society with multiple chronic conditions is over 50% of all healthcare spending. So what happens if you could disrupt it? Would you say that again, 5% of society 5% of the US population that has multiple chronic conditions, right? They use up little over half of all healthcare money. Okay, so you start to see, oh, there's a path, what would happen if a number of these chronic conditions can be either stabilized or cured? Now, here's where you suck yourself in kerosene and play with matches? Because you know, and look, there's probably a time that you didn't talk about smoking. Hey, I just,

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Keith 11:58

I just want to make clear, David, I don't want anybody watching this to say, Oh, David Schweikert just said that the way to solve chronic health conditions is for those people to soak themselves in kerosene and light.

D

David 12:12

No, no, no, no, no, I don't want to do that. Because I'm going to start talking about obesity.

K

Keith 12:16

Right, I understand. I just want to make eat, I'm just sometimes just looking at when

D

David 12:20

you're when you're in a very competitive district like him, someone's going to edit this and throw something out at you. The beauty of it is I've been talking about these things for so many years. Most of our voters sort of understands, and they're go Schweikert, again, talking about disrupting health care costs. Right. So we had the nation's leading healthcare statistician at a forum I put together a week ago, Monday. Okay. And we were invited, because we're trying to educate our fellow members on possibilities. And one of the things he said, just burned into my memory. There's functionally 4000, human diseases, half of them so 2000 of them have direct relationship to obesity. Wow. You know, so we're working on a project for with my joint economic economists, just just a thought experiment, it turns out, it's much more complicated than you think. Because there was some datasets from a year ago, which fascinated as saying, most powerful thing you could do on income inequality is obesity. It wasn't, it wasn't education, it wasn't fixing racism. I mean, they all have probably an impact. It turned out it was health. The number of those households, which have someone who has incredible severe issues with their diabetes, or is not able to participate in the labor markets, because of things like obesity

or kidney failure are other issues that come with this. So what would happen if you and I could at least get society, our public to understand maybe one of the great moralities is we stop killing ourselves. We stop in the United States during COVID, we had just an incredible growth of the number of states that now we're, you know, almost half the population 40% of the population equals the definition of being obese, and the health care costs that come with that. So this member, this is just one of several things you have to sort of do all at the same time. We're going to do the farm bill later this year. Would it be just toxic to say, we really need to maybe grow a lot more types of crops, so we don't concentrate on just the handful of commodity crops that we do so well. I mean, we produce food so efficiently and so cheaply, but to make any money You own it, you have to process it process and process it. For nutrition support is the EBT card, which is the food stamp replacement. The most moral thing in the world to say here have this EBT card, go have a ball go get onion rings,

**K** Keith 15:14

is that the same? Is that the same as SNAP? As?

**D** David 15:18

Part it? It's part of the hierarchy of nutrition support. Yes. Okay.

**K** Keith 15:25

This is nutritious fruit. Yeah, this is welfare. It's a form of Well, yeah, it's Yeah, it is. It is. But

**D** David 15:33

let's refer to it as nutrition support. So many of us have been playing with the idea of consolidation of it. Okay, and then stop saying, Go eat crap. Because we have certain world rules for WIC, women's and infant children program. Yeah, where you can only buy certain things. But the EBT card, you'll go drive by a local jackin box, and you'll see and I love them. It's one of my great sins in life is the Jacobites, onion rings. I like the old version more than the new one. But in a society where diabetic and obesity related health care is consuming us. Should we be financing it as a government?

**K** Keith 16:16

Okay, so you're okay, let me get clear. So you're saying these EBT cards and I assume the snap cards to you can use them for fast food? Right, frankly? Yes, I did. I did not realize that I thought that it would have to be unprepared or hanging out in many jacket boxes. Do you know? Well? No, frankly, I don't. I

**D** David 16:35

don't know. It's one of my great sins in life.

**K** Keith 16:38  
Well, God bless it. Not that I deal

**D** David 16:41  
with this is it we don't want to get hung up on the on the the micro details, it's more the theme.

**K** Keith 16:46  
Alright, stop subsidizing bad eating habits

**D** David 16:50  
in start subsidizing good eating habits. Instead of that maybe we should drop off a box of microwavable food three times a week at the house. And the yes, that will cost more for that. But the cascade effect is a huge crash in costs and health care. The second thing you could do, and these are things you could do right now, this year, in this budget cycle, you've seen these over the skin, blood glucose monitors, there's actually I think, Samsung at now has it under watch. Apple apparently, in two generations is going to have an Apple Watch, that also has blood glucose in it. The ability if you could stabilize the growth in the pre diabetic population. By the end of the decade, it's hundreds of billions of dollars in savings. The third one, and this is the one that makes people sort of go, Huh, is these GLP ones Czapek. Some of these new that were originally designed for diabetic population, some had a derivative, they were thought for weight loss, but to help our morbidly obese populations in Medicare, Medicaid, Indian Health Services VA start to manage that. And yes, it so we're actually building a model of what would be the health benefits, the economic savings, the participation in the economy, would you gain productivity, the lessening of income inequality because you'd have that ability to come back into the workforce? So we're sure looking at all the moral cascade. If you did something like that, now what

**K** Keith 18:35  
David I have to throw the I have to throw the the moral hazard issue out here, we're talking about all these different ways that we can mitigate the damage that people do to themselves by eating too damn much food, but food,

**D** David 18:52  
but we pass the moral hazard Rubicon decades ago, when we turn these populations into government paid for populations on their health care. So we can actually say there's a moral hazard here, of helping someone get through, you know, lessening that BMI. But do understand

by not listening it you're still paying for the health care.

K

Keith 19:19

Yeah, you're still paying for all

D

David 19:21

so so we can actually have a stand on our principles, and still write the check. And there becomes

K

Keith 19:30

where's the stick? I hear the carrot, okay. For not taking care of yourself,

D

David 19:37

the stick is not dying. I mean, if there's a path to not to staying healthy. The fourth one is the ultimate incentive. And that is I have a seven year old who's come to say hi, we'll say hi hello Livia and then you go back, go back outside. and this one is sort of a disruptive thought. There's multiple phase ones apparently happening right now of a stem cell therapy that does not require anti rejection drugs, meaning it, you can do it in a what's called a bio foundry. So it's a cure for everyone. And it's a stem cell that would make make it so your island cells, which produce insulin could be replenished. So the basic maths that we're dealing with today is if someone has type two diabetes, we have a dataset that says about, if you could get your weight back down, about 70% of those folks, their bodies will start to produce insulin again. Okay, we have 30% of their bodies don't, we made by the end of the decade have way to cure them too? I despise part of this conversation, because it feels very big government, government to me, yeah, but at the same time, we're paying for it. And the math looks like it disrupts dramatically. I mean, we're talking trillions of dollars, because we expect remember healthcare at the end of the decade, you know, for governments other things, it's, you know, I think predicted to be like \$7 trillion. So any disruption there, but that's just that's sort of the first tier, okay, dramatic change in you know, obesity, diabetic type health diseases, then with that is you're also now chasing either through cleaning up some of the way the FDA uses data to bring cures to market dramatically faster. We now have a one shot cure for hemophilia, one of the most expensive diseases and on earth. There is a model that says by bringing lots and lots of competition of lots and lots of cures are stabilizations. That 5%, that's over 50% of all saw our 5% of the population that's over 50% the spending, by the end of the decade, you could actually be truly starting to bend that over. It just requires dramatically different thinking in Congress.

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Keith 22:25

Like what, like what



D

David 22:27

most don't see the path to lessening spending through stabilizing people's diseases and curing them. For my brothers and sisters on the left for my Democratic colleagues, they often see these as well, they could get more votes and more love in their electorate, by coming in and regulating those pharma companies or those biological research companies are limiting what they can charge on on a drug, which basically means the development of the cures goes away. Yeah, but that's not understand saying we're gonna, we're gonna stop these high price drugs is great politics, even the Democrats own model with CBO, and others says, Oh, by the end of the decade, a lot more people are still dying, because the cures didn't show up. And it's this, some of this is really within only the last 18 months, two years, we had some major breakthroughs on how to do things. Whether

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Keith 23:30

it be medically or excuse me, medically, I think I didn't think you were referring to how Congress detects No, no, Congress

D

David 23:39

is assessable. But it's, so there is optimism there. So that's one and if healthcare is the dominant driver of US debt, going at it with everything you have, going at those drivers of those health care costs, that so that's just one pillar. Then over here, you're doing things. All right, David,

K

Keith 24:02

I want to I want to clarify, clearly enhancing not limiting competition among the Matties drives you voted for radically decrease the cost of Yeah, healthcare.

D

David 24:16

And, and we have a whole thing where we walk through because there's also some major changes of technology on how you can even manufacture. There's no 3d printers that can print small molecule drugs. I don't really no longer need \$100 million clean building, you can now have a much smaller one, and a lines of super high speed 3d printers, where you put in cartridges and you make different pharmaceuticals. And so in the next few years, you're going to see interesting occasions where the benefit manager the PBM, the drugstore, the hospital network are making their own pharmaceuticals. Wow. So thank you got I think

K

Keith 24:58

so and so enjoy Real, and so is the drug dealer. Excuse me, and so is the drug dealer. Oh, they're already doing it. Yeah. Yeah. So let's

D

David 25:09

remember, modern drugs now are no longer plant based. They're synthetic, which is also a whole nother societal. And if you if you want to ever do a discussion about drugs, homelessness, meth fentanyl, and the effects that's happening on our communities, some of the numbers will just rip your heart out. Yeah, I'd

K

Keith 25:29

like to, I'd like us to get there. I really would.

D

David 25:31

But but some of the smartest people I know in the subject area, are going through a mental rubber revolution. Because these drugs are so powerful, so addictive, so mind altering, it's not the old days where someone was using a plant based opioid. And when they came back off, they could think again, yeah, this almost wipes out cognitive abilities. And so it's going to take a very agile approach. That's a non sequitur from what we're talking about right now.

K

Keith 26:04

So I'm making a note, I'm making a note, David drugs. Yep. Thank you. That's our next describer.

D

David 26:11

As you as you know, the my idiosyncrasy I've never been intoxicated. I don't I've never drank. Because I come from a long line of people in 12 Step programs, but that that's a different aside. All right. labor force, how do you create incentives that if older workers want to stay in the labor force, they're not pounded with taxes or reductions on their benefits? Yes, simple. There's simple math that to do that, and that was actually going to be part of our social security solution. Then United sort of touched touched on things you would do in immigration, where you have to have a high skill, the high skill could be a skilled carpenter, or a physicist, but it's those things that grow the society where you have shortages, that cannot be replaced domestically. Other things within that labor force, were functionally missing about three and a half million prime aged young male or prime aged males. Our math says number one is actually obesity, number two, drug use. Number three, you know, then you start to look at the death counts. It's the same hierarchy, suicide, car accidents, and then you get down at even gun violence. But the fact the matter is, you're missing in a society where you're desperate for workers. A and there's more going on here. There's something in family formation, one of the reasons we calculate that fertility, you know, the number of children in America has collapsed, is we see some terrifying numbers of males and females entering universities almost identically. And in some programs, females graduating, not exactly, but almost double the rate of males. The dropout rate of young men is devastating. And within that, you start to say, Okay,

so the young woman now has gotten her bachelor's, or master's, is she going to marry someone who dropped out? And so we actually can see the data. And this isn't my vision of a personal opinion, this is in the data, family formation has slowed up dramatically. Because of that separation of hierarchy, you know, of education of incomes and those things, right, you start to realize, if I need productivity in my population, I'm going to have to deal with some of these other social issues also.

K

Keith 28:48

Now we could we could also easily do an hour on the war on boys. And it's sad how it's beginning to manifest itself in those dropout rates in the lack of promise keeping men who assume a traditional role in a conventional family.

D

David 29:11

It's for us on the economic side. So it's a little more complicated because we really have some trouble. We have one economist who believes the hype hyperactivity meds that many of these kids were given needed, so they don't deal with stressors. You know, let's be honest, prior to going to university you went to law school is can you handle the stress? You know, and those things and what happens if you have folks who have been were medicated during parts that are there youth so that they haven't built the stress managing skills? Or

K

Keith 29:54

speaking of stress, just for the record, I went to law school after I went to Vietnam, so it wasn't I don't know you have a purple heart? I do. Yes, lucky me. My point is that comparatively, law school was not particularly stressful.

D

David 30:11

But think about what you're saying, though. And look, in some ways, that's not my area of specialty. There's, there'll be some folks who will be very smart at this. All I can tell you is, I have a labor participation. So when you see the labor participation numbers posted up by Bureau of Labor Statistics, they're misleading, because that's the numbers of those who are looking.

K

Keith 30:36

All right, not even once not a

D

David 30:38

total population data. population data, it's devastating. How many of how much of our population, he is not participate.

**K** Keith 30:47

I constantly made that point for years and years on our finance show on K FYI, radio back in Phoenix, that the unemployment rate is deceptive because it only measures the percentage of people who are actually looking who cannot find work. Yeah.

**D** David 31:01

And if anyone ever who's watching this, if you're inherently a geek, like we are, go look at the BLS data for unemployment, and then go look at the household survey data for unemployment. And there's the stunning difference, right? And we're still trying to figure out how to reconcile those two. So for those who are interested in math, so, okay, so we had a revolution healthcare, a society that values loves and incentivize participation in the labor market, whether it be older workers, getting sort of that spiff where maybe they they don't have to pay their portion of FICA,

**K** Keith 31:40

because would you Okay, yeah, I was just gonna say so specifically to enhance it to make it more viable for older workers to stay in the workforce at a certain age and no longer pay FICA, for example, we

**D** David 31:54

did we've done some math, we're saying employer will pay their half. You won't pay your half or things like that. And we already see countries like Japan, experimenting with things like this. Yeah. Keep folks who want to this is purely optional one day in the labor market.

**K** Keith 32:10

Well, the irony, the irony, look, you know, I'm older than you are, you know, I keep paying Social Security tax on my on my income while I get my Social Security check. And it's just, man at a point, give me a break.

**D** David 32:27

Male. And the break, I

**K** Keith 32:29

know, I'm lucky, I'm lucky. Yeah.

D

David 32:31

But at some point, it's all math. I know I'm sounding cold, but I gotta make the math work. The math at the end of the day will win. I understand. Right. So so we have a whole cascade of things from fixing parts of immigration, to the incentives to actually finding a way to get our young people back into society. It means also doing some very uncomfortable stuff in regards to illegal narcotics in society. Other things, but you got to do it all. You got to do it quickly. And you can't continue to have the almost the bedwetting type of arguments that the political class has, as they're pandering to one group or another because you got to see it as a unified theory. Then you go into the bureaucracy, the scale of the United States bureaucracy is overwhelming. The ability to get a permit to do something there are there's great opportunities out there to functionally automate much of what you think it's government and if someone immediately their first words were what about all the unemployment trust me you have a society that desperately needs workers, they just don't need them in a taxpayer paid

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Keith 33:49

position position, right?

D

David 33:51

I can give you a give you just a thought experiment and I actually have a YouTube video out there where I did this a couple years ago. And but this is can be scaled everything from financial markets to others. For those of us who we live in the Phoenix area, you want to open a business you have to go down to the county get an air quality permit, then you have to have your you know your air quality or if you're let's say you're painting cars or painting motorcycle, you have to have someone come review your scrubbers, you have to get the engineer to come stamp them every year. The fact of the matter is, if you took a couple, a few 1000 People in our market and gave them the little sensors. There's these things that you can pin to your lapel attached to your phone to do air quality samples, you crowdsource the data. No, seriously, think about this. Yeah, you would have living data that if there's clowns over here, painting cars in their backyard, or the motorcycle paint shop over here, didn't replace the filters on their scrubbers, you would catch them almost immediately. Do file cabinets full of paperwork actually make the air quality cleaner? No, of course not. Are these towers that we put up around the Maricopa County that cost a million dollars a year to maintain? Do they make air quality cleaner? No, they, they tell you something's wrong, but it's for, you know, several 100,000 people,

K

Keith 35:23

when you can have a little device on a phone or an lapel,

D

David 35:26

and you start to think about, and the complaints I've had is, well, you're gonna unemploy all these people at the air quality office because they're no longer putting paper and file cabinets

these people at the air quality office, because they're no longer putting paper and file cabinets, probably engine powered little vehicle to where the sensors said there's a problem and helping those people fix the problem. But there's an entire consulting industry out there that goes around to those businesses and gets money and stamps. And there's where my argument of the disruption is the battle because they have armies of lobbyists to stop ideas like this. But this idea of using data, as your regulator works for financial markets, it works for air quality, it works for water quality, it works for so many things around us, where you don't need buildings full of people doing a 1938 regulatory model, where you fill out a form, you get your permit, you fill out your compliance form, you get your new renewal your permit, you pay a fee, when we could be collecting data, 24 hours a day, seven days a week, knowing if people are in compliance, it's a dramatically more efficient society.

**K** Keith 36:36

And what we're talking about here, just so we're bringing everybody up to speed is how we can accelerate the growth of our economy. Because it's gotta grow faster than the 1.7 1.8% projected rate of growth, particularly when you

**D** David 36:51

consider debt is projected to be around the CEO model is 7% of the entire economy.

**K** Keith 36:58

We cannot spend our way out of it, we cannot tax our way out of it. We have to grow our way out of it, this economy has to get much bigger, and you got to grow. Yeah, absolutely. Absolutely. Let me ask you this, then. You put your geek hat on for me. And I know you love this kind of stuff, to three technologies that you think are going to be the game changers for accelerating growth,

**D** David 37:26

stem cell ai,

**K** Keith 37:31

ai, excuse me, but AI is so broad.

**D** David 37:35

The reason I do AI because I can give you like a simple example. And then go to something that's much broader, okay, I'm like, I have oversight over the IRS. Working with them, saying instead of going out hiring 80,000 new employees, on the customer service side, you could actually put something there where you could call and you're saying I need help on this form.

And the chat API walks you through how to fill it out, right sends you a text message so you can hit so you can watch a video on filling out the form. And you can it's happy to stay on with you on the phone for half an hour if that's how long it takes where you can't hire enough people to do jobs like that. Right? Right, that that cost dramatically less and actually reduces a whole lot of misery in society.

**K** Keith 38:30

Yeah, you know, the flip side of that is we're all tired of talking to bots on the telephone. But hearing recorded voice is new stuff. AI is different. Yeah,

**D** David 38:40

the new stuff is so good. Hell, you could even say I want the person to have a British accent. I mean, I want to sound like my grandma. I mean, seriously, it really is almost that creepy.

**K** Keith 38:49

I know. You may not know this, David, but you're not really talking to me. You're talking to my my AI bot actually better my better looking AI bot. Yeah.

**D** David 38:57

You laugh about that. We've actually had some presentations in Washington, of how good we're being told to be ready for this for the next election cycle. Where fake stuff is popping up looking like us?

**K** Keith 39:10

Oh, I can believe it. I could Yeah, I can believe it. Well, I have a I have a suspicion that they've already mastered that with respect to Joe Biden. Right.

**D** David 39:21

You may you may be right. But even to it. This was gonna be one of the other pillars we were going to talk about. Let's tie this in right now. If I came to you right now, and said, Hey, Keith, here's something you can have in your home medicine cabinet looks like a big kazoo. You blow into it. And it instantly will tell you if the flu instantly bounced off your medical records. Instantly order your account antiviral and Lyft or Uber will come drop it off at your house in two hours. That's wonderful. Right? Right. It's illegal. Right?

**K** Keith 39:59

I understand, yeah, it's practicing medicine without a website.

D

David 40:03

So we already know that there's already actually some of that already legal in our society today. But we don't if you know someone with a diabetic pump, right, that's actually functioning and algorithm dosing them. For us. Number

K

Keith 40:16

one is when Apple first came out with its phone, and it was going to read your pulse. So that's about all it could do. They said, Oh, no, that's practicing medicine. Without that's, that's a medical device and has to be specially licensed. So obviously, inroads are being made, will

D

David 40:34

take on state licensing, you know, is in a certified highly accurate sensor, write a script? Can the pharmacy fill it? Can a delivery service delivered to your house? The fact of the matter is, can it be reimbursed by CMS, Social Security Acts, as you will see a doctor is the avatar on your phone, a doctor if you now have the thing on your wrist that does your blood glucose or temperature, your pulse rate and it has the data from your last 96 hours, right? And you say I don't feel well. And you hit your telehealth on your phone. But the thing you're talking to is actually an AI avatar, walking you through saying, Hey, we just analyzed your last 96 hours of data on your body. Here's what the statistics say, is happening with you. That's a combination of revolutionising the cost of health care. But using this technology revolution, that's that's already pretty much here. My job is how do I legalize it? Yeah. And then how do you take on the army of lobbyists? Who are there to destroy that idea,

K

Keith 41:51

your position on the Oversight Committee? Where do you have the most leverage, as Chairman of oversight or in some other capacity to make changes like this? In some

D

David 42:07

ways, it's a combination of oversight, sort of showing where bad acts are happening, where government is dramatically overpaying for things are incredibly inefficient. And remember, Washington, DC is about the money. Right? It's a protection racket. It's to protect and come at bureaucracies and cover charities, income and businesses. And they fill up the hallways with people who will come in and say, We're not here to beg of you to cut spending or find a new efficient way to put us out of business. But there's better and healthier and cheaper for society, we want you to leave us alone and just give us more money. And there becomes the beginning of this conversation, I said, my biggest barrier is I need the public to demand to want the change. Because elected officials are functioning reflections of their constituents. I'm just blessed to have freaky smart constituents. But most people don't have an urban suburban, you



know, as a conservative Republican, like I do. So I have a unique population I represent. But when I'm walking through it, you'll see there's a theme here. It's make people's lives easier, make the services they get cheaper, more accurate, friendlier, easier to access. And it turns out that whole circle, I can crash the price of government, its cost, I can crash the price of health care. And you often get the typical Republican or even Democrat says, well, price transparency, it makes a difference by the only by 1%. Because if you have a third party payer model, and my economists say, Well, if you get rid of the third party payer model, you get much more price efficiency, sure, can never get the votes for that. You know, if you're gonna be able to wipe out insurance as we know it, and Medicare, Medicaid, it's never going to happen. So you also have to come up with a plan. And that's what's so elegant about sort of our unified theory that we've been putting out, is it's also something that could pass even a number of my Democrats, the less crazy ones are actually pretty comfortable with a lot of these ideas. They just like on that one I just talked about of modernizing telehealth, right? He loves it, he wants it. He just as he says he can never be seen on video advocating it, because the nurses union in his district are incredibly powerful. And they helped him get elected. member if at some point, I gotta get the votes.

K

Keith 44:51

Yeah. Yeah. Now what we've focused on in this second second segment, David, you has been on ways we can drive down the increase in health care costs, which is the primary driver and the cost of government and the cost of government open productivity,

D

David 45:12

right, and economic growth. And then there's some other parts of the unified theory, we need a some different ways we manage US debt. Or this is one you and your clients would find interesting. The concept of taking a portion of US debt and putting it out either on a perpetual horizon type bond, or a type of bond that has actually tied to the economy. And it's a little it's a radical idea, but the math is good. If you took maybe 20% of us sovereign debt, and let's say tomorrow, you put it out on a bond, that actually acts more as a proxy for the economy. So the economy is good. And there's lots of tax revenues, you're actually getting a spiff. When the economy goes into a slowdown, you actually get paid less. And therefore it acts in sympathy with the economy.

K

Keith 46:14

It's fascinating, fascinating idea, David. It bumps up against a convertible bond or a convertible in some

D

David 46:24

ways. That's actually the preferred share.

K

Keith 46:27

And so you're converting. Yeah, you're, you're selling a piece and you're selling an equity and justice. In the United States of America, I'm not sure I'm entirely comfortable with that. But I understand that it could be I'd probably invest in that, that probably be pretty good.

**D** David 46:46

And one of the reasons is why some of us are terrified of a black swan, a failed bond auction, a sudden spike. Remember, it's not only the 2 trillion that will be functionally issued in this 12 month cycle of new spending, new borrowing, right new debt. We have a what you would understand this a way to daily average of us sovereign debt. I think we're out and this has actually gone out on the curb, about 66 months. So functionally, every five years, half the US existing US debt had to be refinanced. Right. And that's actually what's crushing us right now is how much of that is coming back in for refinance refinance, for you're issuing 2 trillion new, but you have several trillion that's functionally being refinanced, you know, in fairly short order. If there were ever a sudden military conflict, another pandemic, something horrible happened, or just financial markets got woozy. And you had that sudden spike, if you you're standing there at the window, having to put out how many hundreds of billions of dollars of bonds that day. And if you had a failed bond auction, yeah, the \$26 trillion that's out there and publicly held, what happens to its value. If interest rates spike up this stuff all crashes, right? Right. So the it's very much, it's very sluggish. If you're a follower, the guy wrote anti fragile, which is, what could we do going longer on the curve, and making us less subject to that sort of inflection. So this is the financing part. And there's a handful of ideas we have on stabilizing the cost of us financing of debt and making it so if something went south on us, it doesn't blow up our portfolio.

**K** Keith 49:00

This How does. And of course, when you start talking about how do we restructure the debt, it sounds a little bit like how do we rearrange the chairs on the tide deck of the Titanic?

**D** David 49:15

It's one of most creative ways I can describe it is think of it it's 2008. Why did GM need a government bailout? And Ford did not? Yeah, Ford had refinanced its debt a couple of years earlier, and gone much longer out in the curve. GM was very short on its debt. They were being able to finance a little bit cheaper. But you know, every six months, every 12 months, every 14, they had to refinance, right? When they're crashed, and there was no availability to capital. They had to come to government to be bailed out. Ford did not. Ford was willing to pay a little bit more but to have stable financing.

**K** Keith 49:58

And the irony right now As you know, in our inverted bond markets, way off to the credit, you're better off to go way out on the curb. Right? And

**D** David 50:07

and that's part of my passion. Could you imagine if pre COVID. And this is one of the things because I've been having this fight all the way since treasurer Lew of go out in the curve go out in the curve go out in the curve, because remember, much of what we're talking about is getting through baby boomers. Right. And this is a horrible way to think about it, but I'm one of those baby boomers. So we're gonna be here on earth for about another 40 years,

**K** Keith 50:37

from your lips to God's ears.

**D** David 50:40

But after that, we actually demographically, we're probably a lower populated country. But at least the demographic populations are more stable, instead of instead of a big bump here. So so this is purely debt and demographic management. We need to get through, you know, this spike in our population, which are going to use, you know, trillions. I just at some trillion dollars of borrowed Medicare money

**K** Keith 51:13

called a call to action, I want to give David Schweikert an opportunity for a call to action here. What specifically is is the key takeaway from this two part discussion that we've had, where you've articulated, the driving force behind our debt is going to be related to health care, my

**D** David 51:34

health care growth, population stability, right? My call to action is actually a little weird. It's not pick up the phone and start screaming at your member of Congress. It's actually more learn the facts. Read, read, you know that some of the smart people in the Wall Street Journal's editorial or the Economist magazine are these things. We live in a society where we go home. And we often turn on cable television because we want the reaffirmation of, we're angry, and there's going to be people on the television angry with us. But it's the shiny object of the week. It's the stupid picture on a beer camp. Or it's someone over here it said something insane and tried to raise money on it. Okay, be angry about those things. But those things don't wipe out your Republic, the debt will. And so my call to action is how do you convince the public to do very complex things very fast. When a lot of these are ideas that they've never even heard of.

**K** Keith 52:48

It's called Leadership David. And your and your exemplar and your are demonstrating it right now.

**K** Keith 53:57

**K** Keith 52:57

We do our best. You do great. You do great. Look, I've got to let you go. I've taken two hours of your time. Joyce has gotten not I have to not be on her favorite person list. She

**D** David 53:08

know she has a long list she actually has has just pinned on the side of the door over here. A long list of chores I will be doing in moments

**K** Keith 53:15

so you'd rather talk to me.

**D** David 53:20

Welcome, first jour is cleaning up after the dogs on the lawn. Yeah.

**K** Keith 53:26

David, I love you, man. It's great to talk to you. It's great to see your smiling face. And we will darken your door again because you have so much to share so many great insights. I thank you too, for being a dedicated public servant. You work your butt off and and you've earned the respect of a lot of people, including your

**D** David 53:49

wonderful things.

**K** Keith 53:50

Thank you back at you, buddy. See you later. Bye bye.

**K** Keith 53:53

**K** Keith 53:53

We are pleased to provide this text from our podcast. As you know, the spoken word is often less formal and sometimes less precise than a written piece that may be carefully edited. I have also been known to sometimes jumble my words beyond recognition! Please let us know if

you have any questions or concerns -- and thank you for supporting "As I SEA It!"  
Keith DeGreen