

J. Michael Locke

Musings

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A couple of weeks ago I wrote about how companies were reducing “their bundle of value” as a back end way of managing increasing costs. I guess there is a word for this: “sneakflation.” The price doesn’t go up but what you get for the price does. A more recent example, fewer ounces in the “block of cheese” than before. [companies-hidden-inflation-consumer-price-index](#)

I have written repeatedly about wage increases as a driver of inflation but another contributor is the massive government stimulus during Covid. I try not to be political in these musings but I think economically it is clear that the government money has driven higher prices. [were-paying-for-all-of-that-free-money-now-arent-we](#) (thanks John Hughes).

Healthcare continues its migration to a “market good” vs a “social good.” Not everyone agrees with this but it is happening. Hospitals and other providers are increasingly having to compete. Traditionally poor customer experiences are improving. Mass retailers are becoming the primary access point for most Americans. Now comes Amazon. From William Blair: *“Amazon expands employer health solutions to 20+ new markets. Amazon Care, which contracts with employers, will now deliver its virtual care services nationwide. It also plans to expand its hybrid service offering—in which care is delivered by nurses dispatched to employees’ homes—to more than 20 new cities this year, including San Francisco, Miami, Chicago, and New York City. The company also announced it has secured new contracts with its subsidiary Whole Foods Market, as well as Hilton Hotels, semiconductor manufacturing company Silicon Labs, and staffing and recruiting firm TrueBlue.”* Let’s see if Amazon can bring the long awaited “bending of the price curve” to make healthcare more affordable.

For all the debate about the merits of “Medicare for all”, the basic facts are often missed. The government is already the dominant payor of healthcare. There are 76 million Americans (22%) on Medicaid (government health insurance for poor) and 62 million on Medicare (government health insurance for aging) so 40% of the population has health insurance provided by federal government. The government entity that runs Medicare and Medicaid (CMS) then basically sets pricing for the overall market.

Interesting stat: Not many women want to be nuns anymore. The number of nuns has decreased from 160,000 to 41,000 in the last 50 years (the Economist). Can’t say I know a single one.

Terrible viewership of the Olympics. I fear it is another data point in the “death of patriotism.” We have a fractured society and limited connective tissue as Americans. Data-driven media facilitated by digital option proliferation means we all separate and live in filtered segments with the news we like and people who share our views. I wish I had constructive thoughts on how to reverse this trend but unfortunately I don’t.

One common bond seems to be the Super Bowl. The great majority of Americans don't really care about football (including me) but the Super Bowl itself has risen to a unifying, countrywide event in a way the Olympics have not. We need more things like the Super Bowl that connect people. I assume most readers watched the game so a couple more comments. Why do they have players introduce themselves with what college they went to? This is part of American fascination with higher education. Kudos to Joe Burrow and some other Bengals who gave their high school rather than college. Let's just get rid of the whole thing. I hope NBC does an inter-company charge for the cross-promotional advertisements. The going rate was \$7 million for a 30 sec commercial so running an ad for Law & Order or AGT or a Universal movie (NBC owns Universal) is a very expensive proposition and the shows' P&L needs to reflect it. Appears that NBC took an extremely high part of the ad inventory for its own properties. I guess I am aging because I can't say I was a fan of the halftime show (didn't understand a word of the lyrics.) Finally, I hope you took the "over" on the national anthem. You could bet on whether it would be shorter or longer than 1 minute 35 seconds and she took 1 minute 50 seconds.

I love when employees surprise you with their extra hard work or over the top customer service. At my local store in Florida, the store hours begin at 8am. Almost every day the staff opens early. We need more of that vs the staff that sits inside and waits until the exact minute to unlock the door while customers wait.

jml