Affordable Care?: It Costs What! Why so much?

Pediatric Grand Rounds March 14, 2014  8AM
Alford Auditorium, WCHOB

Philip L Glick, MD, MBA, FACS, FAAP, FRCS
Professor of Surgery, Pediatrics, OB/GYN, & Management
Vice Chair, Department of Surgery
VM – 716 859-3371
Fax – 716 859-3354
Email – glicklab@buffalo.edu
Twitter – @glicklab
www.buffalo.edu/~glicklab

#Affordable_Care? #ACA #ObamaCare #MD/MBA
Learning Objective:

• To understand the cost structure (#Affordable_Care?) of healthcare and how the Affordable Care Act (#ACA) may or may not improve this

• To understand why an #MD/MBA Skill Set might improve the quality of your life, professionally and personally and your patients’ outcomes
# ACA Time Line

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 15, 2012</td>
<td>States must indicate their intention to develop a state-run insurance exchange.</td>
</tr>
<tr>
<td>February 15, 2013</td>
<td>States must indicate intention to opt for federal–state or federally run exchange.</td>
</tr>
<tr>
<td>October 1, 2013</td>
<td>Insurance exchanges begin open enrollment. Medicare and Medicaid Disproportionate Share Hospital payments are reduced.</td>
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<tr>
<td>January 1, 2014</td>
<td>Insurance coverage through exchanges, federal premium subsidies for the uninsured, and individual mandate are in effect. Optional Medicaid expansion begins. Insurance reforms commence, including essential health benefits, guaranteed issue, and no annual limits on coverage. Penalties on larger employers who don’t offer coverage are instituted.</td>
</tr>
</tbody>
</table>

#Affordable_Care?
Health Care Spending v GDP

2012 HC Spending
~$2.7T/yr.
~$8,915/person
~$882M Hospital
~$565M Doctors
~$76M non MD
~$110M Dental
~$77.8M other
~$77.8M Home HC
~$77.8M SNF + other

#Affordable_Care?
http://crfb.org/stabilizethedebt/
% Change in Health Care Spending & % Change in GDP v. Time ➔

Figure 1. Changes in the Real National Health Expenditure (NHE) and Gross Domestic Product (GDP) per Capita, 1961–2012.


#Affordable_Care?
Moral Hazard: In economic theory, a moral hazard is a situation where a party will have a tendency to take risks because the costs that could incur will not be felt by the party taking the risk. In other words, it is a tendency to be more willing to take a risk, knowing that the potential costs or burdens of taking such risk will be borne, in whole or in part, by others.

A Solution in HC: Increase patients Co-Pays and/or Deductibles

#Affordable_Care?  (http://en.wikipedia.org/wiki/Moral_hazard)
% of Employees enrolled in High-Deductible HC Plans (good solution for the wrong reason!)

Figure 2. Percentage of Covered Workers Enrolled in a High-Deductible Health Plan or Medical Savings Account (MSA), 2006–2013.


#Affordable_Care
Focus on “why healthcare costs so much?”!

- The health care industry has **steered the debate** from “why bills are so high?” → “who should pay them?”
- Everything **ala carte v bundled** (costs v DRG’s)
- Doctors order tests, i.e., “morning labs,” and procedures like bottles of water; ask why you are getting it, how it will change the care? (>60% considered unnecessary, $25B/yr.)
- Involve doctors in ordering (preference v pragmatism)
- 60% of personal bankruptcies secondary to healthcare bills
- Move in-patient care to out-patient care?
- Patients and families not in a bargaining position when acute illnesses hit

#Affordable_Care?
Focus on “why healthcare cost so much?”!

- Standardize Medicare and Medicaid
- Over Doctoring with consultants
  - Eliminate FFS
  - Incentivize with outcomes
- ACA will bring in <30M new patients, this will exacerbate the core problem in lopsided pricing and outrageous profits in a market that already doesn’t work. This is the main reason the ACA passed; 30M more patients paying outrageously inflated prices!

#Affordable_Care?
Focus on “why healthcare costs so much”!

- The health care industry has steered the debate from “why bills are so high?” → “who should pay them?”

“Lowering the trend in rising health care costs to bring them in line, or below, the CPI can serve as an economic driver for the entire Region (country).”

#Affordable_Care?
Case presentation
By
Sakina Sojar, MS3

- 64 yo African American male hospitalized for hematemesis and acute blood loss anemia
- Was requiring two pRBC transfusions per day
- Had a GIST tumor approximately 18 cm in size with liver metastasis, with a central necrosis eroding the bowel and the stomach (CT Scan)
- Was not a candidate for angioembolization
- Medications: Gleevec, Ranitidine, Pantoprazole

#Affordable_Care?
Preoperatively the patient’s albumin was 1.4
Hemoglobin at 5.1
After much discussion, palliative surgery was felt to be “appropriate”
Patient underwent subtotal gastrectomy, distal pancreatectomy, splenectomy, and segmental transverse colectomy with primary anastomosis

#Affordable_Care?
Case presentation
By
Sakina Sojar, MS3

OR Specimen

#Affordable_Care?
Case presentation
By
Sakina Sojar, MS3

Post Operatively

- Placement of 2 JP drains
- TICU care for 1 week
- Pancreatic leak noted & TPN started
- A month later, patient was placed on regular diet, left the hospital with 2 JP drains and percutaneous endoscopy gastrostomy.
- Homecare was arranged for the patient, with 3-4 visits daily
- January 2014, pt still at home and comfortable

#Affordable_Care?
Affordable Care?

- Total charges: $116,281.90
- Medicare: $35,516.20
- Discount: 69%
- Balance due: $35,516.20!
- Room per diem ~$1,500
- ICU per diem ~$2,700
- CT Scan ~$800
- CXR ~$164

Data provided by Dr Jeff Brewer and M Sammarco, CFO, ECMC

#Affordable_Care?
YOUNG INVINCIBLES n. pl. People between ages 18 and 34 who are typically in good health and may not see the need to sign up for health insurance but are critical to ObamaCare to spread the cost of providing affordable insurance.

Placing the odds on your health (and its cost) (Bernasek, A. NYT: 12/29/13)

Q: What are the “typical” cost of healthcare to a healthy adult < 65 yo?
A: $2700 (median)

Q: What if you are an outlier (>95%tile)?
A: $43,000

Fast Facts:
• Uninsured pt are charged ~30% more than insured pts
• ACA requires insurance for all “citizens”
• You can choose your level of deductible (0 to $5000)
• Top 20% have bills >$13,300

#Affordable_Care?
What Are the Differences between Not For-profit and For-Profit Accounting?

Not For-profits can:

• Accounting for contributions (pledges, services, dues, collections) are tax deductible to donors
• Don’t pay taxes on “net profits” and reinvest “contribution to the margin” to organization’s “mission” (Federal Tax rate: 15 to 35%, State variable)
• Pay to hospital executives has become outrageous

#Affordable_Care?
Big Net Incomes in California

Most nonprofit hospitals, like the California ones shown here, have tax-exempt status despite hefty net incomes and little spending on charity.

<table>
<thead>
<tr>
<th>Hospital</th>
<th>NET INCOME</th>
<th>CHARITY CARE</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Pacific Medical Center</td>
<td>$200</td>
<td>$16</td>
</tr>
<tr>
<td>Stanford University Hospital</td>
<td>186</td>
<td>19</td>
</tr>
<tr>
<td>Cedars-Sinai Medical Center</td>
<td>153</td>
<td>16</td>
</tr>
<tr>
<td>John Muir Medical Center</td>
<td>132</td>
<td>15</td>
</tr>
<tr>
<td>Alta Bates-Summit Medical Center</td>
<td>112</td>
<td>5</td>
</tr>
<tr>
<td>Santa Barbara Cottage Hospital</td>
<td>109</td>
<td>13</td>
</tr>
<tr>
<td>Sutter Medical Center, Sacramento</td>
<td>102</td>
<td>35</td>
</tr>
</tbody>
</table>

Source: Institute for Health and Socio-Economic Policy

#Affordable_Care?
### Inflated Prices
California Pacific Medical Center has very high price markups for routine supplies and services.

<table>
<thead>
<tr>
<th>Item</th>
<th>California Pacific</th>
<th>Market Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tylenol with codeine pill</td>
<td>$36.78</td>
<td>$0.50</td>
</tr>
<tr>
<td>IV fluid bag</td>
<td>$137</td>
<td>Under $1</td>
</tr>
<tr>
<td>Neck brace</td>
<td>$154</td>
<td>$19.99</td>
</tr>
<tr>
<td>Echocardiogram</td>
<td>$1,791</td>
<td>$358</td>
</tr>
<tr>
<td>(Hospital fee only)</td>
<td></td>
<td>Includes doctor</td>
</tr>
<tr>
<td>Knee arthroscopy</td>
<td>$14,110</td>
<td>$2,037</td>
</tr>
</tbody>
</table>
Medicare Facts

• LBJ signs Medicare bill in 1965
  • Part A (“Free”) In-patient Services, SNF, Home health, & Hospice
  • Part B (monthly premium) Medical Insurance, some co-pays (<1%)
  • Part C Medicare Advantage Plans (seldom discussed)
  • Part D (monthly premium) out-patient pharmacy (“donut holes!”)
• House CBO estimated cost at $12B in 1990, actual = $110B
• 2012 cost $600B, >$1.5B/day (sky rocketing?, Moral Hazard!)
• All expenses are coded, all codes have prices assigned based on average costs, regional cost of living adjustments, “other” local factors, teaching medical students and residents,
• All bills submitted electronically and monitored electronically
• Audits triggered by electronics, RACs or whistle blowers!

#Affordable_Care?
• Routine Care ➔ Unforgettable Bills
  • Cancer care
  • Emergency room visits
  • Ambulance runs
  • Implants
  • Terminal Care
• Charge master (hospital’s internal price list)
  • Opaque (not published)
  • Aggressive irrational Markups
  • Charges v contractual assignment
  • Outliers
  • The uninsured
• Rich tourists with suitcases of $$$!
#Affordable_Care?

## Disclosure Statement

<table>
<thead>
<tr>
<th>Code</th>
<th>CDM # and Description</th>
<th>Current Price</th>
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<tbody>
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<td>2100520 M61 ROOM CHG PT K</td>
<td>$27,990</td>
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<tr>
<td>2100530</td>
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</tr>
<tr>
<td>2760520</td>
<td>2760520 6N ROOM CHG PT K</td>
<td>$27,990</td>
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<tr>
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<td>2760530 6N ROOM CHG PT L</td>
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<tr>
<td>2140520</td>
<td>2140520 M07 ROOM CHG PT K</td>
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<tr>
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<td>2140530 M07 ROOM CHG PT L</td>
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<td>2160520 MIN ROOM CHG PT K</td>
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</tr>
<tr>
<td>2060500</td>
<td>2060500 M91 ROOM CHG PT I</td>
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<td>$23,902</td>
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<td>2520510</td>
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<td>2160500</td>
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<td>$17,247</td>
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<tr>
<td>2240400</td>
<td>2240400 7N ROOM CHG PT Q</td>
<td>$13,540</td>
</tr>
</tbody>
</table>

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# Affordable Care?

"#Affordable_Care?"
Fairmont Hotel SF, CA
Estimated Total: $5,174.60/day
VIP suite with “extras”
Includes 14.065% Hotel Tax 2.25% T.I.D. Tax Assessment

Vs.

Pacific Medical Center SF, CA
Estimated Total: ~$13,000 to 27,000/day (US average = ~$4,000/day
#Affordable_Care?
• Powerless buyers meeting “sellers” in the Ultimate sellers market; name the price!
• Outcomes no better, or worse, than any other “western” country
• US spends more than the next 10 countries combined
• Medicare/Medicaid & insurance Co get discounts
• The $60B expense for super storm Sandy was spent on healthcare last week!
• Why? Lobbying (Pharma and Healthcare spend $500M/yr. (3 to 4 x of MIC or aerospace)
• Healthcare spending is eating away at economy and US Treasury
• Current system is not sustainable
• Affect of the ACA unknown

#Affordable_Care?
The $2.7 Trillion Medical Bill: Colonoscopies Explain Why U.S. Leads the World in Health Expenditures
Rosenthal E. NY Times 6/1/13

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Average U.S. Price</th>
<th>Canada</th>
<th>Switzerland</th>
<th>Spain</th>
<th>New Zealand</th>
<th>Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angiogram</td>
<td>$914</td>
<td>$35</td>
<td>$655</td>
<td>$7,731</td>
<td>$6</td>
<td>$319</td>
</tr>
<tr>
<td>Colonoscopy</td>
<td>$1,185</td>
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</tr>
<tr>
<td>Hip replacement</td>
<td>$40,364</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lipitor</td>
<td>$124</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M.R.I. scan</td>
<td>$1,121</td>
<td></td>
<td></td>
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</tbody>
</table>

#Affordable_Care?
Same Injury, Different Costs

The cost of treating a cut finger in an emergency room varies widely across the country. Hospital costs, rather than doctor costs, are the largest share: average hospital costs are $566 in New England, but are $1,043 in Pacific states.

Average amount paid for treatment of a cut finger, by region:

<table>
<thead>
<tr>
<th>Region</th>
<th>Paid to Hospitals</th>
<th>Doctors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pacific</td>
<td>$1,377</td>
<td></td>
</tr>
<tr>
<td>West South Central</td>
<td>$1,149</td>
<td></td>
</tr>
<tr>
<td>Mountain</td>
<td>$1,098</td>
<td></td>
</tr>
<tr>
<td>South Atlantic</td>
<td>$992</td>
<td></td>
</tr>
<tr>
<td>West North Central</td>
<td>$901</td>
<td></td>
</tr>
<tr>
<td>Middle Atlantic</td>
<td>$893</td>
<td></td>
</tr>
<tr>
<td>East North Central</td>
<td>$821</td>
<td></td>
</tr>
<tr>
<td>East South Central</td>
<td>$814</td>
<td></td>
</tr>
<tr>
<td>New England</td>
<td>$790</td>
<td></td>
</tr>
</tbody>
</table>

Source: Truven Health Analytics

By Hannah Fairfield and Derek Watkins

Fairfield H & Warkins D. Same injury, different cost! NY Times 12/2/13
Drugs and Pharmaceuticals

• Retail ($280B/yr.)
• Charity care (~$M x 100, retail price, not cost!)
• New “one of a kind” wonder drugs the retail “sale price” set by Pharma Co, drug, but not cost, must be FDA approved (cost of FDA process~$2B/drug, and 8 to 12 yrs min)
• R and D ~ 5-20% operating costs
• Most developed countries regulate what drug makers can charge, limiting them to certain profit margins, not US (we pay ~ 50% more. Check out Pharma price in Ft Erie!)
• Illegal for Medicare to negotiate prices DME also!
 Estimates say savings of 40% possible
• It is illegal to buy drugs in another country and import to US #Affordable_Care?
Devices and implants

- Lack of price transparency (75% profit margin, i.e., Apple ~ 40%)
- Doctor lack incentive to save money
- “MD consultants” (~6K) paid big dollars ($8M) to consult by 4 major manufacturers (75% of the hip and knee replacement market) from ‘02 to ‘06
- Now (ACA) requires all consulting agreements to be disclosed
- Who is going to negotiate on prices when you are in pain or dying?
- 2.39% excise tax on implantables charged by ACA, but it is high on list of “things” to repeal ($136B industry, 146K jobs)

#Affordable_Care?
Out-of-network Medical Costs Affect Everyone

Healthcare Savvy

Highest Reported Out-of-Network Provider Charges Compared to Medicare Payments for 10 Common Medical Procedures

Nationally, approximately 88% of all claims were paid on an in-network basis in 2011.

88% In-Network

12% Out-of-Network

Some out-of-network providers are charging significantly higher prices than what Medicare pays for the same service in the same area.

#Affordable_Care?
How a cat bite cost one man $55,000 (1 of 2)
Lazurus, D
http://www.latimes.com/business/la-fi-lazarus-20130115,0,1491025.column
#axzz2l1NcR8pU

Surgery: $12,282
Hospital stay (6 nights at $4,000 per night): $24,000
Anesthesia: $780
MRI: $3,290
Drugs: $3,412 ($16 Tylenol)
Laboratory services: $4,534
Tube for in-home IV drip: $2,352
Miscellaneous other charges: $2,010
-------------------------------------
Total: $52,660 + PT and F/U = $55,000

#Affordable_Care?
How a cat bite cost one man $55,000 (2 of 2)
Lazurus, D
http://www.latimes.com/business/la-fi-lazarus-20130115,0,1491025.column
#axzz2l1NcR8pU

• Healthcare reporter for LA times
• Did his homework (retrospectively)
  • Blue Cross Blue Shield of Illinois covered $38,448.
  • His co-pay was a little over $1,500.
  • That leaves some $14,000 unaccounted for
• Met UCLA CEO, Dr, David Fineberg: “Ignore that, it’s funny money!” Arrogance!
• Opacity of bill; no transparency. Impossible to figure out what costs what. ACA might improve this by paying for outcomes not volume?

#Affordable_Care?
As hospital prices soar, a stitch tops $500
Rosenthal E.  NYTimes 12/2/13

• 2 examples, similar brow lacerations
  • Sutures (3): $2,291.11
  • Glue: $1,696.00
• Warren Browner, MD, CEO PMC
  Charge Master rationalization:
  • Top professionals
  • 24/7 staffing
  • Need to recoup what it costs to stay open
  • Uninsured care, and
  • “Saudi sheik problem:” “you really do want to charge your charges, if a Saudi sheik comes in with a suitcase full of cash!”

#Affordable_Care?
As Drug Costs Rise, Bending the Law Is One Remedy
Rosenthal E. NYTimes 10/22/13

• 71 yo women receives a notice from USPS that a package she ordered from a Canadian Pharmacy was impounded (estrogen replacement Rx: $100 v $1,000/90 pills)
• Fixed income, donut hole, recession,
• Common Canadian practice (wink-wink)
• Compare prescription drug prices and online pharmacy ratings at PharmacyChecker.com
• Formulary alternatives (some not FDA approved)
‘Affordable Care’ or a Rip-Off?  
Rosenthal E. NYTimes 9/28/13

• Will ObamaCare deliver?  
• Will “affordable” ring hallow?  
• Many variables (bronze, silver gold & platinum)  
• Deductibles (variable) and caps ($6,350, individual)  
• Hospital co-pays (20%)  
• Benefits for some (women, existing conditions, etc.)  
• Surprises for some (“the healthy”)  
• The devil is in the details; yet TBD!

#Affordable_Care?
The providers take on the state of healthcare
(Buffalo Business First: 9/6/13)

“There’s no other part of our economy where you have complete access
to $1M of services and have no economic exposure – and have regulatory
Protection* that services will be provided.”

Mr. James Kaskie Kaleida President/CEO, on the expectation from
consumers that they can go to a hospital and not be refused services
regardless of their ability to pay

*Emergency Tx and Labor Act (EMTALA), Social Security
Act of 1987
Comparing Healthcare Costs
(Klein, E. Wash Post 4/6/2013)

• Angiogram Switzerland $218 US $914
• CABG France $22,844 US $73,420
• Hip replacement Britain $11,889 US $40,364

• Medicare ~11% discount than private payers
• A single party payer might save >$100B/yr. (CBO)
• Raising age of Medicare legibility to 67yo could save $100B/yr.
• Great resistance to major changes in Medicare (or SSI) b/c it works “well” but is not sustainable financially

#Affordable_Care?
Main reason for spiraling healthcare costs is asymmetry of cost information; think how Amazon has changed consumer behavior

Insurance companies have abdicated this responsibility

Employers (Texas811) Consider self-insurance (or no insurance)
  • Lowered premium cost by 3%
  • Increased benefits
  • Included part time employees
  • Provides in-house primary care
  • Employer negotiated improved hospital prices; 50% discounts (from what?)
  • Charge master v Medicare prices

#Affordable_Care?
But this can backfire!

AOL CEO apologizes for blaming 401k cut on health care costs

Feb. 10, 2014 - 5:08 - Debate over controversial remarks

#Affordable_Care?
Global lessons for US Healthcare Leaders
May, EL. Healthcare Executive: 9&10/2013

• Develop Robust Primary Care (US 33% v OECD 80%)
  • Improve access
  • Control costs
  • Manage chronic diseases better

#Affordable_Care?
Global lessons for US Healthcare Leaders
May, EL. Healthcare Executive: 9&10/2013

OECD (Organization for Economic Co-operation and Development)

Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israël, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic

#Affordable_Care?
Global lessons for US Healthcare Leaders
May, EL. Healthcare Executive: 9&10/2013

- Redesign medical liability
  - Size and number of claims doubling per 10 yr.....
  - Defensive medicine cost ($55B/yr.)
  - Abandon tort reform, embrace no-fault systems
- Create national disease registries (CFF, Kaiser Permanente)
- Improve alignment (hospitals, doctors, schools and other services)
FACT SHEET

Great Lakes Health System of Western New York (GLH) is a New York State not-for-profit, community-based corporation established in 2008 in response to the NYS Commission on Health Care Facilities in the 21st Century (Berger Commission) to reduce excess capacity and create a stronger, more efficient and effective healthcare system.

GLH, comprised of Kaleida Health, Erie County Medical Center Corporation (ECMCC), the University at Buffalo (UB), and The Center for Hospice & Palliative Care, plus private practice and community physicians, is the destination for exemplary healthcare delivery and innovation.

Together, GLH is a distinguished trauma center, pioneer in vascular services, including cardiac and stroke care, specialists in pediatrics, transplant, and obstetrics, leaders in long-term care, visionaries in medical research and teachers for the next generation.

Accounts for 40 percent of the Western New York healthcare market.

BOARD OF DIRECTORS

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December 2011

Kaleida Health and ECMC opened the Regional Center of Excellence for Transplantation & Kidney Care on ECMC’s campus, which includes a 22-bed transplant/renal inpatient unit, a 10,000 square feet outpatient transplant clinic and a six-bay outpatient acute dialysis center. In addition, the Center of Excellence operates the Renal Disease and Dialysis Center with 36 hemodialysis stations, outpatient education and community outreach offices.

Kaleida Health and ECMC integrated cardiac services, creating the region’s center of excellence for heart care. All heart surgery, angioplasty and heart attack care now take place at the Gates Vascular Institute. The ECMC Campus continues to have on-site cardiology, medicine services, diagnostic catheterization and thoracic services for trauma patients.

Kaleida Health and ECMC consolidated mental health and drug dependency treatment in the Regional Behavioral Health Center of Excellence on the ECMC campus, which operates a 180-bed inpatient psychiatric program along with 22 detoxification beds and 20 inpatient chemical dependency rehabilitation beds.

Kaleida Health and ECMC are developing a consolidated Center for Laboratory Medicine platform.

February 2013

January 2014

Future

#Affordable_Care?
We must improve the “health” of the Healthcare system
Rand, A B, AARP Bull: April 2013

• Consumers, providers, payers, policymakers all responsible and to blame

Reforms
• Increase transparency of costs, outcomes and quality for consumers to make rational decisions
• Promote payment for value (outcomes) not volume
• Promote > care coordination, i.e., IPC (and pay for it!)
• Lower Pharma costs
• Promote efficiency and less waste
• A 1.5% decrease in Healthcare spending = $2,600 income (2020)

#Affordable_Care?
Solutions and Fixes

- ACA prohibits annual or lifetime limits on all new policies (addresses who pays, but not how much!)
- ACA included Patient-Centered Outcomes Research Institute to expand comparative-effectiveness research efforts on all drugs and tests
  - Caveat: “not be construed as mandates for practice guidelines, coverage recommendations, payment, or policy recommendations.”
- Death panels; decisions should be made by doctors not bureaucrats!
- Single Party Payer system (wait until 2016 presidential election)

#Affordable_Care?
Solutions and Fixes

• Decrease the moral hazard of consumption by increasing co-pays
• System overhaul taking huge profits out of healthcare institutions, Pharma, and device makers
• Provide transparency for elective procedures (do your homework!)
• Empower buyers (patients) in a sellers market
• Balance countervailing interests and provide culpability to answer to Congress and the taxpayers for wasting money
• Decrease all administrative cost (Medicare <0.1% v 3rd party (>10%)
• Health care is not currently a “fair” market
• Bottom line isn’t whether we have a single payer or multiple payers. It’s whether whoever pays has a fair chance in a fair market.

#Affordable_Care?
Solutions and Fixes

• Limit health care consolidation and increase antitrust oversight
• Consider taxing not for profit hospitals
• Eliminate the Charge Master
• Consider limiting patent rights to wonder drugs or regulate prices
• Tort reform, so doctors stop practicing defensive medicine and order unnecessary tests
• Limit administrators’ compensation

#Affordable_Care?
An MD MBA degree is not solution, but will level the playing field from your and your patients perspective.

"Center for Interdisciplinary Healthcare Management"
Existing MBA Programs

• Full-time MBA (60 credit hr. Curriculum)
• Part-time MBA (48 credit hr. Curriculum)
• Executive MBA (52 credit hr. Curriculum)
• Dual Degree/MBA programs (48 credits MBA)

School of Management offers:

• An MBA with a concentration in Healthcare Management
  • Leadership (LeaderCORE Program)

Also, Financial Literacy Programs for students, residents, and fellows not seeking degrees (+/- certificates)

AND,
Faculty & Staff Development

- UUP Members can take 1 course per semester (+/- for credit) for free (all faculty!)
- SUNY B140W Program State Research Foundation or UBF Employees for 50 to 100% discounts
- M/C Tuition Reimbursement Program
- Other (Tuition Reimbursement - University at Buffalo Human Resources)

#MD/MBA
Faculty & Staff Development Courses Suggested:

- MGH 641: The Business of Health Care
- MGH 642: Innovators in Health Care
- MGS 632: Seminar in Health Information Systems
- MGS 634: Integrative Approaches to Health Care Management
- MGH 648: Health Care Practicum (internship)
- MGH 632: Health Care Strategy and Operations
- MGH 633: Health Care Economics
- MGH 634: Health Policy in the U.S.
- LAW 606: Introduction to Health Law

#MD/MBA
Unique Issues to Consider for a Dual Degree (MD/DO MBA)
SUNY@Buffalo Graduate Medical Education Program

• Support of Dean of GME Dean
• Support of Departments, Chairs, Program Directors, and Faculty
• Survey (https://s.qualtrics.com/SE/?SID=SV_3KrXhjpyYy6vbIp&Preview=Survey&BrandID=buffalo)
• Interest by Residents
• Cost (Tuition ~ $15.5K, C of L ~ $45.K, Benefits ~$18K )
• Who will Pay
  • Self
  • Loans
  • Sponsors (Family and Friends)
  • Hybrid models

• What Stage of Training?
• Some Residents may have Visa (J-1 (17%), H-1B (10%), other) Issues?

#MD/MBA
Are There Data to Support This? Yes!
The MD/MBA Dual Degree: Then What?

A retrospective look at MD/MBA graduates in their careers and experiences with MD/MBA dual degree training

Joshua T. Goldman, MD/MBA 2010 | Robert J. Wallace, MD/MBA | University of Southern California | Keck School of Medicine

http://thefranklinsociety.wordpress.com/2010/04/09/the-mdmba-dual-degree-then-what

#MD/MBA
Salary Analysis

**General Practice:** Family Medicine, Internal Medicine, Pediatrics, Hospitalist, Urgent Care
**Medical Specialties:** Allergy, Cardiology, Dermatology, Endocrinology, GI, Hemat/Cancer, ID, Nephrology, Neurology, Psychiatry, Pulmonology, Rheumatology
**Surgical Specialties:** Cardiothoracic, General, OB/GYN, Orthopedic, ENT, Urology

**Average Starting Salary from 2003-2009**

<table>
<thead>
<tr>
<th>Category</th>
<th>Average Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>MD/MBA Graduate</td>
<td>292500</td>
</tr>
<tr>
<td>General Practice</td>
<td>147800</td>
</tr>
<tr>
<td>Medical Specialty</td>
<td>192196</td>
</tr>
<tr>
<td>Surgical Specialty</td>
<td>247333</td>
</tr>
</tbody>
</table>

Average $\Delta = $115,833

**MD/MBA Worthwhile?**

- **Yes:** 93%
- **No:** 7%

**Significant ROI?**

- **Yes:** 11%
- **No:** 89%

http://thefrankinsociety.wordpress.com/2010/04/09/the-mdmba-dual-degree-then-what

#MD/MBA
Contact Information
http://mgt.buffalo.edu/programs/new-york-mba/academics/dual

Philip L Glick, MD, MBA
• VM - 716 859-3371
• Fax - 716 859-3354
• Email - glicklab@buffalo.edu
• Twitter - glicklab

Jennifer VanLaeken
• VM - 716 645-3204
• Fax - 716 645-2341
• Email - jhv2@buffalo.edu
• Twitter @UBSchoolofMGT
• www - mgt.buffalo.edu

@UBSchoolofMGT #MD/MBA
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“Affordable Care?”
Questions?

Philip L Glick, MD, MBA
Professor of Surgery, Pediatrics, OB/GYN, & Management
Vice Chair, Department of Surgery
VM – 716 859-3371
Fax – 716 859-3354
Email – glicklab@buffalo.edu
Twitter – glicklab
www.buffalo.edu/~glicklab

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