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Projected Health Care Costs for 2010 in Context

- Projected health care costs: \$2.7 trillion
- Projected GNP: \$16.0 trillion
- Health care as % of GNP in 1993: 13.8%
- Health care as % of GNP in 2010: 17.1%
- Health care as % of GNP in 2020: >20%

Under-funded Areas in American's Dysfunctional Health Care System

additional billions \$ needed in 2010

- Compensation for victims of medical errors \$1330
- Long-term care / home care / hospice 480
- Mental health care 183
- Insurance for the uninsured 116
- Electronic medical records 20
- Total \$2.1 trillion

RAND Corporation

Quality of Care Report (2003)

- **The RAND study premise:** all guidelines for medical tests and treatments endorsed by a consensus of government and academic medical scientists are evidence-based and valid
- **The finding:** Americans receive only 55% of necessary tests and treatments

RAND Report (cont)

- **The implication:** Instead of \$2.7 trillion (17.1% of GNP) spending on health care in 2010, Americans should spend \$4.8 trillion (30% of GNP).
- **Money Driven Medicine challenges RAND's premise that medical establishment endorsed tests and treatments are all safe and effective.**

Total Cost of Fixing Health Care Without Comprehensive Reform

\$ Trillions

- Estimated health care costs for 2010: 2.7
- Additional interventions per guidelines: 2.1
- Paying for under-funded needs: 2.1
- Total 6.9

\$6.9 Trillion = 43% of GNP in 2010

Costs of Special Interest Derived Medical Practice Guidelines

1. Many medical orthodoxy-endorsed tests and treatments are unproven to work or proven not to work
2. Harms the health care system
3. Public and private medical insurance pay for these tests and treatments, reducing funds for useful medical purposes
4. Unsafe - they kill at least 80,000 Americans/year
5. Expensive (cost >> \$1 trillion in 2010)

Estimated Deaths Due to Tests and Treatments That Don't Work (per year in USA alone)

1. Anticoagulants (eg., warfarin)	30,000
2. Coronary artery interventions	23,000
3. Unaffordable insurance	20,500
4. Surgery for obesity	2500
5. Thrombolysis (clot busters)	2100
6. Non beneficial cancer chemo	2000

Examples of Costs of Tests and Treatments That Don't Work (projected for 2010 in the USA)

- | | |
|---------------------------------------|---------|
| 1. Coronary interventions | \$196 B |
| 2. Back pain tests/treatments | \$80 B |
| 3. Non beneficial cancer chemo | \$49 B |
| 4. Anticoagulants (blood thinners) | \$29 B |
| 5. Cholesterol tests/pills | \$28 B |
| 6. Diabetes pills for asymptomatic Dz | \$24 B |
| 7. Antidepression pills | \$19 B |
| 8. Unnecessary HBP pills | \$17 B |

Inadequate Reserves to Pay for Future Health Care

- **\$321 billion** shortfall in reserves set aside for post-retirement benefits for employees of U.S. corporations (i.e., primarily retiree health care programs)
- **\$1.1 trillion** not budgeted for in federal, state, and local governments' obligations for health care services for retirees
- **\$32.4 trillion:** the 75-year actuarial projection of Medicare debt

Inefficiency, Waste, Fraud

- Administration will cost over \$660 billion (31% of personal health care cost) in 2010
- Redundancy and inefficiency will account for at least \$500 billion
- Medical fraud will consume \$85 – \$280 billion

Comprehensive Health Care Reform Requirements

- Universal medical insurance
- Affordable cost
- Access to high quality care

Quality Care =

- Compassionate
- Empathetic
- Timely
- Evidence-based
- Good outcomes

International Comparisons of Health Care Outcomes

- Low birth weight percentages—13th (last)
- Neonatal and infant mortality—13th
- Over all years of potential life lost—13th
- Life expectancy at age 1 for females—11th
- Life expectancy at age 1 for males—12th
- Life expectancy at age 15 for females—10th
- Life expectancy at age 15 for males—12th

Healthcare Reform Conundrum

1. Our current crisis in health care cannot be resolved with incremental fixes.
2. A comprehensive restructuring of our medical care system is required.
3. Reform must also increase funding for many currently under-funded medical interventions
4. No comprehensive health care reform plan is complete without addressing tests and treatments that don't work.

Essential Healthcare Reform Components

1. Funding based on scientific evidence
2. Health freedom
3. Preventive medicine emphasis
4. Benefiting everyone (no losers)

Evidence-based Medicine Principles

- Demand high levels of evidence at decision-making points (e.g. randomized trials).
- Question the validity and applicability of the evidence to the circumstances.
- Understand that the lack of evidence that a treatment is effective is not equal to evidence that it is ineffective.
- An estimated 15% of medical treatments are evidence-based.

Health Freedom

Definition: Honoring consumers' rights to make their own personal health care choices (e.g., faith-based insurance or insurance without health care mandates) balanced with the need to protect the public from truly potentially harmful situations

The U.S. Supreme Court has not decided whether it's constitutional for the state to deny health freedom to consumers.

Preventive Medicine

- \$1.8 trillion in 2010 for treatment of chronic diseases that could be prevented
- The food industry pays about \$36 billion per year to advertise and market its saturated fat and cholesterol-laden food.
- Interventions to reduce lifestyle-related diseases will cost a small fraction of our \$78 billion in projected federal public health expenditures for 2010.

The system is the problem;
not the people in the system.

Altruistic, dedicated, and talented health care professionals exist in all areas related to healing the body, mind, and spirit. With few exceptions, medical and allied professionals want to improve the health of people.

Doctor Managed Care

- Primary care physicians (PCPs) would manage health care resources.
- Each U.S. resident would choose his / her own PCP (MD, nurse practitioner, physician's assistant).
- PCPs would have the authority to authorize insurance payment for any and all health care services.

Doctor Managed Care (2)

- Patients would be free to receive services not PCP authorized by paying out of pocket (health freedom).
- They could also appeal the denial of their PCP's authorization for insurance payment for a health care service in two ways.
 1. Patient committee appeal board
 2. Change PCPs, find one that would approve insurance payment for the service in question.

Doctor Managed Care (3)

- Health care provider specialists would compete with each other for referrals.
- Market forces would determine fair and just compensation for specialists, drugs, and facilities.
- Unnecessary tests and treatments and excessive charges by specialists for services would consequently be reduced.

Doctor Managed Care (4)

- PCPs would post their yearly expenditures by patient care category on the Internet.
- Consumers could provide feedback and could shop for PCPs based on their personal priorities.
- PCPs could practice in groups.

Doctor Managed Care (5)

- Each PCP would receive a capitated fee for each patient.
- Government payments to PCPs would be adjusted for each patient's health risks.
- PCPs would compete in part by avoiding payments for tests and treatments that don't work
- Currently unfunded health services could be covered depending on patients and PCPs.

Funding Doctor Managed Care

- *Employer Mandate—Bad Medicine, abandon it*
- *Instead—Federal Government funded but PCP managed*
- *Each person also pays an affordable premium (\$100 per month)*
- *Replacement funding source for private insurance –A “healthcare fee” on non renewable energy (e.g., fossil fuel)*

Doctor Managed Care Summary

- Government funded—not government run
- Market oriented—healthy competition
- Expands health freedom
- Reduces funds for ineffective interventions
- Increases funds for long term care and other neglected priorities
- Revenue neutral overall
- Controls future health care costs