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### Summary: Health Care Community Discussion

On Dec. 29, 2008, [Internet Payment Exchange, Inc.](#) (IPayX), in conjunction with the [Medical Banking Project](#), held a Healthcare Improvement Webinar that collected opinions from participants for the Obama Healthcare Initiative. On the call sat a patient accounting executive from a world-renowned academic health center, an employee of a large healthcare IT services firm and members of the IPayX team. Attendance was small but the content was rich (Webinar slide deck follows the summary).

Douglas Braun, president of IPayX, was able to describe the Obama healthcare plan in three areas: (1) improve infrastructure; (2) expand coverage to all Americans; (3) improve prevention and public health. Statistics and examples were pulled from a presentation by Dr. Harry Jacobson, vice chancellor of health affairs at Vanderbilt University, given at the 2009 Medical Banking Leadership Forum in October where 55 banking and healthcare leaders attended to discuss the future of medical banking in a "credit-broken" economy. Some of his analyses were presented in the slide deck compared healthcare costs in the United States with other areas of the world. Examining our healthcare "problematique" within a global context is very helpful in forming constructive frameworks that could point to solutions.

Attendees cited the growing problem in accounts receivable as one of the most pressing issues affecting healthcare facilities. Individuals losing health insurance coverage or being unable to pay the self-pay portion of their medical bills, especially in light of increased deductibles and underfunded health savings account plans, are adding up to more collection activity and higher legal expenses. This issue coupled with the fact that medical bills contribute to 50 percent of bankruptcies suggests that costs are out of control. For these reasons, the increasing cost of healthcare was cited as another pressing healthcare issue.

Attendees had little confidence in some forms of government oversight for healthcare. There was a much higher regard for a federal body regulating some portions of the industry, similar to how the Federal Reserve regulates banking (or failed to regulate as we now know.) By sponsoring or requiring initiatives, like a Personal Health Information (PHI) network for example, and regulating the healthcare industry, a Federal Health Board may achieve some success. Attendees believed that sponsoring or requiring does not necessarily equate to investing in or underwriting the entire portion of an initiative. There should be plenty of room for the private sector to participate at many levels.

It should be noted that regulation was defined to include regulating insurance organizations as well.

Some Webinar participants shared the belief that insurance companies are the root of the problem through the following reasoning: Quality healthcare would ultimately reduce costs (the slide deck cited references that indicated the proper course of treatment was only given 54 percent of the time), yet insurance companies have no motive to control quality as their focus is in profits. Regulating insurance companies by requiring quality measurements and “pay for performance” reimbursement would change the basic healthcare model and begin to remedy the problem. While falling short of a “single payer” plan that some favor, a change in how insurers are regulated does set new goals and implement a way to attain, or at least, measure outcomes.

Regulation may extend all the way down to who is permitted to admit patients to hospitals. Why would a poor performing physician or general practitioner be given admission rights that expose individuals to hundreds of thousands of dollars in care without oversight that treatment conclusions were accurate? Lastly, there is a need for feedback to create a “continuous process improvement” environment. Would a physician really provide improper treatment if his treatment scores were published?

Per the Obama-Biden Transition Team’s request, below are the answers to the suggested poll questions.

1. What do you perceive as the biggest problem in health system?  
67% Cost of Healthcare;  
33% Quality of Healthcare
  
2. What do you think is the best way for policy makers to develop a plan to address the health system problems?  
100% Community meetings like these
  
3. After this discussion, what additional input and information would best help you to continue to participate in the great debate?  
67% More background information on problems in the health system;  
33% More information on solutions for health reform.

# IPayX Healthcare Improvement Webinar

Healthcare reform  
discussion moderated  
by Medical Banking  
Project's John Casillas



Dec. 29, 2008



# Agenda

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- Introduction and procedures
- Obama's healthcare plan
- Cost, quality and insurance availability discussion
- Proposed solutions
- Q&A



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# Healthcare Reform

- President-elect Obama and Sen. Tom Daschle asked public to host Healthcare Community Discussions this month to identify key issues
- Webinar tailored for professionals instead of consumers



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# Webinar Procedures

- Answering poll questions
- Submitting questions to moderator
- Summary report from Webinar submitted to administration
  - More information, visit [www.change.gov](http://www.change.gov)



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# Moderator

- John Casillas, Executive Director, Medical Banking Project



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# Panelist

- Douglas Braun, President and CEO, IPayX



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# Obama's Healthcare Plan

- Part 1: Modernize the healthcare system to improve quality and reduce costs
  - Invest in a national health information technology system
  - Reward health providers that provide high quality care and coordinated care
  - Expand disease management programs, self-management training
  - Lower drug costs by increasing the use of generic drugs in public programs, and taking on drug companies that block cheaper generic medicines from the market
  - Require hospitals and providers to collect and report health care cost and quality data



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# Obama's Healthcare Plan

- Part 2: Expand coverage to all Americans
  - Build upon and strengthen employer coverage
  - Allow people to keep the coverage that they have and maintain patients' choice of doctor
  - Establish a National Health Insurance Exchange that offers a range of private insurance options as well as a new public plan option
  - Require insurance companies to cover pre-existing conditions Expand Medicaid and SCHIP and provide sliding-scale premium assistance for low-income people



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# Obama's Healthcare Plan

- Part 3: Improve prevention and public health
  - Require coverage of clinical preventive services such as tobacco cessation services and cancer screenings, in public programs and private health plans
  - Invest in community-based prevention that will lead to healthier schools, worksites, and communities
  - Tackle the health and public health workforce shortage and bolster the public health infrastructure



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# Issues Facing Healthcare

**Cost**

**Quality**

**Insurance Availability**



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# Cost

- Health insurance premiums have doubled in the past 8 years, accompanied by increasing co-pays and deductibles that threaten access to care.<sup>1</sup>
- Large medical bills have contributed to half of bankruptcies and foreclosures.<sup>2</sup>
- Rising health care costs place a burden on American businesses, as they try to balance health benefit costs with job growth and competitiveness. American manufacturers are paying more than twice as much on health benefits as most of their foreign competitors (measured in cost per hour).<sup>3</sup>



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# Cost

- Problems with health care quality and administrative “waste” contribute to these costs:
  - Medical errors result in as many as 100,000 deaths per year in U.S. hospitals.<sup>4</sup>
  - On average, American adults received just 55 percent of recommended care for the leading causes of death and disability.<sup>5</sup>
- The U.S. spent \$412 per capita on health care administration and insurance in 2003—nearly 6 times as much as other developed countries.<sup>6</sup>



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# Cost

- **Chronic disease issues:**

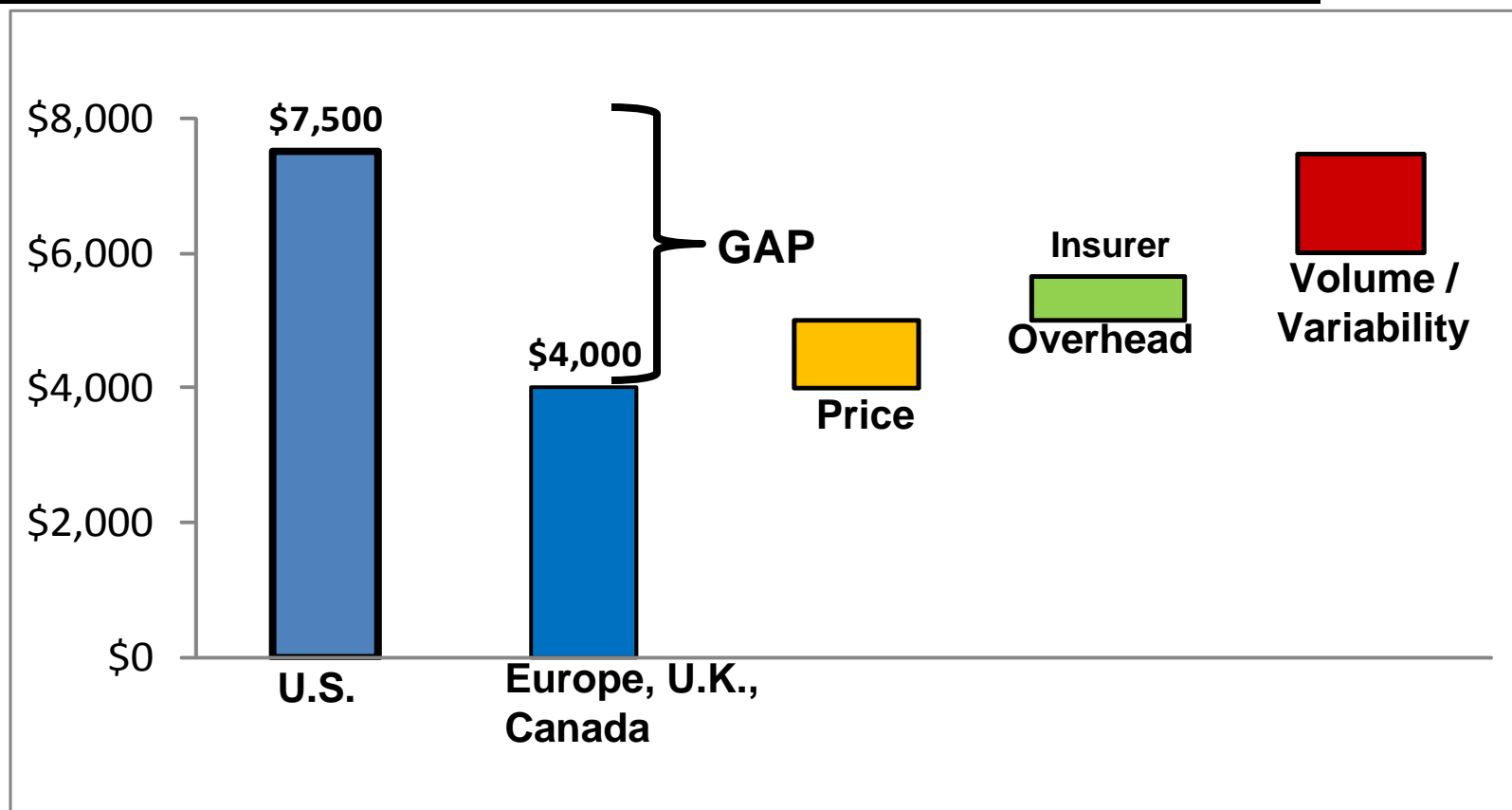
- One in 3 Americans—or 133 million—have a chronic condition, 10 and 5 chronic diseases—heart disease, cancer, stroke, chronic obstructive pulmonary disease, and diabetes—cause over two-thirds of all deaths.<sup>7</sup>
- Approximately 1 in 3 children born today will develop diabetes in their lifetime.<sup>8</sup>
- Only four cents out of every health care dollar is spent on prevention and public health.<sup>9</sup>



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# Per Capita Healthcare (U.S. vs. Others)<sup>10</sup>



# What Makes Up the Gap<sup>11</sup>

- Price Providers Charge
  - Salaries of healthcare workers (doctors)
  - Costs for prescription drugs, devices, equipment
  - Uncompensated care
- “Overhead” reflected in price providers charge
  - Administrative costs for billing, collecting, compliance
  - Readiness factor – cost of building, owning, maintain certain infrastructure
  - Cost of “over capacity”
  - Malpractice
- “Overhead” elsewhere
  - Administrative costs within insurers
- Volume
  - Lack of evidence-based decision making
  - Variability in practice
  - Overuse, misuse, under use of resources



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# Cost

- What effect does the current credit crisis have on your organization?
- What is the biggest cost issue currently facing your healthcare system/hospital? What is the biggest problem it will face in the future?



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# Quality

- The gap between what we know and what we do<sup>12</sup>

6,712 Individuals in 12 Cities

Only 54.9% received recommended care

Only 54.9% received recommended preventive care

Only 53.5% received recommended acute care

Only 56.1% received recommended chronic care

Examples: Hip Fracture	22.8% (Range 6.2-39.5%)
Atrial Fibrillation	24.7%
Depression	57.2%
Senile Cataract	78.7% (Best performance)



# Quality

- Measurement of best practices
- Methodology of quality assessment
- Insurance companies dictating treatment
- Science vs. artistry



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# Quality

- Should the government impose goals for cost and quality for care? Why or why not?
- Does your organization have internal goals for cost and quality for care? What are they?



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# Insurance Availability

- Nearly 160 million Americans have job-based insurance, but many are just a pink slip away from joining the ranks of the uninsured. For every 1 percentage point increase in the unemployment rate, over one million people become uninsured.<sup>13</sup>
- Being uninsured leads to delayed care—late diagnoses for cancer when it is harder and more expensive to treat, and preventable complications due to untreated diabetes. It also leads to denied care— a child without health insurance is less likely to receive medical attention for recurrent ear infections or for asthma.



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# Insurance Availability

- Uninsured trauma victims are less likely to be admitted to the hospital and are 37 percent more likely to die of injuries.<sup>14</sup>
- Even people with coverage are increasingly finding that it is insufficient or simply not there when needed.
- Nearly one in five Americans either delay care or have unmet needs despite having health insurance.<sup>15</sup>



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# Insurance Availability

- What are some of the issues your organization faces from the country's large number of uninsured citizens?



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# Proposed Solutions

- Accountability in healthcare
  - Healthcare system level, physician level
  - Process improvement
- Cost control
  - Maintain profitability but reign in costs
  - Weigh cost to outcome
- Role of Federal Health Board
  - Define value
  - Monitor health insurance exchange



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# Q&A

- What are the top three issues you would like the Obama administration to address in upcoming healthcare reform?



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