

Mark Masselli: This is Conversations on Healthcare, I'm Mark Masselli.

Margaret Flinter: And I'm Margaret Flinter.

Mark Masselli: Well Margaret another big name is stepping down Marilyn Tavenner is leaving her post as Administrator of the Center for Medicare and Medicaid Services.

Margaret Flinter: Well she manage to hold on that for that bumpy ride through the initial rollout of the first open enrollment and she oversaw a dramatic increase in the number of Medicaid recipients across the country, you know, she had some reporting issues though that run covered in the congressional analysis.

Mark Masselli: She had to admit that there were over reported the number of Americans who signed up for insurance by around 400,000 of peers patients who signed up for both health coverage and dental coverage separately were actually counted twice.

Margaret Flinter: We know that with so much of the Affordable Care Act the rollout has been about optics and well things are going incredibly well this time around that was unfortunate lingering black eye.

Mark Masselli: That was, Tavenner has been loaded as a highly capable administrator. She was acting administrator since 2011 was officially confirmed as the head of CMS in 2012. This is one of the most demanding post in government the CMS administrator oversees insurance coverage for one in three Americans with an annual budget of \$800 billion.

Margaret Flinter: Well HHS Secretary Sylvia Mathews Burwell praise Tavenner's tenacity and her professionalism. She allotted her efforts to write the ship after the problem plagued launch of the insurance market place. And she also announced that Andrew Slavitt the number two person in CMS will be the acting administrator moving forward. And I think her praise of Marilyn Tavenner was well put.

Mark Masselli: Our guest today has done a deep dive behind the scenes of the creation of the Healthcare law, Steven Brill is a award-winning journalist and author of America's Bitter Pill. He focuses on the need and act more reforms that actually contain cost in healthcare and stem the exorbitant and cost of pharmaceuticals and hospital care some of the biggest drivers in the \$ 3 trillion year healthcare industry.

Margaret Flinter: And Lori Robertson, Managing Editor of FactCheck.org's stops by, she's always on the hunt for misstatements spoken about health policy in the public domain.

Mark Masselli: And as always if you have comments email us at chcradio@chcone.com or find us on Facebook or at CHC Radio on Twitter we'd love hearing from you.

Margaret Flinter: We'll get to our interview with Steven Brill in just a moment.

Mark Masselli: But first here is our producer Marianne O'Hare with this week's headline news.

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Marianne O'Hare: I'm Marianne O'Hare with these Healthcare Headlines. Marilyn Tavenner is out at CMS the Administrator at the Centers for Medicare and Medicaid Services had weathered the storm of the initial rollout during the problem plagued launch of the online insurance exchanges. Facing the initial issues head on and still managing to oversee enrollment of some 10 million uninsured Americans first go round. And while the second open enrollment has been a breeze comparatively conflicts still lingered. Her office erroneously reported some 400,000 additional signups only to discover Americans who signed up separately for health coverage and dental coverage, she'll be replaced by Andrew Slavitt the number two person at CMS.

And February 15th is the end of the second round of open enrollment, millions more Americans have already signed up for coverage or re-up their health plans from last year with few of the problems experienced the first time around. HHS secretary Burwell is attempting to head off problems of a political nature, she's reached out to the GOP leadership to seek ways to find common ground in health policy. Burwell feels there will be common ground, I'm finding ways to continue funding for children's health insurance program known as CHIP and finally fixing the sustainable growth rate formula the reimburses physicians for Medicare patient treatment.

Meanwhile the Common Wealth Fund has done a study of newly insured and their impact on hospital use and cost -- hospitals reported 22% drop in the number of uninsured patients, a significant drop in one year. And do you want to just zap the fat off you? FDA has approved disordered paste maker to battle obesity researchers in St. Saint Paul, Minnesota found obese patients using the V-Block which blocks the Vagal never inhibited hunger messages from stomach to brain. But interestingly people in the control group lost weight as well. I'm Marianne O'Hare, with these Healthcare Headlines.

(Music)

Mark Masselli: We're speaking today with an attorney and award-winning journalist Steven Brill, author of several critically acclaimed works including the recently published America's Bitter Pill money politics, backroom deals and the fight to fix our broken

healthcare system. Mr. Brill's 2013 investigative time magazine special report Bitter Pill which won the National Magazine Award sought to expose the murky world of healthcare and hospital pricing. Mr. Brill co-founded Journalism Online a resource assisting online newspaper publishers, he's a professor of Advance Journalism at Yale University where he earned his law degree, Mr. Brill welcome back to Conversations on Healthcare.

Steven Brill: Thank you.

Mark Masselli: I think the last time we have on -- we were talking about charge masters and I think everybody in the country started talking about charge masters. So you made a lot of hospital administrators quite upset but I think you illuminated something for the public. And now you've turn your attention to the Affordable Care Act and how it was crafted, I take (inaudible 5:32) the law does indeed extend healthcare virtue as it was intended. But does nothing to cap and contain rising health cost, could you expand on that for our listeners?

Steven Brill: The good news is that it does solve one of the two problems in American Healthcare and that is that alone among the develop countries in the world we do not provide access to healthcare to tens of millions of our fellow citizens. And this does do that, that's the good news. The bad news is that the way it does it is by having the government subsidize health insurance for those people at the same high prices of care that I talked about in that Time Magazine article the same, you know, charge master prices, the same high prices for prescription drugs. So the lesson of all this and the reason I wrote the book was to sort of talk in a more sweeping way about what are the real challenges facing our country and major challenges that would passes for reform. The only kind of reform that will come out of Washington is reform the powers that'd be in the American healthcare industry will allow to come out. And guess what? What they allow to come out is so called reform that just makes them richer. We are now paying significant subsidies for people to buy health insurance so they can become the customers of the drug companies who are selling their drugs at the same sky high prices they were selling at them before which are, you know, typically 50% more than the price of the exact same drug in Germany, France, Canada, Japan you name it. And we've done nothing to curb the high profits that so called non-profit hospitals all across the country enjoy. And when they enjoy those profits they pay their administrators, their chief executives, their marketing directors the kinds of salaries that you usually don't even see in private industry.

Margaret Flinter: Well Steven your book America's Bitter Pill has been receiving quite a bit of critical claim would be a real understatement.

Steven Brill: Well thank you.

Margaret Flinter: Just to -- everywhere. And Bob Woodward called the a landmark study with brilliant insights and then New York Times says that you've pulled up something extraordinary crafting a thriller about market structure government organization billing practices ---

Steven Brill: Yeah go figure.

Margaret Flinter: -- and you know that most Americans just don't understand nor would they have had much opportunity to understand the complexity of how policy is made in Washington. So maybe distill some of those findings for us.

Steven Brill: Well it starts in the context of, you know, enormous complexity. Healthcare is by far the largest industry in the country, it's one sixth to one fifth of the economy. But it's enormously complex, no one can really understand it. And when you have something that no one understands that involves a lot of money that's where lobbyist do very well. So for example, there is a provision in the bill allowing for biologic drugs to enjoy a certain period of patent protection. What it means is basically every year protection they enjoy may had 10 to 15 billion dollars to our healthcare bill that goes into the pockets of those companies. Now there are good arguments for why they should have patent protection but that's the kind of arena we're playing in. And almost every paragraph of this 965 page law was heavily lobbied by people whose economic interest are direct, they lose the money. Now we all have economic interest as tax payers and as consumers but our interest isn't as direct. The health industry lobby in Washington spends four times as much as the next largest high spending industry and that's the military industrial complex. So you can imagine the power that they have.

Mark Masselli: It sound like this is a regular sausage making that everybody thinks about that's going on in Washington normally.

Steven Brill: Well it is exceptive, you know, in every case it's something that people can understand. It's the formula for how, you know, Medicare reimburses some aspect of kidney dialysis changes that affects millions of people. It's also about the simple complexity and challenge of governing as implementing the law which the Obama Administration said to say did a terrible job of as witness by both the launch of the website that also is witness by their affiliate to write regulations that would have helped lots of people just simply sitting down and writing the regulation. It took them five years to write a regulation that limits the kind of bill collecting and lawsuits that the so called non-profit hospitals can do for financially needy people who end up in an emergency room can't pay the exorbitant bill. And get pounded into bankruptcy often. There's a good provision in the law that changes that that the hospitals lobbied against, this is one of the rare things that they were unable to keep out.

Mark Masselli: You know, your focus has been on many things in the book but certainly the lack to contain the astronomical cost of healthcare we've had Governor Deval on the show and Jonathan Gruber and others who said hey no, no, no really the strategy was we thought politically this is what we could get done. And then the next round which Massachusetts is going through is that this is the time to do cross control.

Steven Brill: Well the very candid about is, is just the questions how is that next round going? And the answer is it's not going and it's not going to go. We are the only country in the world that does not control the price of prescription drugs that the government has awarded a patent to. The irony here is that in the political climate we have with the republicans bitterly oppose to Obama Care even the slightest improvements are not likely to happen. What passes for the notion of an improvement in Obama Care lately is a repeal of a so called medical device tax which is a 3% tax on what is probably the highest profit margin industry in the country. That controversy proves that the democrats are as susceptible to special interest as the republicans are, you know, among those who support a repeal of that tax are Elizabeth Warren, Al Franken and Amy Klobuchar. The most prominent medical device maker is a company in Minnesota called Medtronic, since the day Obama Care was passed its profits are up 67% and it has added 5000 people to its payroll. You know, the reason they put the taxing in the first place was the rationale was the medical device industry's going to get all these new customers because all these new people are suddenly going to have insurance. They can pay for all these devices and that's exactly what has happened.

Margaret Flinter: When we had on the show the first time you are shining that spotlight on the irrationality of healthcare pricing. But I think you've been quite open that you found yourself in an emergency situation requiring open heart surgery. Your bill came to a couple of \$100,000, what did you learn in examining your own bill and the cost of your own unexpected experience?

Steven Brill: Well this happened ironically on the last day of enrollment in the Obama Care exchanges last year March 31st. My doctor discovered something and I had a couple of tests and it turned out that I had something called neurotic (inaudible 13:07) and if it burst you die. So there I was in the hospital, you know, having, you know, open heart surgery and first of all it gave me some perspective, you know, I had written in the first article that we overuse things like MRI tests but it was an MRI test that saved my life. So the second was, you know, I had considered myself a pretty savvy customer when it came to healthcare, none of that mattered I wasn't a savvy customer, I was a puddle. And, you know, when you're in that situation you are not a consumer, you are not saying gee do I really need that extra X-Ray do I need that blood test? And that's why this isn't a market place. And the other thing it taught me was how dysfunctional it is after I got out of the hospital I got 36 different explanations of benefits from United Healthcare my insurance company. And the third envelope I opened said amount billed zero, amount

paid for by insurance company zero, amount you owe a \$154.20. Well as it turned out I had scheduled before I went into the hospital and interview with the CEO of United Healthcare and I went out and asked all those questions and then at the end I took that explanations of benefits out of my suit pocket handed it to the CEO of United Healthcare, could you explain this to me? And he looked at it and then he looked up and said, I could sit here all day and I couldn't deal with ---

Mark Masselli: That's great.

Steven Brill: And, you know, here is the single largest consumer product in the United States and yet the communication that goes to consumers more than any other communication, the explanation of benefits the CEO of the company he doesn't even understand what it means. So how are we suppose to understand what it means.

Mark Masselli: We're speaking today with attorney and award-winning journalist Steven Brill author of several critically acclaimed works including the recently published America's Bitter Pill. You know, Steven some economist have said you might over simplified the notion that the Affordable Care Act could magically erase decades of unchecked growth in the profit driven healthcare system. And we had conversation with Professor Ryan Hart talking a little bit about the GDP and the impact on economy. Would you care if we were paying 20% if we in fact had a healthy population?

Steven Brill: I mean I wouldn't tell outcomes to any of this because what we know is that for all the money we spend our outcomes are not any better. So the notion that if we only spend more on this instead of that, you know, that Hepatitis-C drug costing, you know, on a \$1000 a pill if only cost \$1200 a pill our outcomes would be better I think if our percent of GDP for healthcare is 18% let's remember that in most of the countries the countries, you know, we compete with globally it's 10%, 11%, 9%. So we're taking this big chunk out of the economy to do what all the countries that are compete with us do just as well if not better for a lot less money. But where the conversation really gets difficult is that there's no way to judge the quality and God knows you can't judge the quality of any procedure or any hospital or any doctor based on the cost. There are zillion studies that say that there's no relationship to quality there.

Margaret Flinter: Well Steven we talked about perspective a few moments ago and our perspective perhaps from within the world of primary care is you just got acknowledge how much change for the better in the last year or so in terms of so many more people being insured, many on Medicaid. And certainly, you know, in area where we just used to see such suffering people with pre existing conditions who, you know, their entire livelihood was going by insurance. So that's sort of the positive side, the other side we couldn't agree with you more and we are confronted with this reality as our state Medicaid directors and people who had a corrections facilities. And, you know, the folks

who have come up with a very effective treatment for Hepatitis-C will just have to bear with being the poster child for how can this be, right? How can a pill for something like Hepatitis-C cost a \$1000 and what do we do about it when it clearly is tied to life saving and life changing medication. If we gave you the magic wand for Washington where would you focus your efforts next?

Steven Brill: A couple of things, one is that Hepatitis-C drug is an example. That company would make a lot of money if they sold it for \$300 a pill which is what they sell it for in every other country. And we're the only country that doesn't act to control the price of those drugs and that's because of the pharmaceutical lobby in Washington. When it comes to hospital care one other thing I suggest is that we allow hospitals are expanding they're buying up other hospitals, they're buying up doctors practices and exerting, you know, market control. We should encourage them to do as some of these hospital systems are now starting to do which is sell their own insurance.

If the Cleveland Clinic dominates healthcare than much of Ohio they should be selling insurance which in fact they just file to get a license to do so. If I bought my insurance in the Cleveland Clinic they have a brand name, they have accountability so if I paid them \$8000 or \$10,000 a year to insure me then they would have no incentive to over test to, you know, keep me in the hospital longer or do anything, you know, because they'd be the insurance company, I mean in fact they wouldn't want to build themselves for anything they don't need.

Second, they're the kind of brand name that is accountable mummified by health insurance in Ohio I have to hope that they're in my network and my health insurance company going to be fighting with them all the time over whether this was necessary or that was necessary. Now having said that the only way to do that without having all kinds of abuse regulate heavily what they do because they in a fact would become a monopoly and you can regulate them, you can regulate their profit margins, you can regulate the salaries of the executive. And you can have ombudsman who are available to make sure that, you know, that once they take your money to the insurance they're not skimping on your care.

But if they were the brand then they could open up the walk-in centers that proliferating around the country to take the place of emergency room so the urgent care centers. And I'd much rather go to the urgent care center in Ohio that has the Cleveland Clinic brand and accountability than I would, you know, going to an unregulated urgent care or walk-in center, you know, that's been financed by some private equity company.

Mark Masselli: We've been speaking with attorney journalist and writer Steven Brill author of America's Bitter Pill. You can learn more about his work at

Americasbitterpill.com, you could also follow Mr. Brill by going to @Steven Brill on Twitter. Steven thank you so much for joining us on Conversations today.

Steven Brill: You're quite welcome it was fun.

(Music)

Mark Masselli: At Conversations on Healthcare we want our audience to be truly in the know when it comes to the facts about healthcare reform and policy. Lori Robertson is an award-winning journalist and managing editor of FactCheck.org a nonpartisan, nonprofit consumer advocate for voters that aim to reduce the level of deception in US politics. Lori what have you got for us this week?

Lori Robertson: Let's take a look at some of the numbers on the Affordable Care Act. The open enrollment period last until February 15th and those who buy their own insurance are renewing or selecting new polices on the state and federal market places. Those market places now have more than 25% more insurance companies than they did in 2014. The average cost of a benchmark silver policy went up by 2% according to the nonpartisan Kaiser Family Foundation. The benchmark plans are the second lowest cost of the middle tier silver plans. The cheaper bronze plans went up an average of 4%, but the price changes very widely geographically. In Southeastern Alaska for example the benchmark silver plan went up 34% while the same level plan went down by 45% in Summit County, Colorado.

The New York Times analysis shows that it pays to shop around, last year's second lowest cost silver plan is not necessarily the same as this year's. So many policy holders could see a more substantial premium increase if they stick with their current plans as oppose to switching policies.

The ACA's basic tax penalty for not having insurance has doubled for 2015 going from 1% of household income to 2%. And the minimum penalty for those with very low income has more than tripled. Going from \$95 per adult last year to \$325. There are solid evidence that millions have gained insurance coverage under the law but we won't have firm estimates of how many or how many will remain uninsured for some time. And that's my fact check for this week, I'm Lori Robertson Managing Editor of FactCheck.org.

Margaret Flinter: FactCheck.org is committed to factual accuracy from the country's major political players and is a project of the Annenberg Public Policy Center at the University of Pennsylvania. If you have a fact, that you would like checked, email us at www.chcradio.com. We will have FactCheck.org's Lori Robertson check it out for you here on Conversations on Healthcare.

(Music)

Mark Masselli: Each week conversations highlights a bright idea about how to make wellness a part of our communities and to everyday lives. In the emergency room the ICU clinicians are confronted with ameliorative unpredictable medical crisis that sometimes can be challenging to diagnose. Most of the clinicians are now communicating with colleagues via their smart phones often sending images of a patient's unique symptoms or chest X-Rays to one another for share diagnosis. ICU physician Dr. Josh Landy was noticing a growing trend of image sharing via smart phones to crowd source second opinions from friends and colleagues across the country. But he also was concerned about the potential violation of HIPAA regulations. So he developed an app for that, he created Figure 1, a sort of Instagram for doctors in which images can be de-identified but shared across a dedicated social media platform that would allow input from clinicians within their network.

Doctors are using the app to communicate not only with colleagues within their hospital settings but around the world where someone might have superior expertise with a certain condition. The app was recently used to share a chest image of one of the patients who presented with the Middle Eastern Virus MERS. Dr. Landy says the apps get about a half a million image views a day with about 80 million total view so far, he sees the potential for this platform only growing as more young digital natives enter the medical workforce. Figure 1 is a free download through Apple app stores and Google play. A free downloadable app offering secure HIPAA compliant image sharing among clinicians around the world to reduce the time it takes to zero in on a diagnose by tapping the collective expert instantly. Now that is a bright idea.

Margaret Flinter: This is Conversations on Healthcare. I am Margaret Flinter.

Mark Masselli: And I am Mark Masselli. Peace in health.

Conversations on Healthcare broadcast from the campus of WESU at Wesleyan university. Streaming live at wesufm.org and brought to you by the community health center.