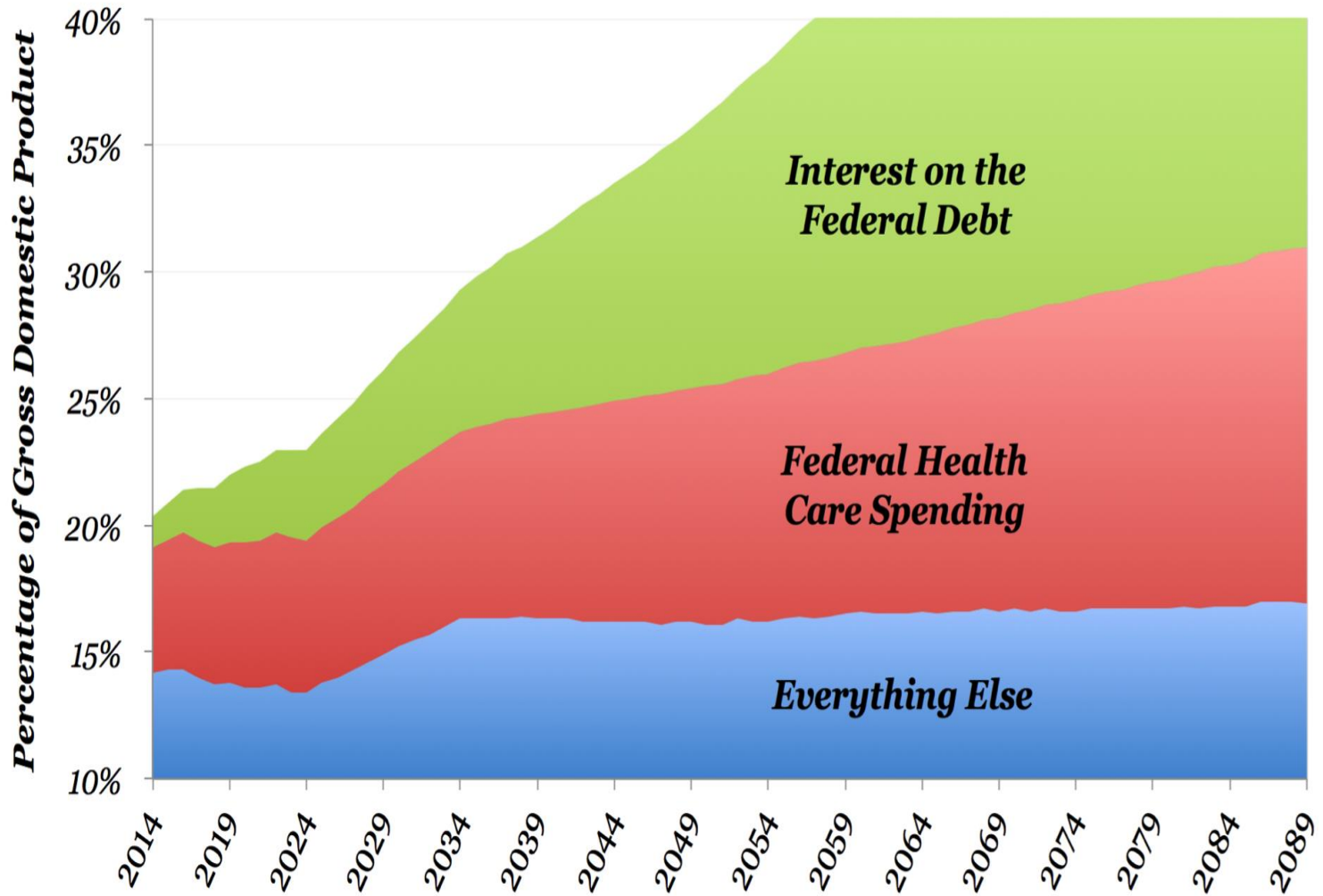


# Healthcare “Reform”

Access to and Delivery of Healthcare



# Congressional Budget Office: Extended Alternative 2014 Long-Term Spending Projections

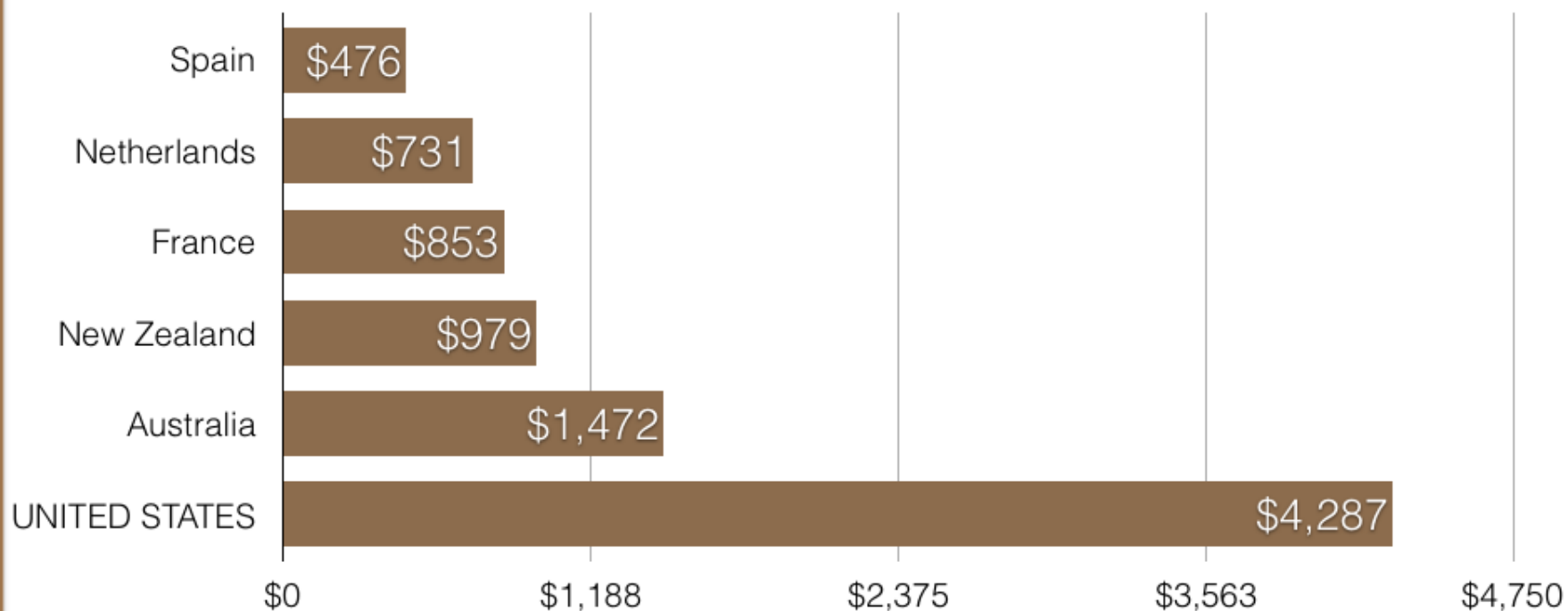




## It's the Prices, Stupid!

Despite lower average lengths of stay, per-diem hospital costs in the U.S. far exceed others

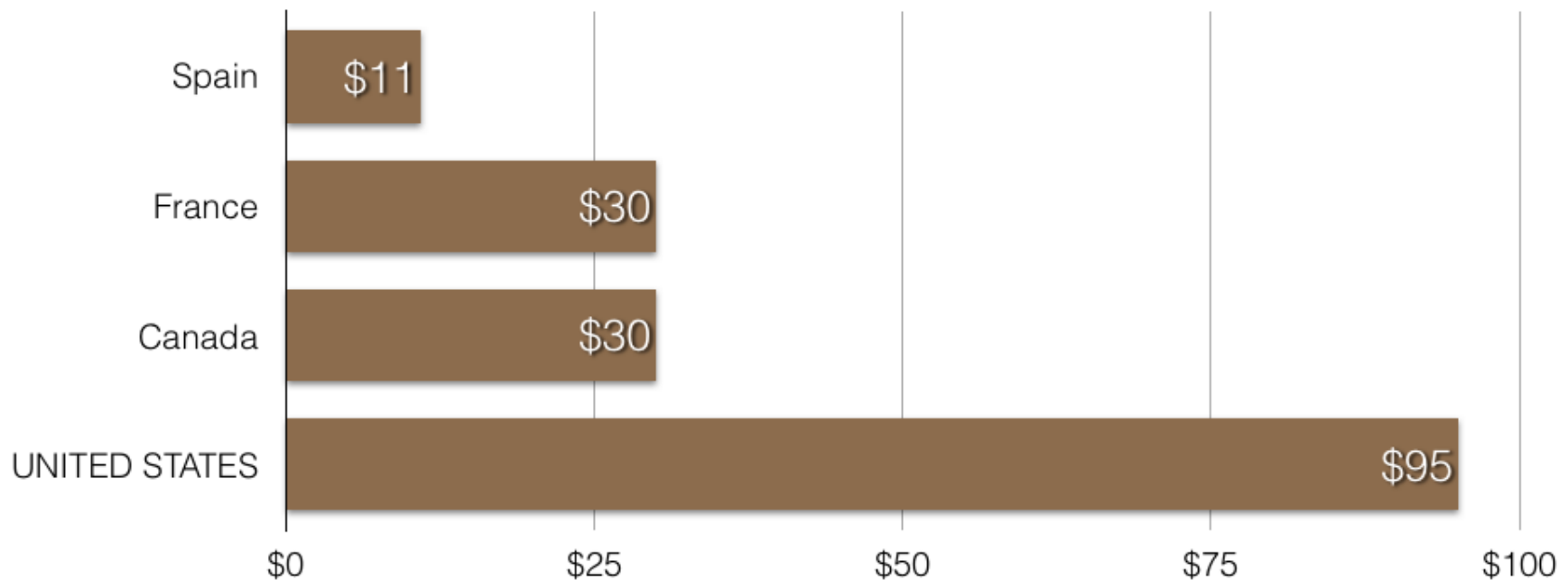
### Median Cost Per Hospital Day, USD



## And the Reimbursements...

The price of routine office visits in the U.S. also outpaces international averages

### Median Cost for a Routine Physician Office Visit, USD



Source: International Federation of Health Plans

# History of Insurance in the USA

- **1920's** - Choices boiled down to which **Crazy Cure** you preferred - Dr John Brinkley had one fabulous solution: Transplant a goat gland into your body. He pitched it as being perfect for everything from dementia to impotence to flatulence!
- **Late 1920's** - Hospitals changed from places you went to die to places you went to have babies because of advances in medicines (antibiotics...) and a **Revolution** in Medical Schools
- **Baylor in Dallas** - They offered a plan for the teachers to pay 50 cents each month in exchange for Baylor picking up the tab on hospital visits.
- **1929** - The Stock Market Crashes - poverty among senior citizens is over 50% - Baylor idea takes off and the result is... "**Blue Cross**"
- **1935** - Roosevelt's "**New Deal**" - Ushering in of Social Security - Payroll tax collection begins in 1937
- **WWII** - Employer-based health insurance - Born out of **Competition** for workers

# The Modern Insurance System Is Born

**1943** - The Internal Revenue Service ruled that Employer-Based Health Care should be Tax Free

**1954** - A second law made the tax advantages even more attractive

**1960's** - 70% of the population is covered by some kind of private, voluntary Health Insurance Plan

## AND THEN...

**1965** - Titles XVIII and XIX of the Social Security Act

### Medicare & Medicaid

**“Nothing in this title shall be construed to authorize any federal officer or employee to exercise any supervision or control over the practice of medicine, or the manner in which medical services are provided...”**

# Title XVIII and XIX of 1965





When the government pays any part of the bill

The Government

***CONTROLS THE PRACTICE OF MEDICINE***

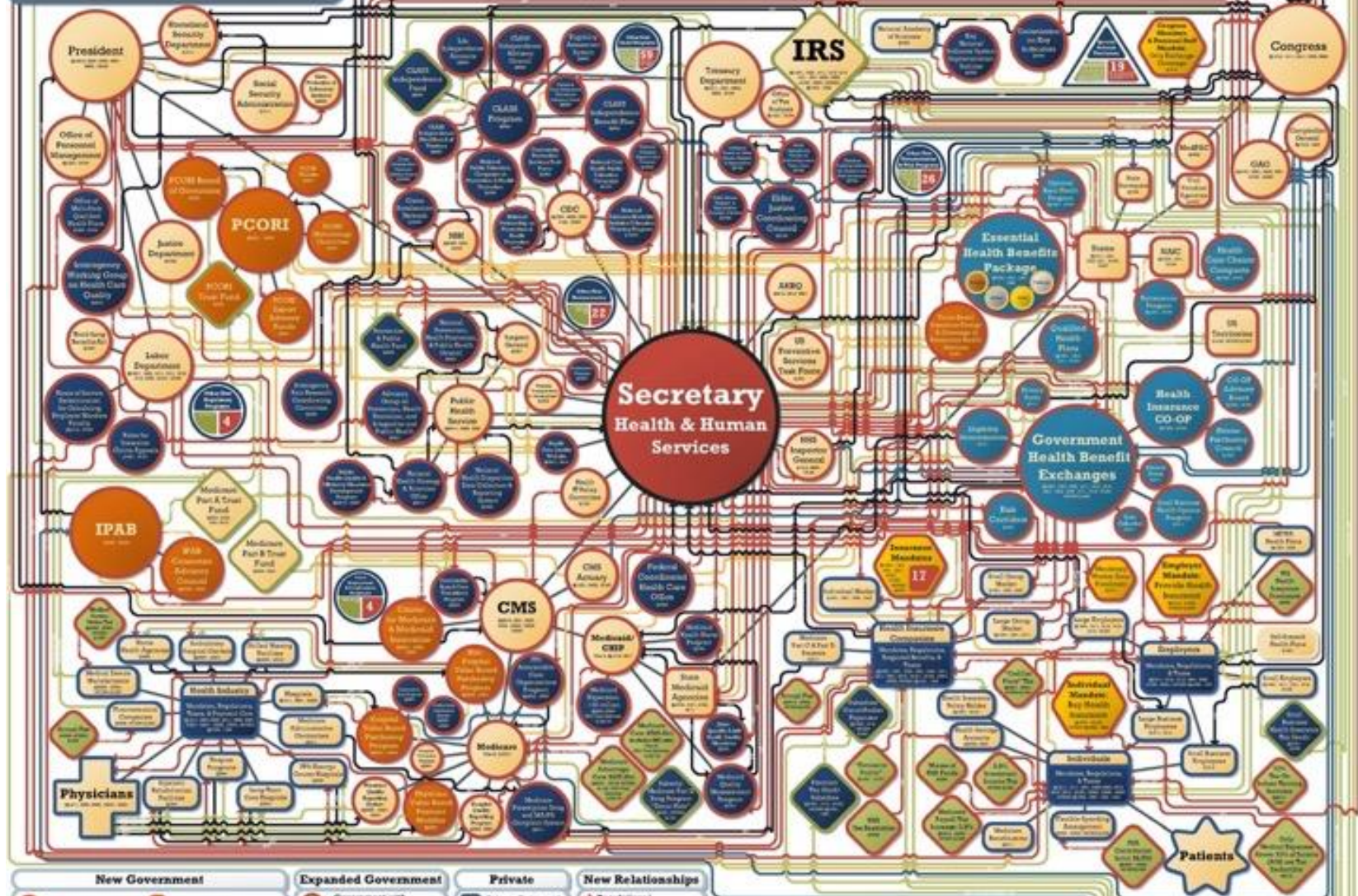
- **1983** -The **diagnosis-related group (DRG)** replaced pay for service reimbursements to hospitals for Medicare patients & CMS mandates use of Current Procedural Terminology (**CPT**) **codes to report services for Medicare payment for MD's**
- **1989** -**The Omnibus Budget Reconciliation Act** (established Volume Performance Standards (VPSs) - Dramatically changed how MD's were paid under Medicare
- **1997** -**Balanced Budget Act** -(**SGR**) - Replaced the MVPS & Attempted to set Medicare physician payment rates through a formula based on economic growth - Fiscal Fantasy
- **2010** -**ACA** - "**Obamacare**" - Access to Healthcare
- **2015** -**MACRA** - Replaced the SGR - Passed with broad Bipartisan Approval

# ORGANIZATIONAL CHART OF THE HOUSE DEMOCRATS' HEALTH PLAN



Source: Joint Economic Committee, Republican Staff  
Congressman Kevin Brady, Ranking House Republican Member

**Your New Health Care System**



- | New Government                         |  |
|--|--|
| Retaining Potential                    | Mandates                                   |
| Investment in Health Insurance Markets | Tax and Monetary Penalties/Provisions/Care |
| Other Expenditures                     | Trust Funds (Retaining Potential)          |
| Regulate Bodies of Additional Entities | Other New Trust Funds/Mandatory Benefits   |

- | Expanded Government                                    |   |
|--|---|
| Government with Expanded Authority/Responsibility      | Governmental Financial Equity with New Inflows/Outflows |
| State/Territory with Expanded Authority/Responsibility |   |

- | Private   |                           |
|---|---------------------------|
| Private Equity with New Mandates/Regulations/Responsibilities | Discharged Private Equity |
| Special Interest Provisions                                   |                           |

- | New Relationships                          |                        |
|--|------------------------|
| Regulations/Mandates                       | Reporting Requirements |
| Oversight                                  | Minority Views         |
| Consultation/Advisory                      | Self-Steering          |
| Structural Connections (Includes Existing) |                        |

- |   |  |  |   |
|---|--|--|---|
| AHA: National Older Americans Resource Survey           | IHS: Indian Health Service                       | NSA: Health Strategic Research             | FDA: Food and Drug Administration                       |
| CDC: Center for Disease Control & Prevention            | OIG: Office of Inspector General                 | NIH: National Institutes of Health         | HHS: Department of Health & Human Services              |
| DOD: Department of Defense                              | HHS: Secretary's Office                          | FDA: Center for Drug Evaluation & Research | HHS: Assistant Secretary for Health Services            |
| DOJ: Department of Justice                              | ICD-9: International Classification of Diseases  | FDA: Center for Medical Devices & Research | HHS: Assistant Secretary for Health Policy              |
| EPA: Environmental Protection Agency                    | ICD-10: International Classification of Diseases | FDA: Center for Veterinary Medicine        | HHS: Assistant Secretary for Health Statistics          |
| EEOC: Equal Employment Opportunity Commission           | ICD-11: International Classification of Diseases | FDA: Center for Tobacco Products           | HHS: Assistant Secretary for Health Workforce           |
| FEMA: Federal Emergency Management Agency               | ICD-12: International Classification of Diseases | FDA: Center for Nutrition and Food Safety  | HHS: Assistant Secretary for Health Information Systems |
| GAO: Government Accountability Office                   | ICD-13: International Classification of Diseases | FDA: Center for Tobacco Use and Dependence | HHS: Assistant Secretary for Health Systems             |
| HUD: Department of Housing and Urban Development        | ICD-14: International Classification of Diseases | FDA: Center for Tobacco Regulatory Science | HHS: Assistant Secretary for Health Services Delivery   |
| HHS: Department of Health & Human Services              | ICD-15: International Classification of Diseases | FDA: Center for Tobacco Policy             | HHS: Assistant Secretary for Health Services Delivery   |
| HHS: Assistant Secretary for Health Services            | ICD-16: International Classification of Diseases | FDA: Center for Tobacco Products           | HHS: Assistant Secretary for Health Services Delivery   |
| HHS: Assistant Secretary for Health Statistics          | ICD-17: International Classification of Diseases | FDA: Center for Tobacco Products           | HHS: Assistant Secretary for Health Services Delivery   |
| HHS: Assistant Secretary for Health Workforce           | ICD-18: International Classification of Diseases | FDA: Center for Tobacco Products           | HHS: Assistant Secretary for Health Services Delivery   |
| HHS: Assistant Secretary for Health Information Systems | ICD-19: International Classification of Diseases | FDA: Center for Tobacco Products           | HHS: Assistant Secretary for Health Services Delivery   |
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| HHS: Assistant Secretary for Health Services Delivery   | ICD-49: International Classification of Diseases | FDA: Center for Tobacco Products           | HHS: Assistant Secretary for Health Services Delivery   |
| HHS: Assistant Secretary for Health Services Delivery   | ICD-50: International Classification of Diseases | FDA: Center for Tobacco Products           | HHS: Assistant Secretary for Health Services Delivery   |

**Patient Protection and Affordable Care Act, P.L. 111-149;**  
**Health Care and Education Reconciliation Act, P.L. 111-322**  
 Prepared by: Joint Economic Committee, Republican Staff  
 Congressman Kevin Brady, Senior House Republican  
 Senator Sam Brownback, Ranking Member

**The 4 Promises made  
about Obamacare**

**Liar !**

**#1 You can Keep your  
Current Insurance**

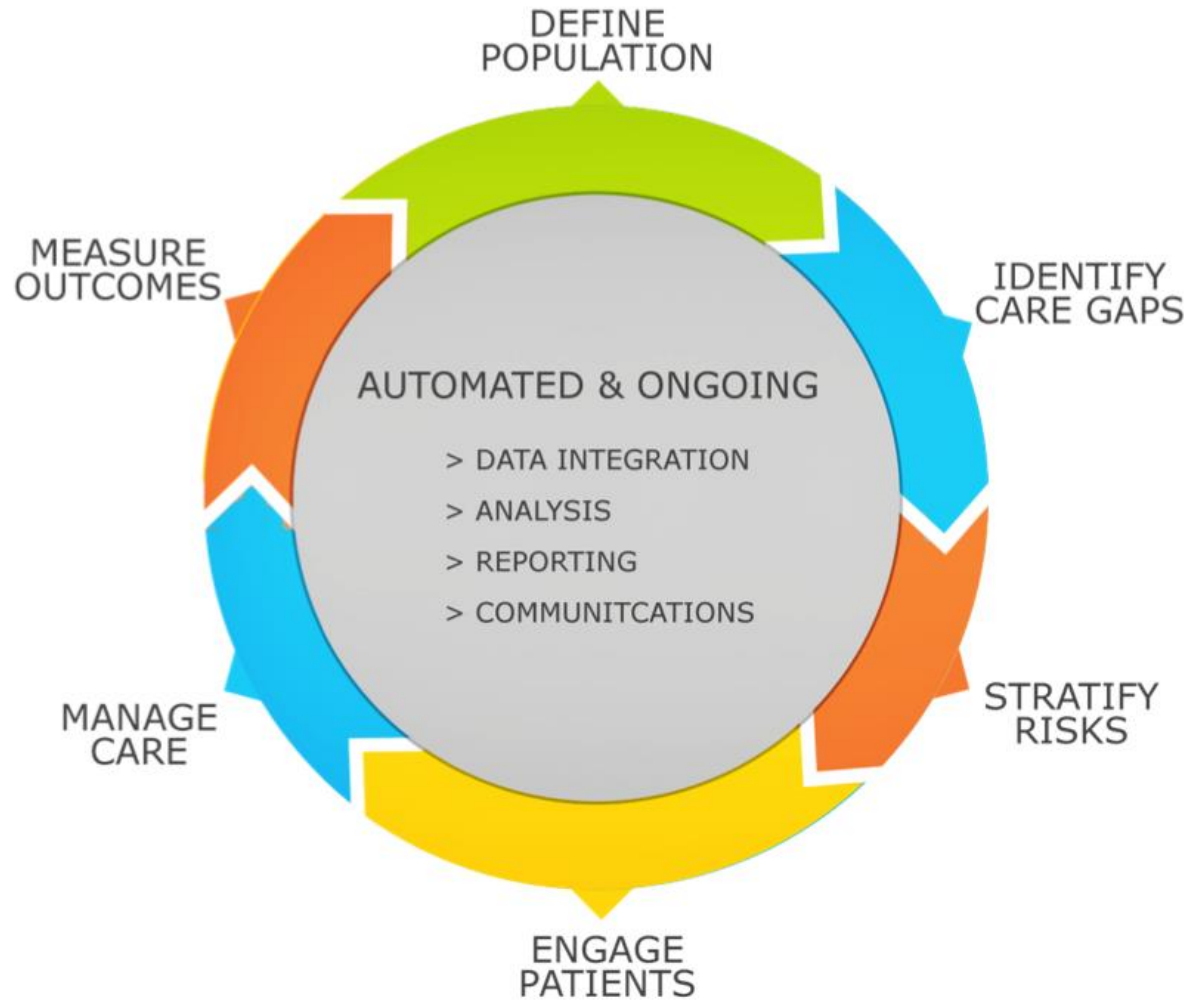
**#2 You can Keep  
your Current Doctor**

**#3 ACA will cost  
less than \$1 Trillion  
over 10 years**

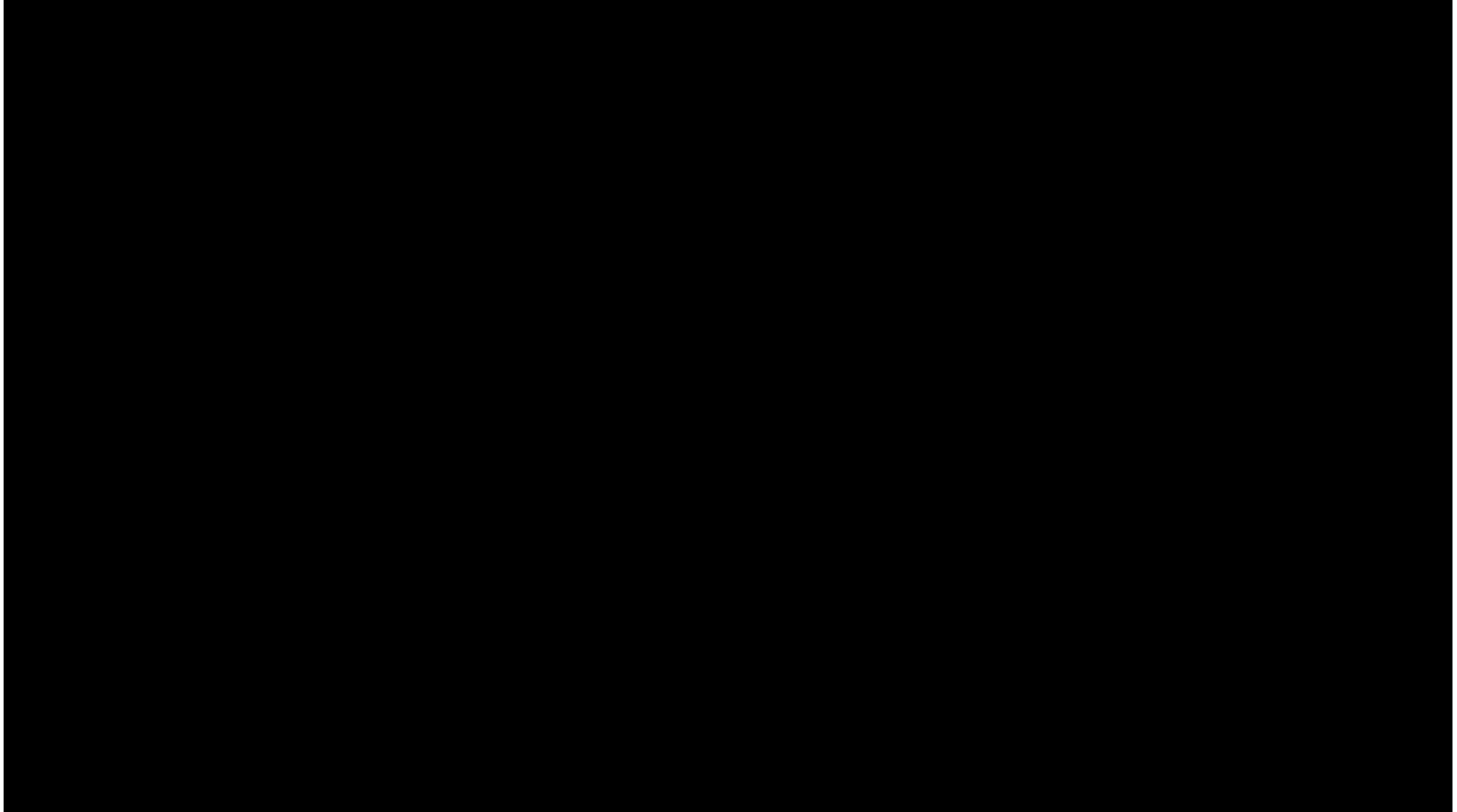
**#4 ACA will not add a single  
dime to the National Deficit**



# ACA = “Population Health”



**It's a little like....**



# MACRA - MIPS & APM

## “The Value Based Game”

- **MACRA** = Medicare and Chip Reauthorization Act  
Starting in 2019...
  - **APM** = Alternative Payment Model  
Strict Eligibility — At Risk ACO....
  - **MIPS** = Merit-based Incentive Payment System  
Linear Performance Score
    - PQRS (Physician Quality Reporting System)
    - VBPM (Value Based Payment Modifier) +
    - EMR Meaningful Use Program
- APM = Alternative Payment Model

# Who Pays?

## Who is Responsible...?

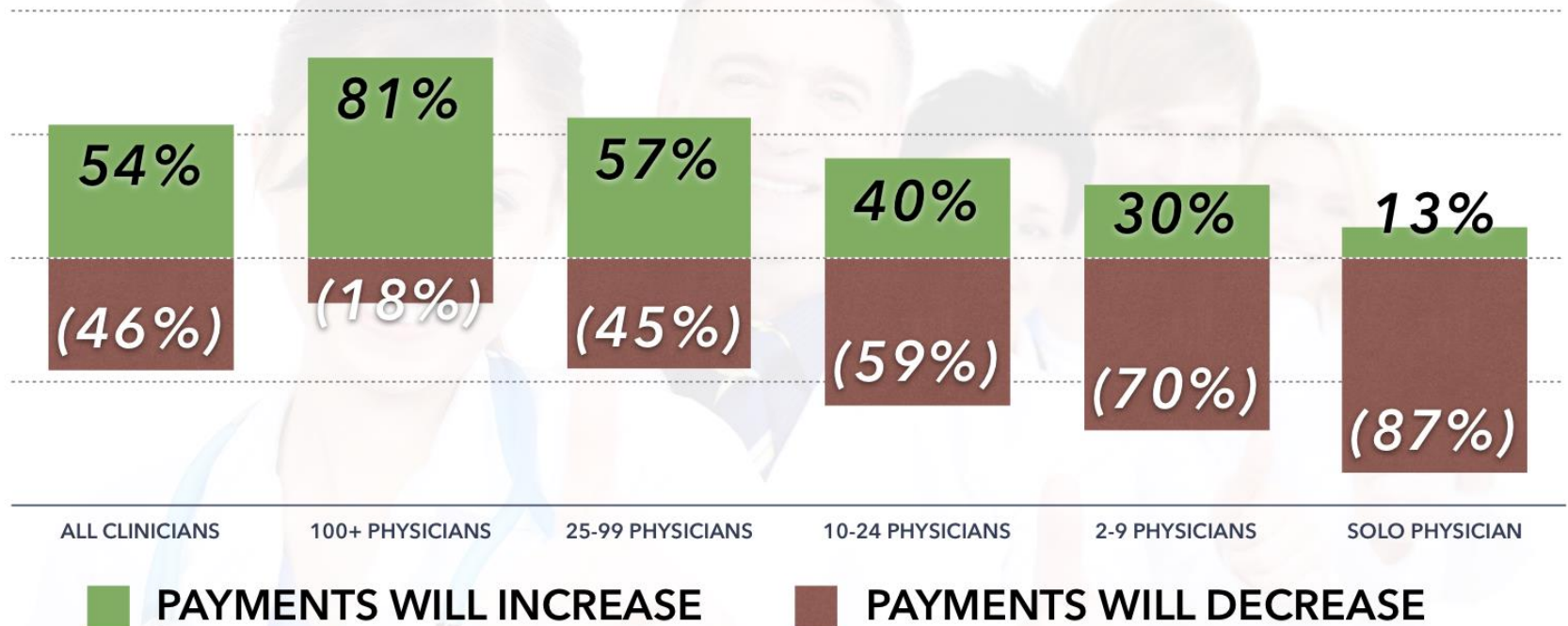
- MD's will increasingly be the ones held accountable for keeping hospital expenditures in check (Keeping patients out of the hospital)
- Advancing Care Information Program - CMS transition away from "Meaningful Use" - New Requirements...
  - Emphasizes Interoperability, Information Exchange, and Data Security =
    - Sophisticated IT and Analytics Systems

MACRA has increased our national debt by  
more than \$500 billion



# MACRA WILL HAMMER SMALL PHYSICIAN PRACTICES

Percentage of physician practices with positive or negative Merit-Based Incentive Payments





**MAKING AMERICAN HEALTH CARE GREAT AGAIN**

**Or Not...**

**MACRA passed by both House & Senate = Not Going Away!**

**Insurance Mandate not ended -> Penalty has....**

# Primary Care Realities

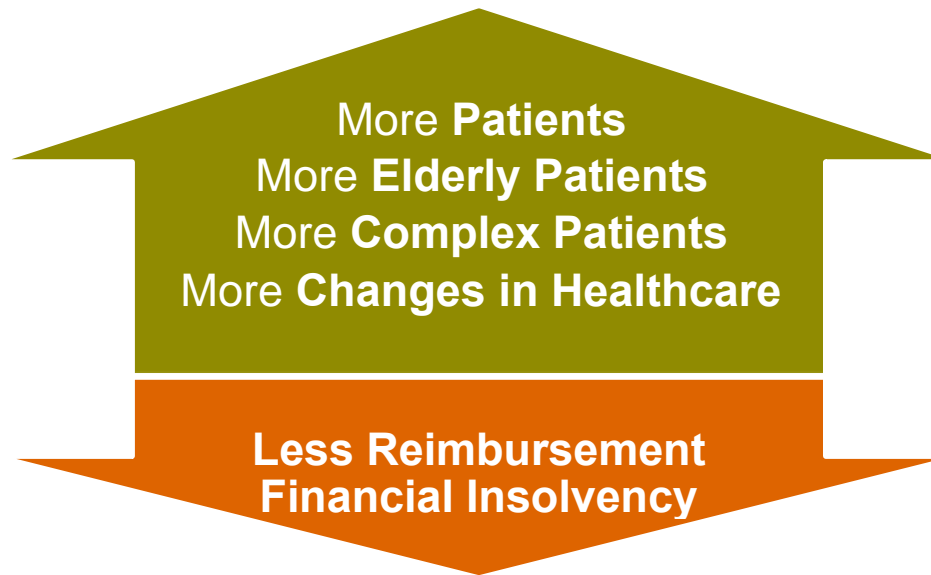


**Forbes 2015 report again ranked the United States dead last in measures of quality, efficiency, access and healthy lives.**

2 out of every 3 patients are reporting dissatisfaction with their healthcare experience. Patients are shopping for healthcare now as consumers, rather than simply patients.

**Mayo Clinic National Study – released August 2014, in the Archives of Internal Medicine:**

About 1 in 2 physicians are burned out based on measures of emotional exhaustion, depersonalization of patients and low sense of personal accomplishment.



# ENTER CONCIERGE (Retainer Based)MEDICINE

Bifurcated Industry: Very Wealthy vs Middle Class

## Physicians

- From 3K patients to 600
- TIME!
- Executive Health Physical 1x Yr
- Personal Relationships
- Wellness Platform
- Practice as they were Trained
- Predictable Income
- Not dependent on 3rd party payers
- Monetize Practice upon

**\$1600**  
**\$50K**

## Patients

- Pt's invest in their Health
- Less Hospitalizations
- Better Health Outcomes
- 30 mins office visits
- Easy access to MD
- Coordinated Care
- Continuity of Care
- Partners in Health w MD

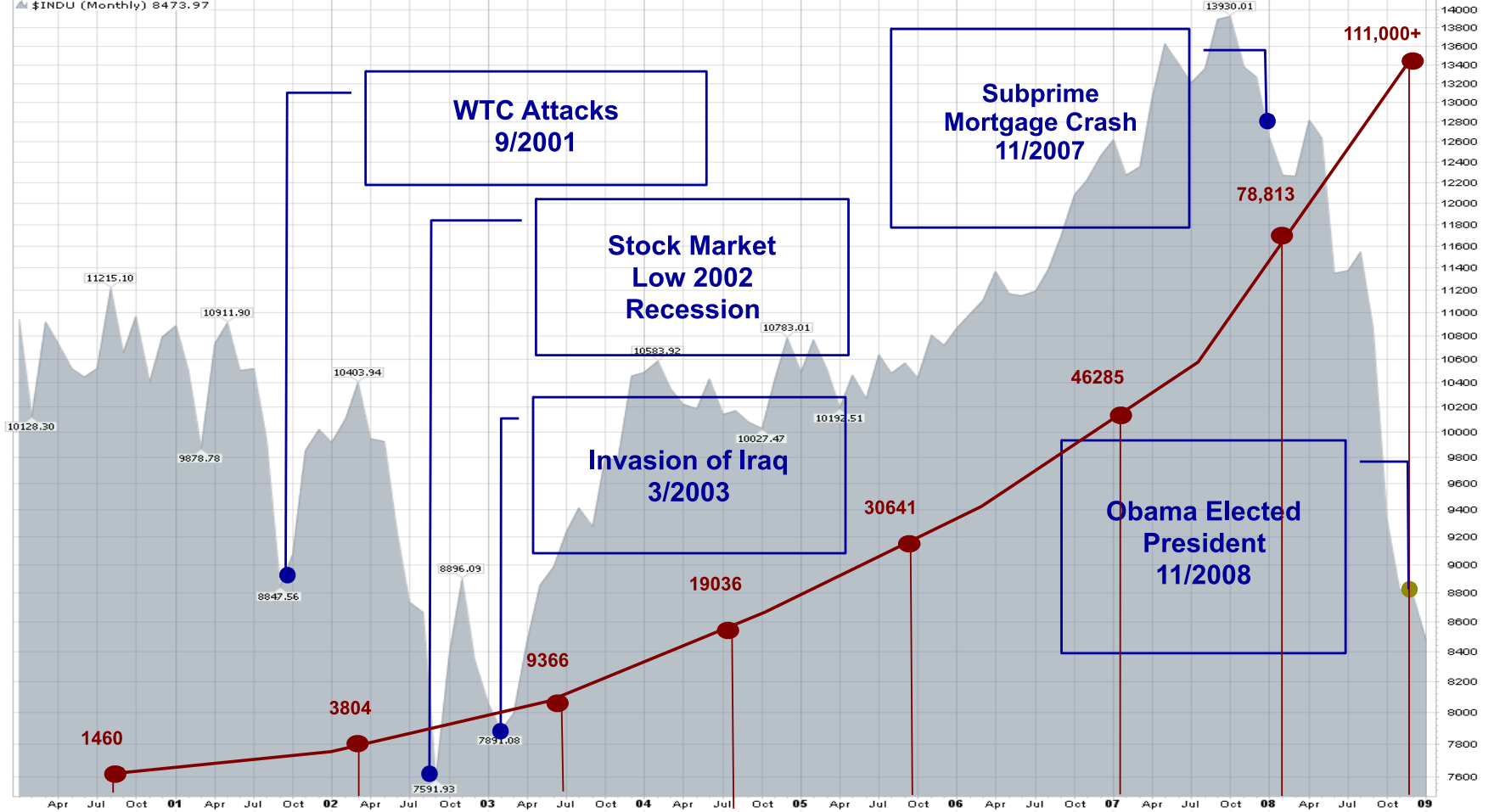
**ALGORITHM**



# CONCIERGE PATIENT GROWTH

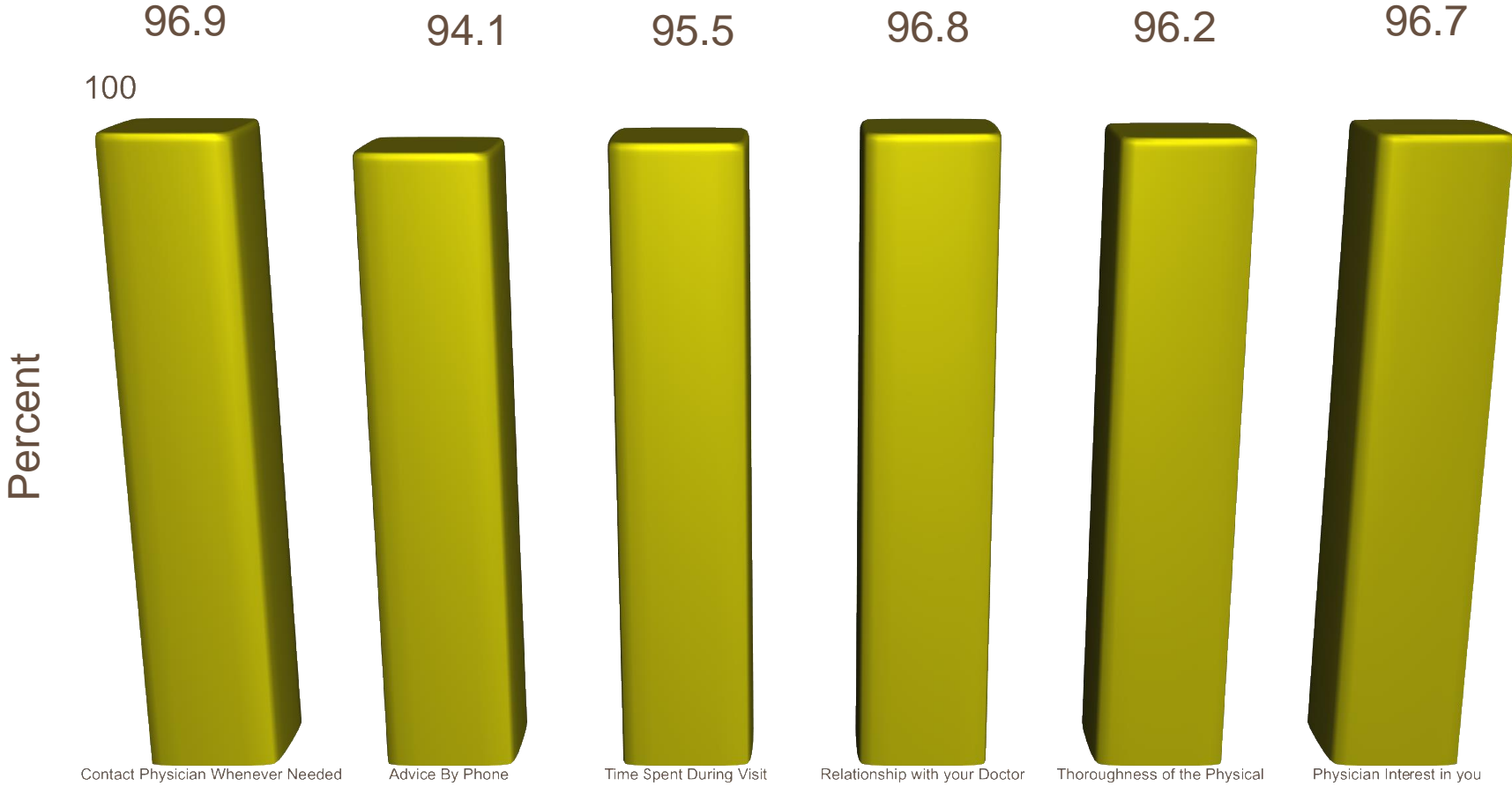
\$INDU (Dow Jones Industrial Average) INDX  
 12-Jan-2009  
 \$INDU (Monthly) 8473.97

Open 8772.25 High 9088.06 Low 8421.08 Close 8473.97 Volume 6.1B Chg -302.42 (-3.46%)



# Unparalleled Patient Satisfaction: > 90%

Higher Brand Satisfaction/ Loyalty than Apple!



**MDVIP**

**Concierge Choice**

**Signature MD**

Does It Work?

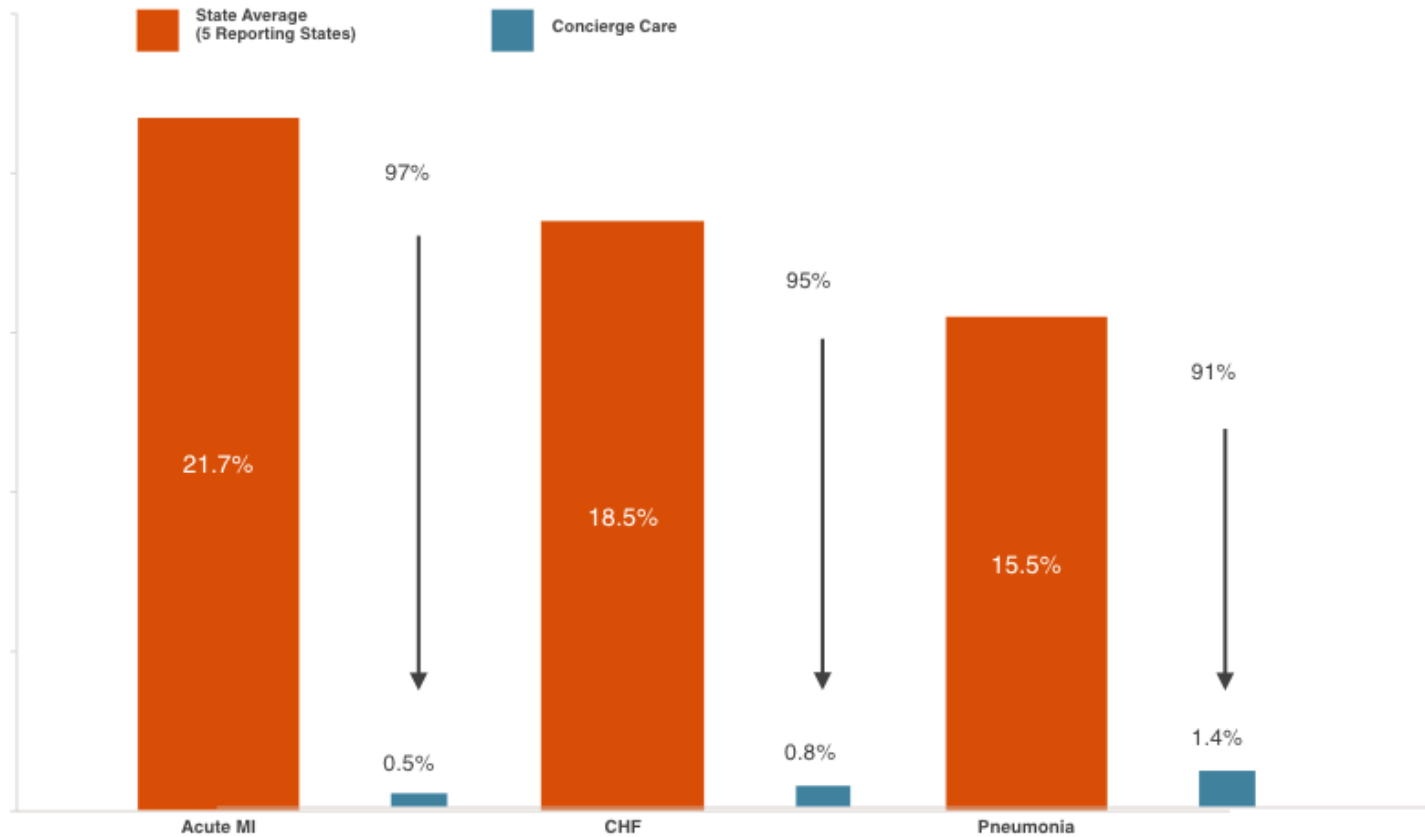
Is It Better Care?

You Decide....



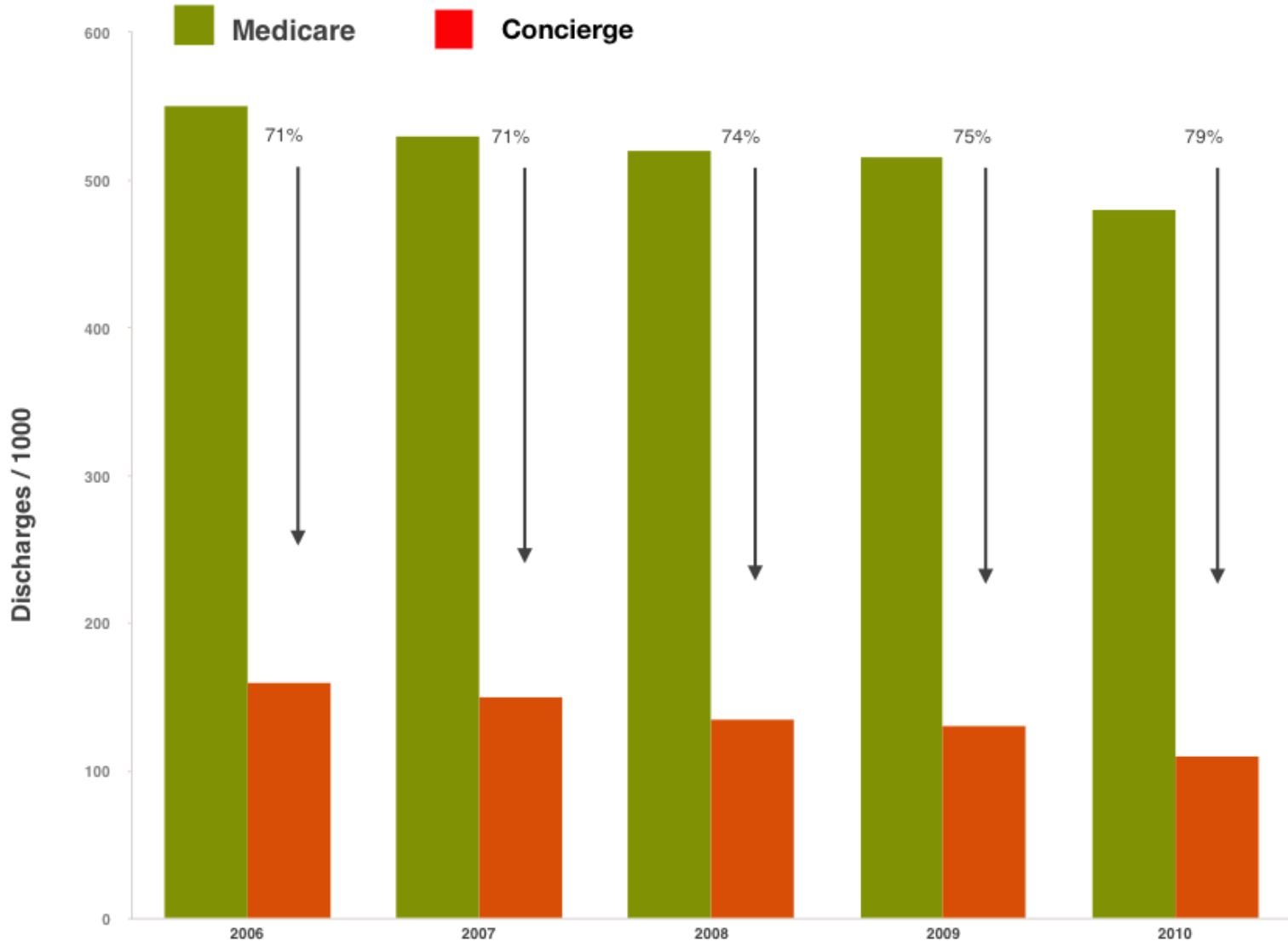
# Readmission Rates Comparison

## Medicare Average Readmission Rates



**Greater Than 90% Reduction!**

# Medicare Discharges/1000



# What does this mean for the Future...

**Sustainability of Access to MD's**

**Heavier Reliance on Mid-Level Providers**

**More Med Students going into Primary Care**

**Telemedicine on the Rise**

**Competition of Doc in a Box**

**Patients driven to be “Consumers”**

Questions...?

