



"NOBODY KNEW HEALTH CARE COULD BE SO COMPLICATED!"

What's Next? Current and Future Status of U. S. Healthcare

Vince Markovchick MD

Professor Emeritus of Emergency Medicine

University of Colorado

*President, Health Care for All Colorado
Foundation*

Member Physicians for a National Health Program

Financial Disclosures

There are no relevant financial relationships with any commercial interests to disclose

Why change the current system?

- “Premiums are soaring and insurers are fleeing”
- Sean Spicer 5/3/17

Sections 

The Washington Post

Democracy Dies in Darkness

Health & Science

Aetna exiting all ACA insurance marketplaces in 2018

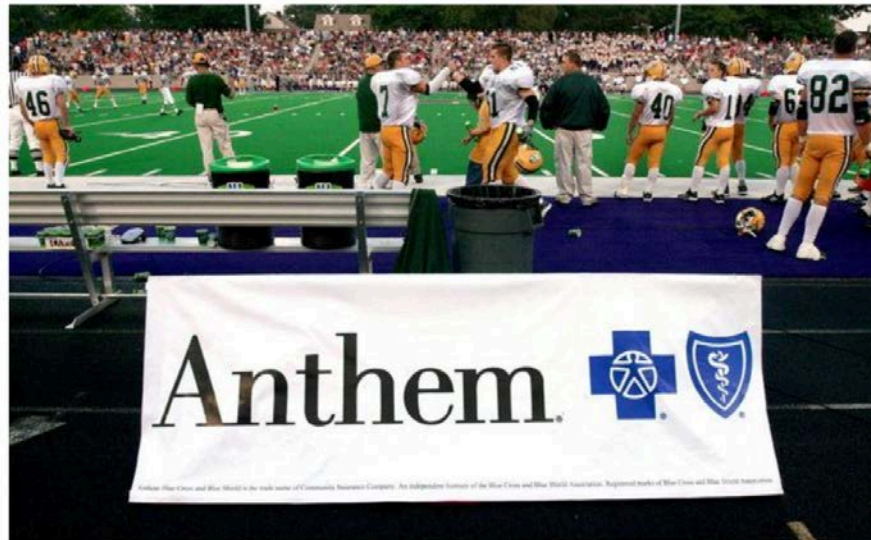
"Everything we do at Aetna starts with our valves ..."



Major Ohio insurer is pulling out of Obamacare market for 2018

1.1k

Updated on June 6, 2017 at 4:37 PM, Posted on June 6, 2017 at 1:23 PM



Anthem Blue Cross and Blue Shield will not sell health insurance policies on the Affordable Care Act market in 2018.

Rural Shoppers Face Slim Choices, Steep Premiums On Exchanges

By [Michelle Andrews](#) | May 12, 2017

States scramble to prevent ObamaCare exodus

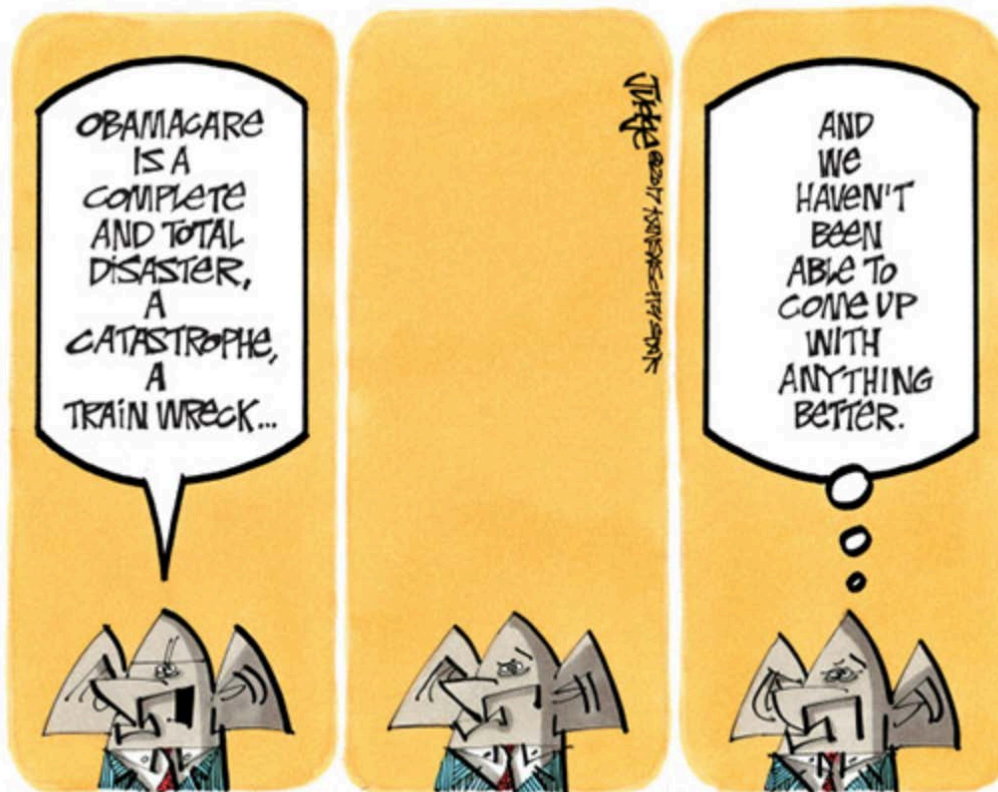
BY RACHEL ROUBEIN AND NATHANIEL WEIXEL - 06/04/17 04:03 PM EDT

Repeal and Replace Obamacare

- What is the status as of today?
- Some current efforts to “repair” rather than repeal and replace Obamacare



The Columbus Dispatch (Credit: Nate Beeler)



'Epic Fail?'

By Lee Judge, The Kansas City Star

Study: Trump's actions are directly responsible for rising health care premiums

The president likes to blame Obama, but a new study indicates he should look in the mirror.

ADDY BAIRD  AUG 10, 2017, 3:04 PM

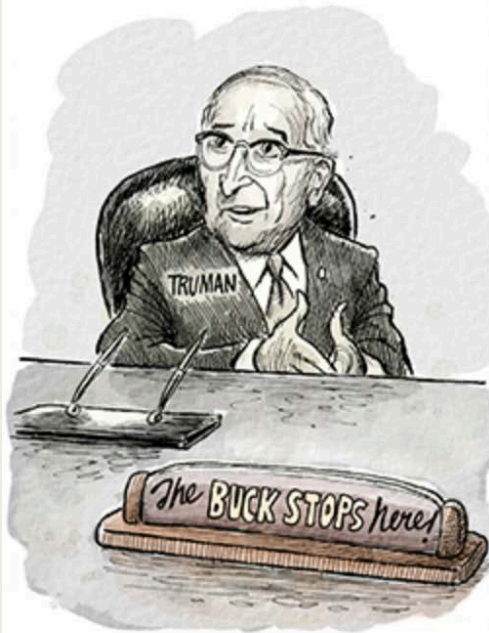


"3 Republicans and 48 Democrats let the American people down," President Donald Trump tweeted. | Evan Vucci/AP

After health care loss, Trump tweets 'let ObamaCare implode'

By **CRISTIANO LIMA** | 07/28/2017 03:13 AM EDT

Presidential



Modern Day Presidential



'Buck The System?'

By Adam Zyglis, The Buffalo News

PATIENT PROTECTION AND AFFORDABLE CARE ACT (PPACA)

a.k.a. Obamacare

-The GOOD

-The BAD

-The UGLY

THE GOOD

What are the major positives of the PPACA?

- Prohibits rescissions
- Eliminates lifetime limits or caps
- Requires free preventive health services
- Extended coverage to age 26 for children
- Expansion of primary care and community health centers
- No preexisting condition exclusions
- Limits insurance companies overhead (80:20)
- Decrease Medicare Rx drug costs
- Private insurance subsidies up to 400% of 2015 FPL- \$11,490 (\$46/94K)
- Expands Medicaid to 138% of FPL(\$16/32K)
- Prohibits “junk insurance.” by mandating 10 essential health benefits

What are the Categorical EHBs?

Categorical EHBs are 10 different categories of coverage most plans *must* contain to be certified as a QHP.

Self-funded, large group, and grandfathered plans are not required to meet EHB standards.



Ambulatory Patient Services



Emergency Services



Hospitalization



Maternity and Newborn Care



Mental Health and Substance Use Disorder



Prescription Drugs



Rehabilitative and Habilitative Services



Laboratory Services



Preventative and Wellness Services

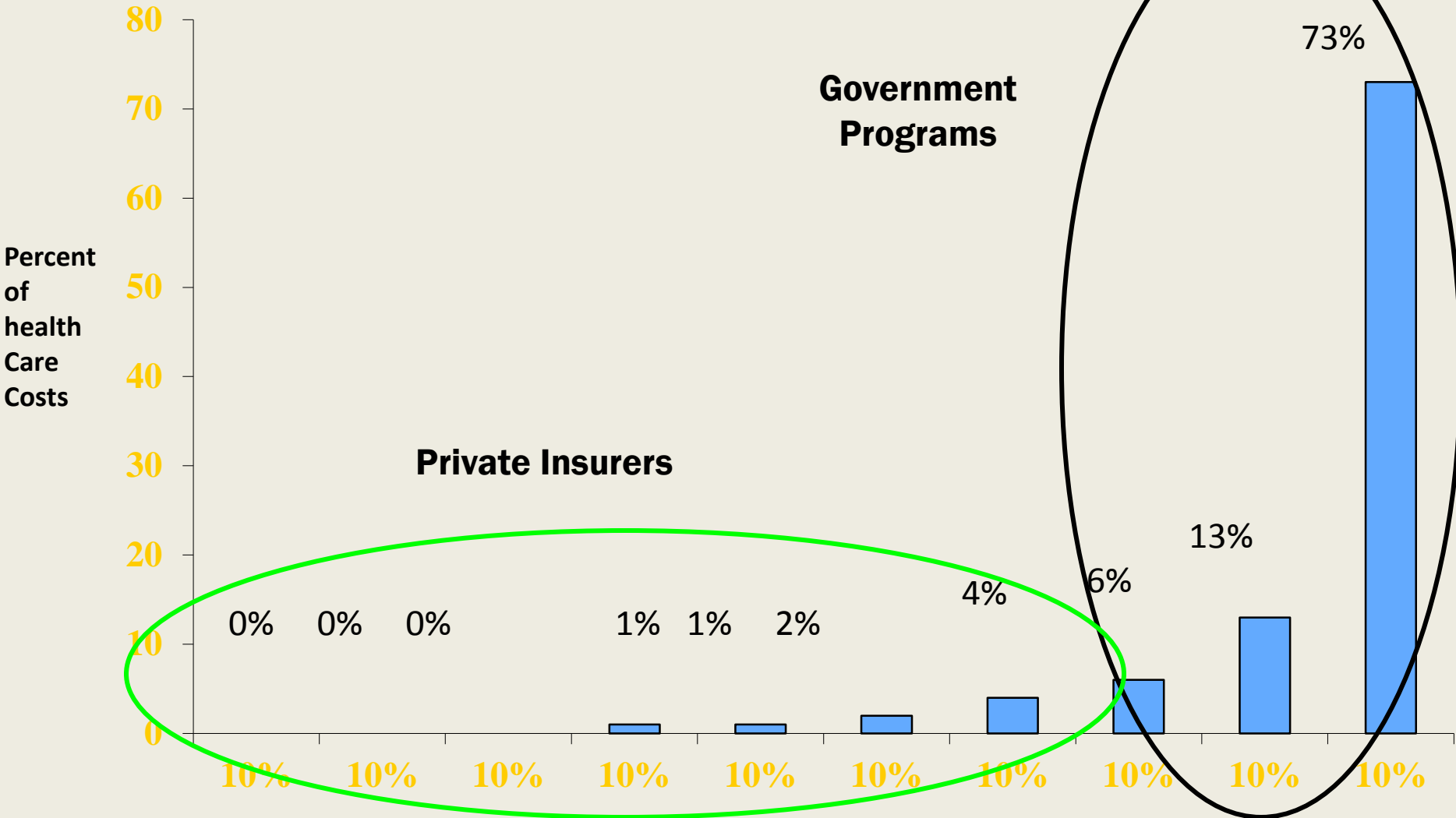


Pediatric Services, Including Oral and Vision

How are PPACA premiums determined?

- 1. Age-may increase x 3 based on age
- 2. Increased premiums for smokers
- 3. Zip code -premiums 2-3x higher in many rural areas.
- 4. Annual income-to calculate progressive subsidies
- **Premiums are determined by private insurance companies and NOT by government.**

The Health & Profitable to the “Market,” the Sick & Poor to the Taxpayer



Source: Agency for Healthcare Research & Quality

MEPS

FRIDAY, OCT 28, 2016 03:00 AM MDT

Making a killing under Obamacare: The ACA gets blamed for rising premiums, while insurance companies are reaping massive profits

Health insurance costs are rising, but why? Let's take a close look at health insurance companies' soaring profits

ANGELO YOUNG

THE BAD

PPACA Shortcomings

- Leaves 28 million uninsured.
- Has not decreased overall medical costs
- Increased Federal and state bureaucracies' cost to fund exchanges and assure compliance with myriad of rules and regulations.
- Undocumented immigrants excluded
- 6 million Medicaid eligible remain uncovered
- Leaves most “underinsured”
- Will not eliminate medical bankruptcy
- Has not controlled rising premiums
- Will not generate enough revenue to offset costs.

PPACA UNINTENDED CONSEQUENCES

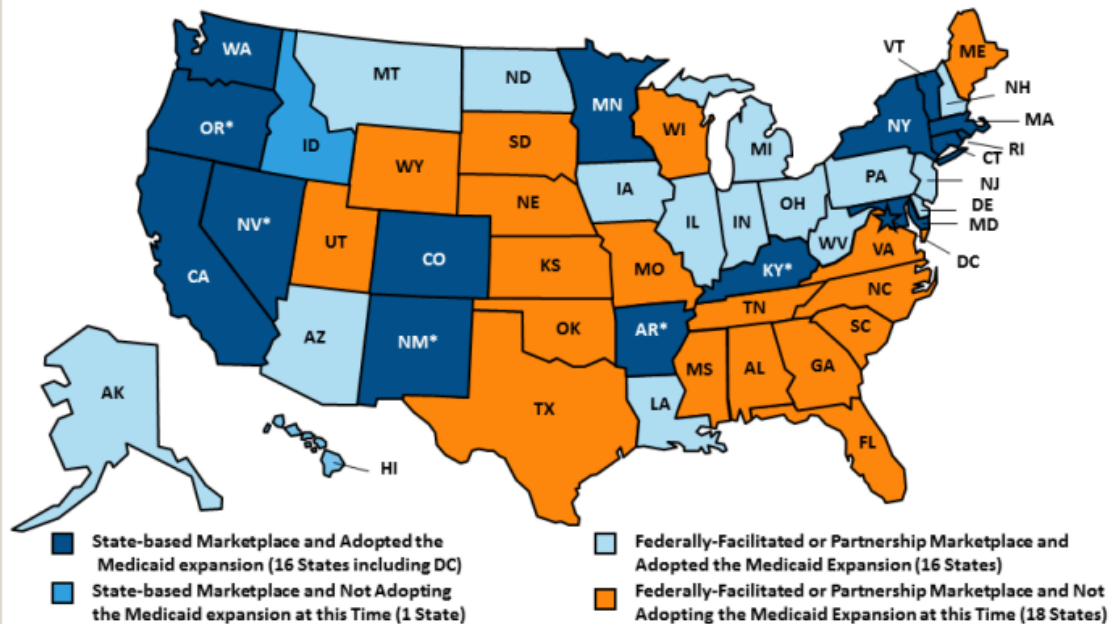
- Employers moving workers from full to part time status (<30 hrs/wk)
- Small employers dropping health insurance coverage due to availability of federal subsidies.
- Very low 2017 penalty \$695 or 2.5% of income to a max of \$2085 resulted in many of the healthy choosing no insurance resulting in a “sicker” risk pool and dramatic increase in future premiums.

PPACA Unintended Consequences

- Many eligible for Medicaid are uninsured due to refusal of 18 states to participate.
- Private insurers will limit and have limited participation based on actuarial analyses resulting in limited choice of plans, hospitals and providers.

Dramatic future increase in private health insurance premiums as more of the sick opt in and the healthy opt out of mandatory coverage

Current Status of State Individual Marketplace and Medicaid Expansion Decisions



NOTES: *AR, KY, NM, NV, and OR are state-based Marketplaces using the federal healthcare.gov platform.

SOURCE: State Decisions on Health Insurance Marketplaces and the Medicaid Expansion, KFF State Health Facts, updated January 1, 2017.
<http://kff.org/health-reform/state-indicator/state-decisions-for-creating-health-insurance-exchanges-and-expanding-medicaid/>.

2015 Health Insurance Coverage of Total Population (millions)

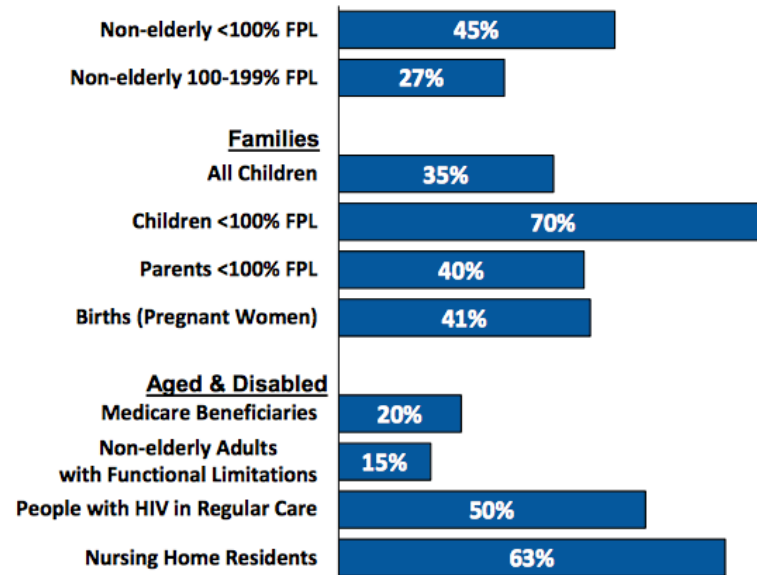
- Employer 156 (49%)
- Medicaid 71.6 (22%)
- Medicare 55.5 (17%)
- Non group 21.8 (7%)
- Other Public 6.4 (2%)
- UNINSURED 30 (9%)

Who is covered by Medicaid?

Figure 4

Medicaid's Role for Selected Populations

Percent with Medicaid Coverage:



SOURCE: KCMU and Urban Institute analysis of 2012 ASEC Supplement to the CPS; birth data from *Maternal and Child Health Update: States Increase Eligibility for Children's Health in 2007*, National Governors Association, 2008; Medicare data from MCBS Cost and Use file, 2009; Functional Limitations from KCMU Analysis of 2011 NHIS data.

Will the PPACA Implode?

- To get the answer we need to:
- **FOLLOW THE MONEY**

2015 Total Healthcare Spending

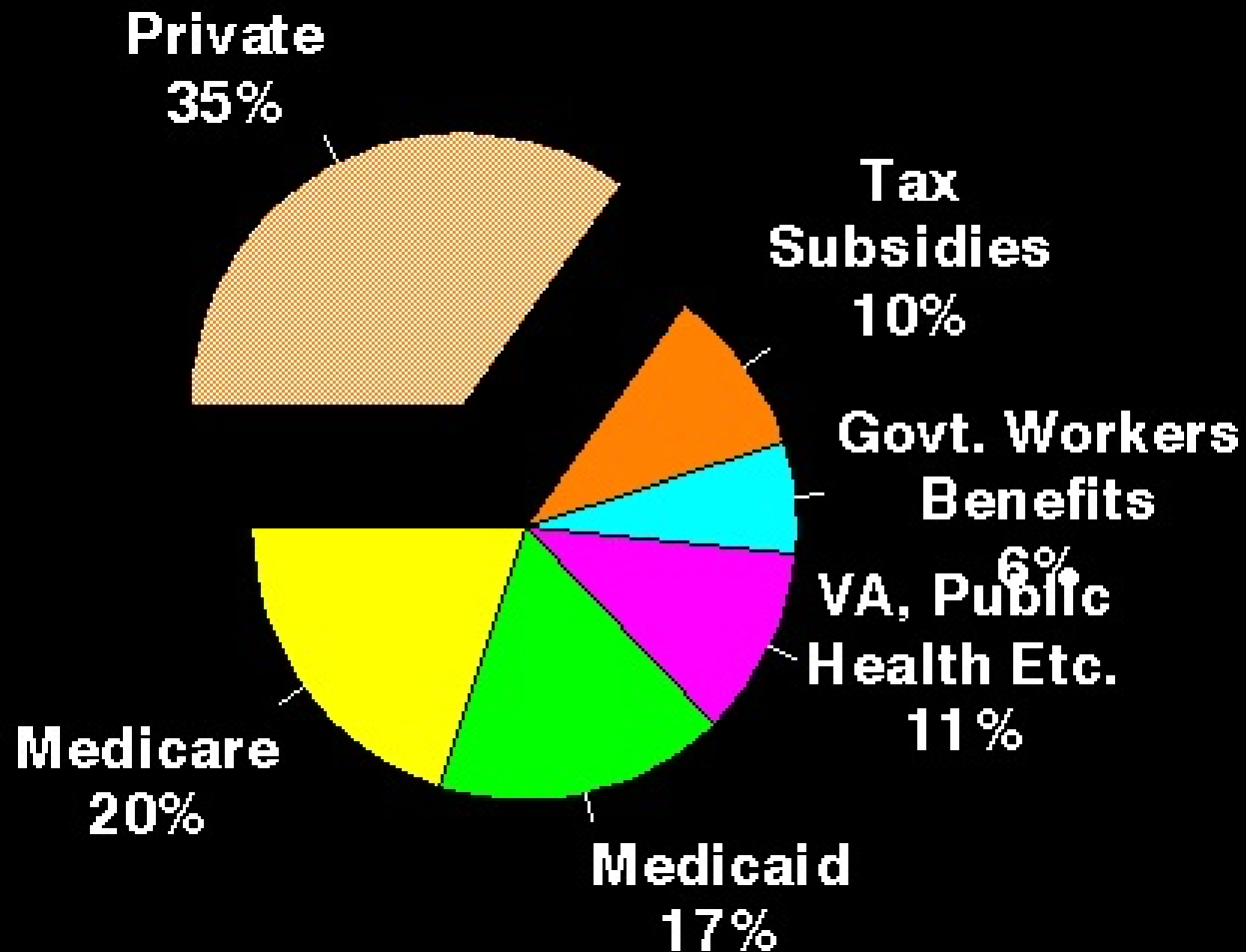
- \$3.2 Trillion
- 17.8% of GDP
- \$10,000 per capita

CMS.gov

Who paid the 2015 \$3.2 Trillion bill?

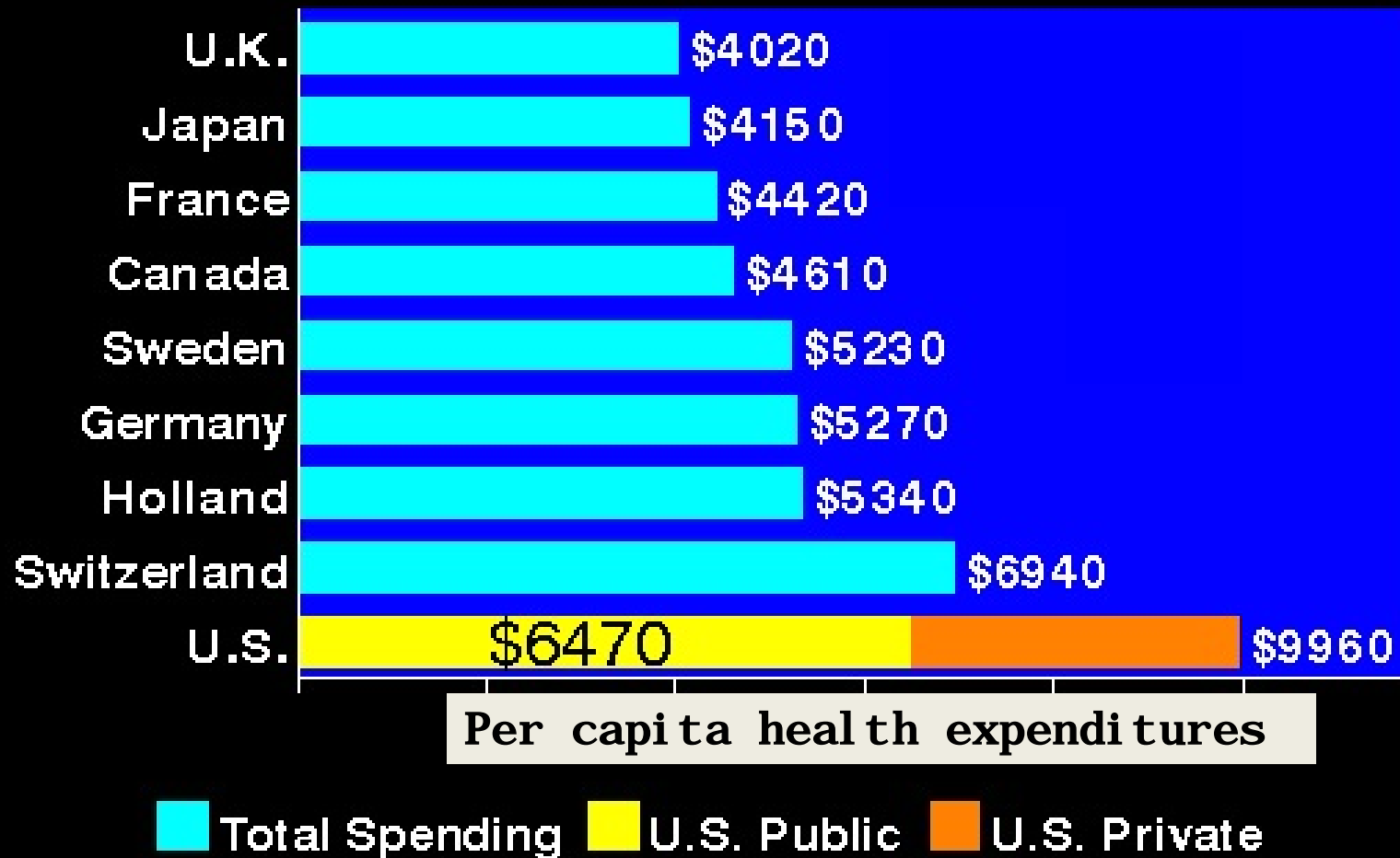
- 65% FUNDED BY TAXPAYERS in 2015
- Medicare \$646 Billion
- Medicaid \$545 Billion
- Insurance premium tax deductions \$326 Billion
- VA System \$164 Billion
- Other health programs \$336 Billion
- Government employee health insurance premiums
- Prisoner healthcare (2.5 million incarcerated)

Taxes Fund 2/3 of Health Spending



American Taxpayers Already Pay
More Than People in Nations
With National Health Insurance

U.S. PUBLIC Spending Per Capita for Health Exceeds TOTAL Spending in Other Nations



Note: Public includes benefit costs for govt. employees & tax subsidy for private insurance

Source: OECD 2016; NCHS; AJPH 2016;106:449 - Data are for 2015 or most recent available

2015 Health Insurance Coverage of Total Population (millions)

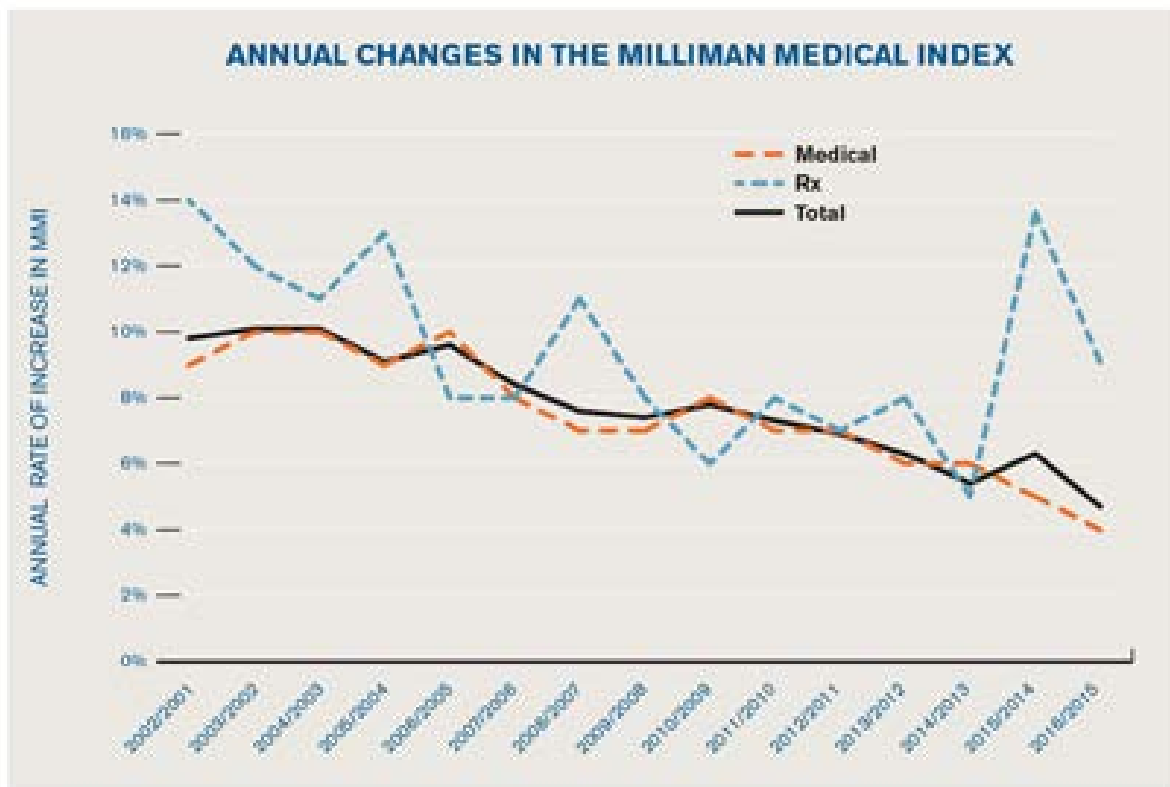
- Employer 156 (49%)
- Medicaid 71.6 (22%)
- Medicare 55.5 (17%)
- Non group 21.8 (7%)
- Other Public 6.4 (2%)
- UNINSURED 30 (9%)

Healthcare costs compared to incomes?

- According to the Milliman Medical Index in 2016 a family of 4:
- Total expenditure was \$25,826
- \$14,793 (57%) employer
- \$6,717 (26%) employee
- \$4,316 (17%) out of pocket

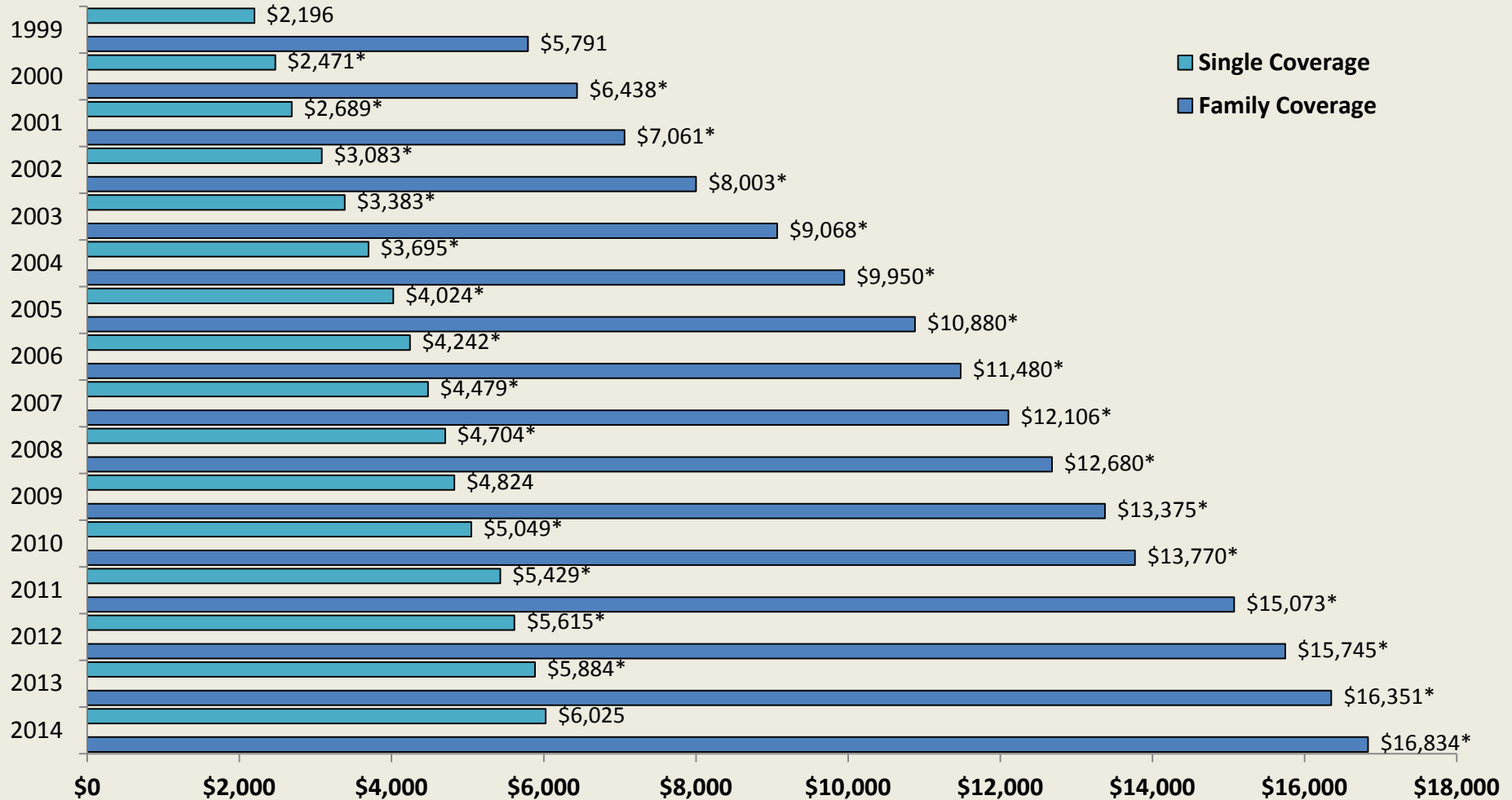
- 2015 U. S. median household income was \$53,657
- Can the average family afford these costs?
- **Can the average worker afford the full cost of insurance?**

FIGURE 2



[click to enlarge](#)

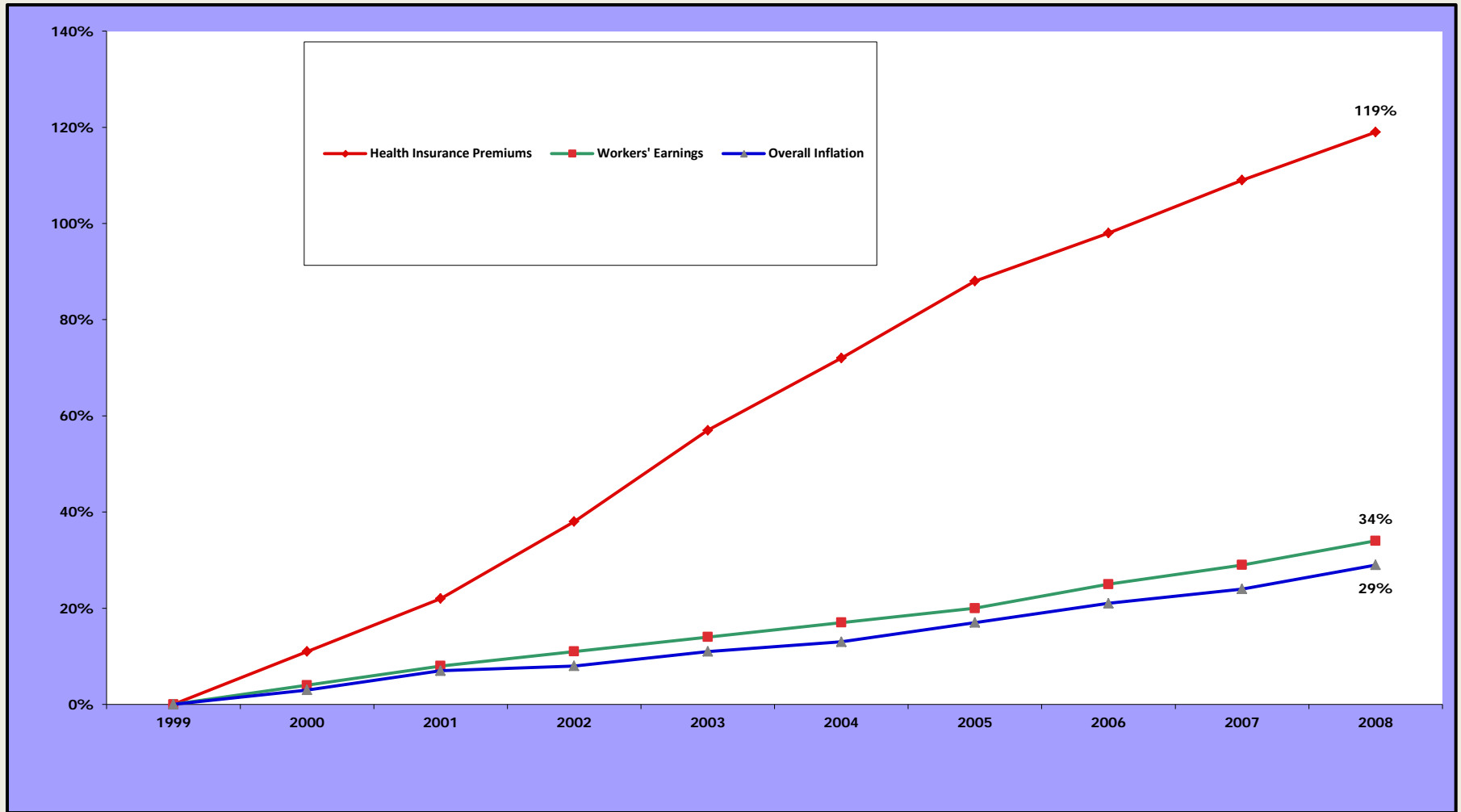
Average Annual Premiums for Single and Family Coverage, 1999-2014



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2014.

Insurance Premiums • Workers' Earnings • Inflation 1999-2008



Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2000-2008. Bureau of Labor Statistics, Consumer Price Index

SUNDAY, AUG 14, 2016 04:00 AM MDT

The medical debt crisis: The prognosis is still dire for Americans struggling to pay off massive health care bills

Exclusive: Data shows Americans are forgoing care and using extreme measures to pay off massive medical bills

SEAN MCELWEE

ADV
ADV

THE UGLY

Do we have the best healthcare in the world?

The U.S. healthcare system: worst in the developed world



Michael Hiltzik
LOS ANGELES TIMES
michael.hiltzik@latimes.com

FOLLOW MICHAEL HILTZIK

@hiltzikm The US healthcare world <http://t.co/1NJXD3Y>

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COUNTRY RANKINGS

- Top 2*
- Middle
- Bottom 2*

	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
OVERALL RANKING (2013)	4	10	9	5	5	7	7	3	2	1	11
Quality Care	2	9	8	7	5	4	11	10	3	1	5
Effective Care	4	7	9	6	5	2	11	10	8	1	3
Safe Care	3	10	2	6	7	9	11	5	4	1	7
Coordinated Care	4	8	9	10	5	2	7	11	3	1	6
Patient Centered Care	5	8	10	7	3	6	11	9	2	1	4
Access	8	9	11	2	4	7	6	4	2	1	9
Cost-Related Problem	9	5	10	4	8	6	3	1	7	1	11
Timeliness of Care	6	11	10	4	2	7	8	9	1	3	5
Efficiency	4	10	8	9	7	3	4	2	6	1	11
Equity	5	9	7	4	8	10	6	1	2	2	11
Healthy Lives	4	8	1	7	5	9	6	2	3	10	11
Health Expenditures/Capita, 2011**	\$3,800	\$4,522	\$4,118	\$4,495	\$5,099	\$3,182	\$5,669	\$3,925	\$5,643	\$3,495	\$8,508

Notes: * Includes ties. ** Expenditures shown in \$US PPP (purchasing power parity); Australian \$ data are from 2010.
Source: Calculated by The Commonwealth Fund based on 2011 International Health Policy Survey of Older Adults; 2012 International Health Policy Survey of Primary Care Physicians; 2013 International Health Policy Survey; Commonwealth Fund National Scorecard 2013; World Health Organization; and Organization for Economic Cooperation and Development, OECD Health Data, 2013 (Paris: OECD, Nov. 2013).

The U.S. healthcare system ranks last among 11 developed countries, according to a new study by the Commonwealth Fund. (Commonwealth Fund)





The
Commonwealth
Fund

e-Alert

July 14, 2017



U.S. Health Care System Trails Other Countries on Access to Care, Affordability, Equity



The Medical Industrial Complex

Insurance Companies

Hospitals (AHIP)

Pharmaceutical Companies (PHARMA)

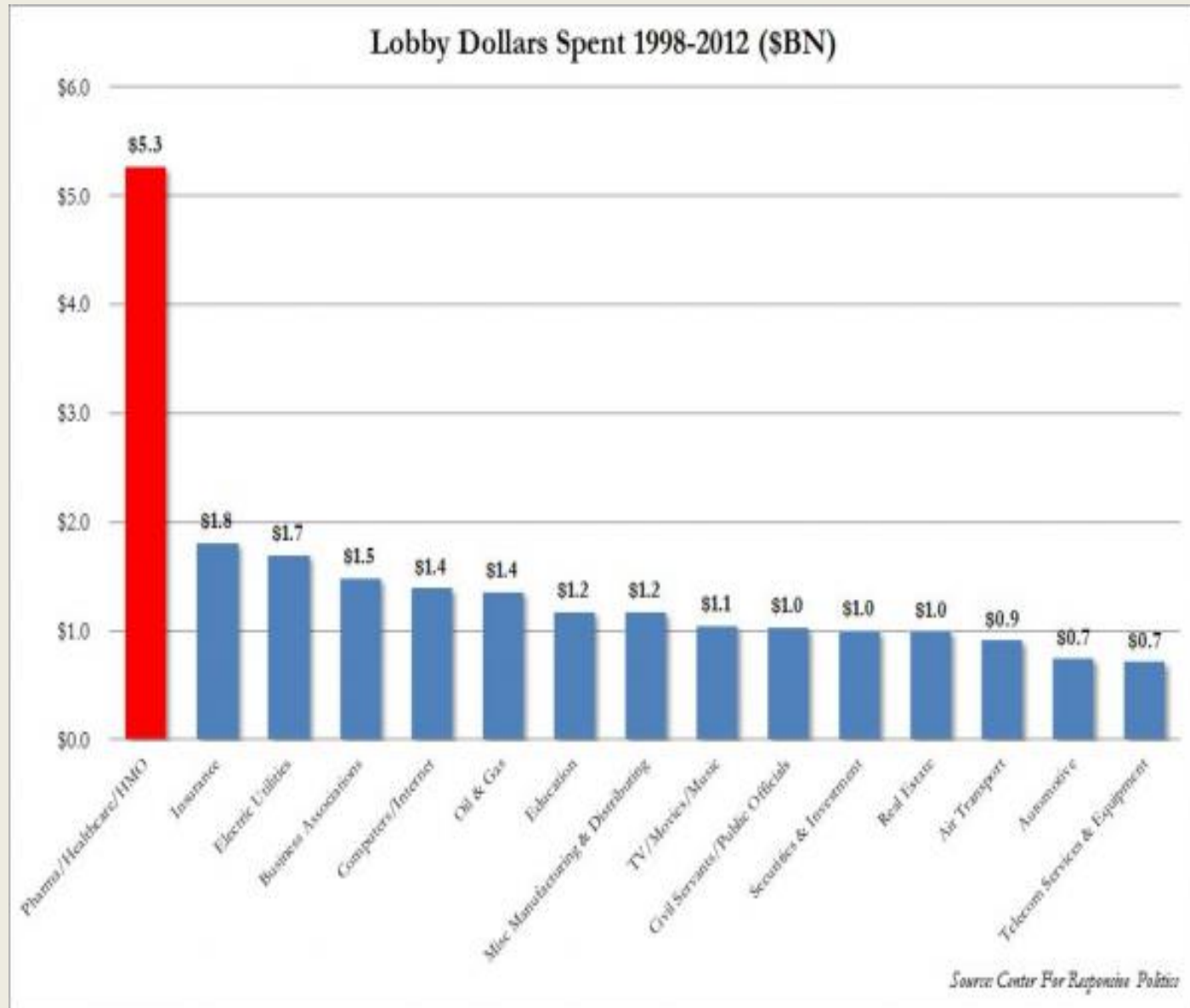
Medical Providers (AMA and Specialty Societies)

Medical Device Manufactures

Long term care providers

#1 IN LOBBYING EXPENDITURES (2.5x more than any other group)

HEALTHCARE LOBBYING \$\$\$ 1998-2012



TOO PIG TO FAIL !!!



©2011 MORIN

Health Insurers Are Now Playing Hardball With Regulators Over Obamacare

The Justice Department aims to block two mammoth health insurance mergers, but insurers aren't taking this rejection lying down.

Sean Williams ([TMFUltraLong](#))
Aug 7, 2016 at 2:18PM

APR
27
2017

FULL
ISSUE

 TWEET

 SHARE

Anthem Throws Gauntlet Over Subsidies, Vowing To Leave Markets Or Raise Premiums Without Them

CEO Joseph Swedish sets a deadline of early June for a decision on the cost-sharing reductions, saying Anthem would weigh increasing rates by at least 20 percent next year without them.

Federal Government Could See Net Increase of \$2.3 Billion in Costs in 2018 if ACA Cost-Sharing Reduction Payments Eliminated

On Average, Premiums for Silver Plans Would Need to Rise 19% to Offset Lack of Funding for Cost-Sharing Reductions, Triggering Tax Credit Increases

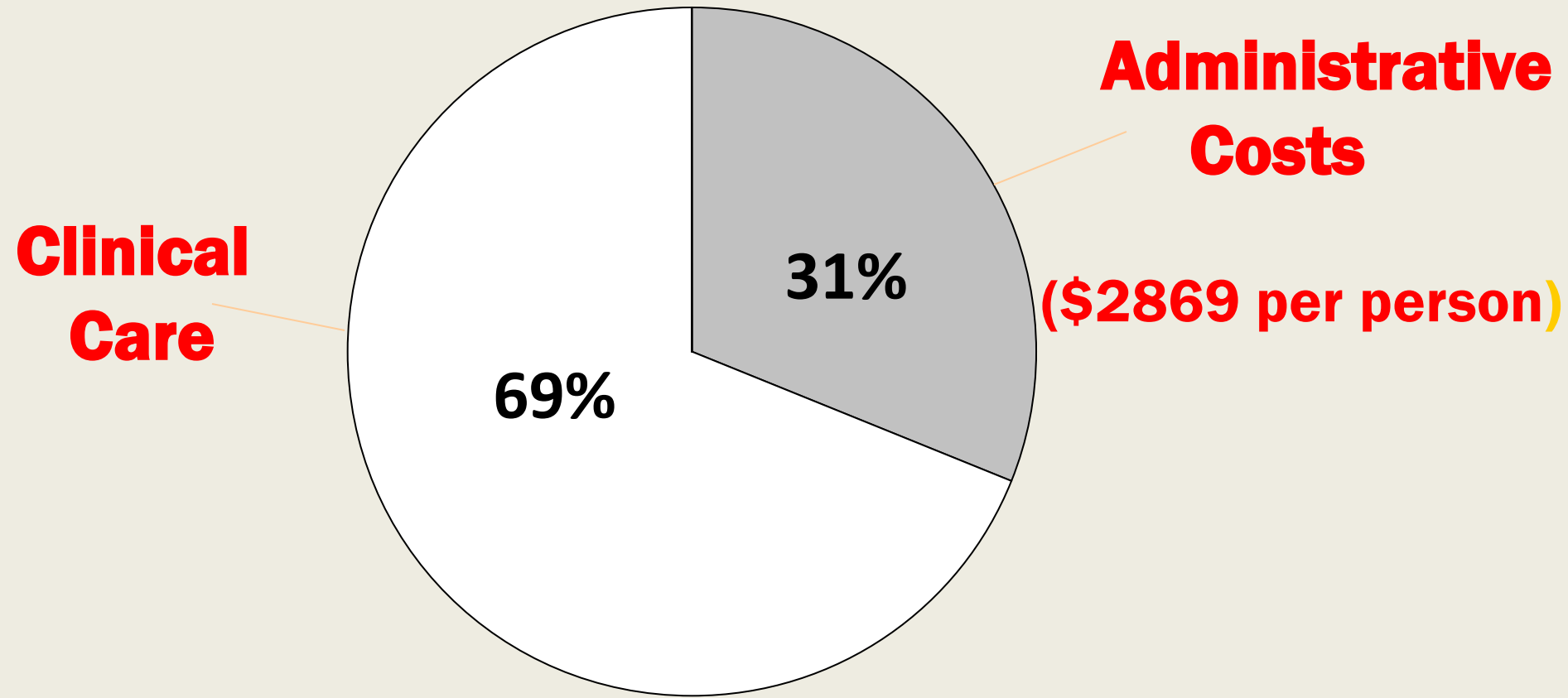
What is the root cause of our healthcare dilemma?

- **The EXHORBITANTLY HIGH COST OF U. S. HEALTHCARE**
- Why do we pay 1.5 to 3 times more for healthcare than all other developed nations and still have...
- 30 million uninsured
- Over 50 million underinsured
- Relatively poor outcome measures
- Bankruptcy caused by medical debt

Why are costs so high?

- Private medical insurer premiums, copays, and deductibles
- PHARMA charges
- Hospital charges
- Provider fees
- Ancillary charges
- Very high administrative overhead
- **Absurd level of WASTE, FRAUD, and ABUSE**

One-Third of Health Spending is Consumed by Administration



Waste/Fraud/Abuse

Estimated annual cost of as much
as \$1 Trillion

Examples of Waste

- 25% hospital overhead (and profit)
- Twice that of other countries
- 15-20% private insurance overhead and profit
- 3-5% overhead for traditional Medicare
- 17+% Medicare Advantage subsidies
- PPACA administrative overhead
- Unnecessary tests and procedures
- Excess of facilities and technology

Health Care Waste

Harvard
Business
Review

ECONOMY

How the U.S. Can Reduce Waste in Health Care Spending by \$1 Trillion

by [Nikhil Sahni](#), [Anuraag Chigurupati](#), [Bob Kocher, MD](#), and [David M. Cutler](#)

OCTOBER 13, 2015

Health Care Waste

HEALTH CARE NEWS

FR
MC

UNNECESSARY HOSPITAL TESTS COST \$200 BILLION ANNUALLY, CAUSE HARM TO PATIENTS

May 23, 2017



By **Chad Terhune**, Kaiser Health News

Health Care Waste

KHN Morning Briefing

Summaries of health policy coverage from major news organizations.

IOM Report: Estimated \$750B Wasted Annually In Health Care System

The Institute of Medicine offers an analysis of how the money is misspent and some steps that might address these trouble spots.

Insurance Billing Waste

HEALTH INSURANCE

HEALTH CARE | HOSPITALS | PHARMA | EQUIPMENT & SERVICES | **HEALTH INSURANCE** | HE

Health insurance paperwork wastes \$375 billion

Dan Mangan | [@_DanMangan](#)

Tuesday, 13 Jan 2015 | 11:54 AM ET



PPACA Waste

Posted on: Wednesday, May 27, 2015

ACA adding billions to health care bureaucratic waste: study

Initial \$6 billion in start-up costs of exchanges pale beside \$273.6 billion in extra insurance overhead from 2014 through 2022, researchers say

FOR IMMEDIATE RELEASE

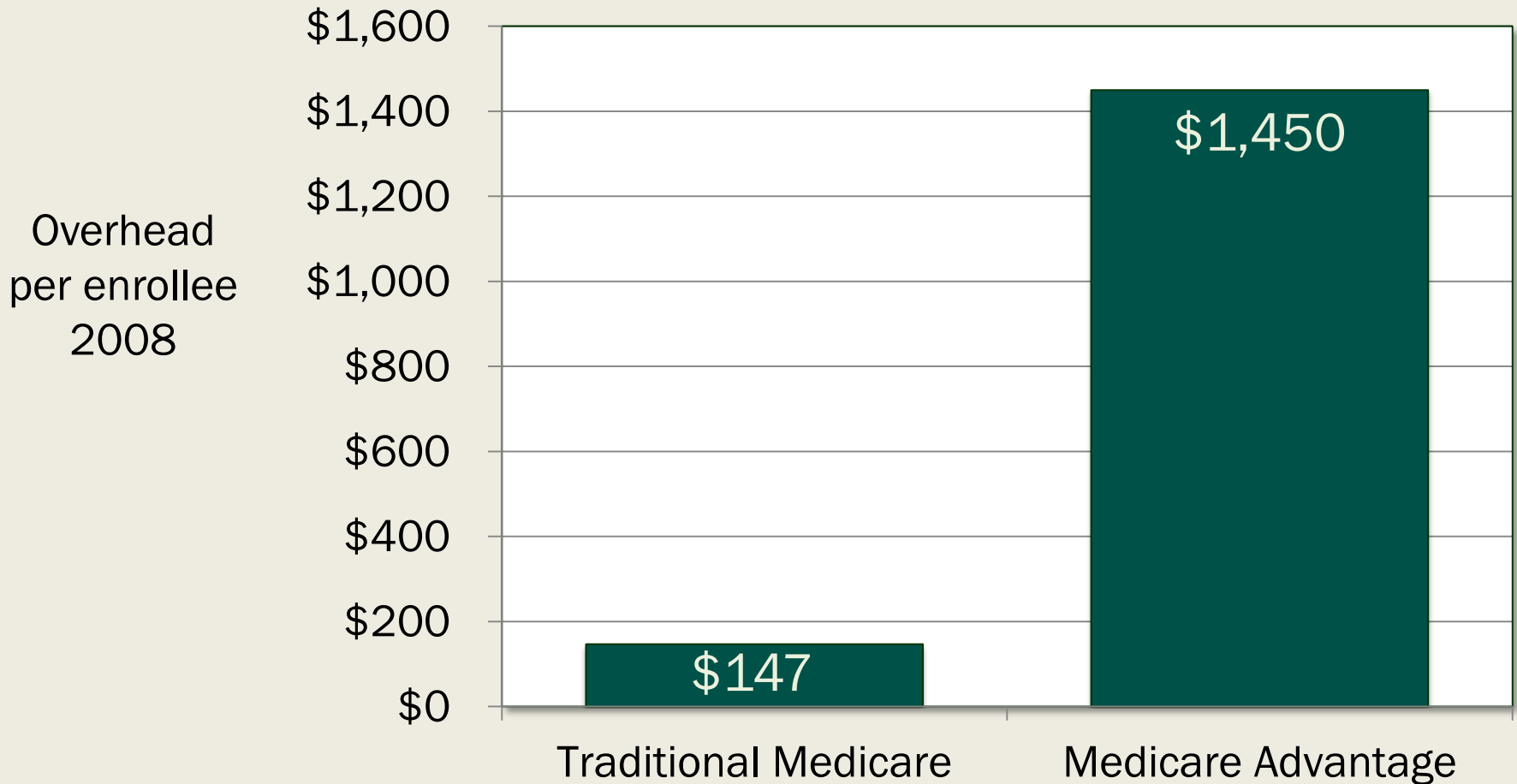
May 27, 2015

Contact:

Mark Alberg, PNHP communications director, mark@pnhp.org

The Affordable Care Act will add more than a quarter of a trillion dollars to the already very high administrative costs of U.S. health care through 2022, according to a [study](#) published Wednesday at the *Health Affairs* Blog.

Private Medicare Advantage Plans' High Overhead





Fraud

- Examples are...
- -Medicare Advantage risk adjustment
- -Hospital and provider insurance billing
- -Rx drug marketing and prescribing
- -Kickbacks to providers
- -Hospice and home health care scams
- -Addiction treatment scams
- - Medical equipment and ambulance scams

Medicare Advantage Fraud

Whistleblower suit says health plan cheated government out of more than \$1 billion

Company says former Bush health official simply a 'disgruntled employee'

By Fred Schulte   email 5:00 am, June 4, 2014 Updated: 5:30 am, June 4, 2014

28
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Josh Valdez took an executive level job in April 2010 expecting to improve medical services at two Puerto Rican Medicare Advantage health plans owned by a subsidiary of New Jersey company: Aveta Inc.



Insurance Fraud

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[MENTAL HEALTH](#) [UNINSURED](#)

UnitedHealth Doctored Medicare Records, Overbilled U.S. By \$1 Billion, Feds Claim

By [Fred Schulte](#) | May 17, 2017

[News & Perspective](#) > [Psychiatry](#)

Hundreds Charged in \$1.3B US Healthcare Fraud/Opioid Scams

Marcia Frellick

[DISCLOSURES](#) | July 13, 2017

164

Comment



More than 400 people, upwards of 120 individuals involved in prescribing and distributing narcotics, have been charged in connection with healthcare fraud and opioid scams totaling \$1.3 billion in false billing.

Medicare Fraud

HEALTH CARE

HEALTH CARE | HOSPITALS | PHARMA | EQUIPMENT & SERVICES | HEALTH INSURANCE

\$1 billion alleged Medicare fraud, money laundering scheme leads to Florida arrests

Dan Mangan | @_DanMangan

Friday, 22 Jul 2016 | 9:43 PM ET



Tom Grill | Brand X Images | Getty Images

Three Florida residents have been charged in the "largest single criminal health-care fraud case ever brought against individuals" by the U.S. Justice Department — an alleged Medicare fraud and money laundering scheme that netted participants a whopping \$1 billion since

Hospital Billing Fraud

- Landmark case in 2003 when...
- Columbia (now HCA) paid a fine of 1.7 Billion for a criminal guilty plea.
- How many went to jail?
- Who was the CEO of Columbia hospital corp.?

Columbia (HCA) Billing Fraud

**STEALS BILLIONS FROM TAXPAYERS WITH THE
BIGGEST MEDICARE FRAUD IN HISTORY**

**BLOCKS OBAMACARE'S MEDICAID
EXPANSION, ROBBING A MILLION LOW-
INCOME FLORIDIANS OF HEALTH CARE**

Hospital Billing Fraud

FACTCHECK.ORG ✓



RICK SCOTT
took the 5th **75 times**

The Miami Herald
9/18/10

St. Petersburg Times
9/18/10

Orlando Sentinel
9/21/10

FactCheck.org

Pharmaceutical Company Fraud

- Rampant
- Simply viewed as “the cost of doing business”
- Off label marketing most most common type
- -Sometimes puts patients at significant risk
- Essentially no one ever goes to jail

2012 Fraud/Civil Fines Against Drug Firms

Glaxo – \$3 Billion

- Illegal promotion (Paxil & Wellbutrin)
- Hiding safety problems (Avandia)

Johnson & Johnson - ~\$2 Billion

- Illegal marketing. Risperidal (multiple cases)

Abbott – \$1.5 Billion

- Illegal marketing, Depakote

Amgen – \$762 Million

- Illegal marketing, Aranesp

Merck – \$322 Million

- Illegal marketing, Vioxx

Sanofi – \$109 Million

- Physician kickbacks for Hyalgan

Sources: NYT 7/3/2012; Fiscal Times 8/31/2012;
Modern Healthcare 2/25/13

PHARMA Fraud

Huge fines, settlements and lawsuits are all routine business for Big Pharma

Friday, July 19, 2013 by: Tony Isaacs

Tags: *Big Pharma, settlements, fines*

No Jail Time for Big Pharma

Even the largest of settlements rarely dents the profits associated with the drugs involved. The largest fine ever imposed thus far - last July's \$3 billion judgment against GlaxoSmithKline (GSK) for illegally marketing the antidepressants Paxil and Wellbutrin, withholding health risks data of the diabetes medication Avandia and other wrongdoings - accounted for just 11 percent of associated revenue. By contrast, in most individual cases of fraud all profits are typically confiscated and the fraudster goes to prison.

Drug Firms' Fraud: Pay the Ticket, Keep on Speeding



“In April [2010], AstraZeneca became the fourth major drug company in three years to settle a government investigation with a hefty payment...

“\$520 million for what federal officials described as an array of illegal promotions of antipsychotics for children, the elderly, veterans and prisoners.

“Still, the payment amounted to just 2.4 percent of the \$21.6 billion AstraZeneca made on Seroquel sales from 1997 to 2009.”

Health Care Abuse

- Pervasive through out the industry
- Most often excessive unjustifiable charges for:
 - -Rx drugs
 - -ER visits and hospitalizations
 - -Provider fees
- Health insurance and hospital administrative overhead and salaries

Recommended Reading

Bitter Pill: Why Medical Bills Are Killing Us | TIME.com



TIME
Health & Family



HEALTH INSURANCE

Bitter Pill: Why Medical Bills Are Killing Us

By [Steven Brill](#) | Feb. 20, 2013

1. Routine Care, Unforgettable Bills

When Sean Recchi, a 42-year-old from Lancaster, Ohio, was told last March that he had non-Hodgkin's lymphoma, his wife Stephanie knew she had to get him to MD Anderson Cancer Center in Houston. Stephanie's father had been treated there 10 years earlier, and she and her family credited the doctors and nurses at MD Anderson with extending his life by at least eight years.

Because Stephanie and her husband had recently started their own small technology business, they were unable to buy comprehensive health insurance. For \$469 a month, or about 20% of their income, they had been able to get only a policy that covered just \$2,000 per day of any hospital costs. "We don't take that kind of discount insurance," said the woman at MD Anderson when Stephanie called to make an appointment for Sean.

Stephanie was then told by a billing clerk that the estimated cost of Sean's visit — just to be examined for six days so a treatment plan could be



Hospital Billing Abuse



Home The New York Times Magazine

Those Indecipherable Medical Bills? They're One Reason Health Care Costs So Much

Hospitals have learned to manipulate medical codes — often resulting in mind-boggling bills.

BY ELISABETH ROSENTHAL MARCH 29, 2017

Colorado Hospital Top 10 Charge:Cost Ratios

1	NORTH SUBURBAN MEDICAL CENTER	HCA	Colorado	700.00%
2	SKY RIDGE MEDICAL CENTER	HCA	Colorado	680.00%
3	SWEDISH MEDICAL CENTER	HCA	Colorado	600.00%
4	THE MEDICAL CENTER OF AURORA	HCA	Colorado	587.00%
5	PARKVIEW MEDICAL CENTER	QHR	Colorado	582.00%
6	ROSE MEDICAL CENTER	HCA	Colorado	571.00%
7	LITTLETON ADVENTIST HOSPITAL	Adventist Health System Sunbelt Health Care Corporatio	Colorado	549.00%
8	PRESBYTERIAN ST LUKES MEDICAL CENTER	HCA	Colorado	512.00%
9	PARKER ADVENTIST HOSPITAL	Adventist Health System Sunbelt Health Care Corporatio	Colorado	509.00%
10	EXEMPLA GOOD SAMARITAN MEDICAL CENTER	Exempla Healthcare, Inc.	Colorado	478.00%

Source: IHSP Calculations of Federal Hospital Cost Reports, FY 1996-1997 through 2011-2012.

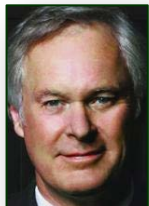
www.NationalNursesUnited.org

Laprascopic appendectomy hospital charge

Pagosa Mountain Hospital	\$15,524
Denver Health	\$26,361
Skyridge Medical Center	\$74,068
Medical Center of the Rockies	\$93,827

Health Care CEOs' Pay, 2012

Richard Bracken
HCA



Total Pay: **\$34.6M**
Holdings: **\$84.5M**

Leonard Schleifer
Regeneron



Total Pay: **\$30.0M**
Holdings: **\$666M**

Kent Thiry
DaVita



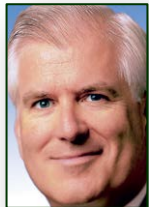
Total Pay: **\$26.8M**
Holdings: **\$66.3M**

David Pyott
Allergan



Total Pay: **\$19.4M**
Holdings: **\$108M**

Miles White
Abbott



Total Pay: **\$19.0M**
Holdings: **\$143M**

Ian Reed
Pfizer



Total Pay: **\$18.5M**
Holdings: **\$48.1M**

Robert Parkinson
Baxter



Total Pay: **\$16.0M**
Holdings: **\$89.2M**

Leonard Bell
Alexion



Total Pay: **\$13.6M**
Holdings: **\$311M**

HMO CEOs' 2014 Pay

Mark Bertolini

Aetna



Annual Comp:
\$15.0 M

Pay/Weekday:
\$57,745

Joseph Swedish

Wellpoint



Annual Comp:
\$8.1 M

Pay/Weekday:
\$31,016

Michael Neidorff

Centene



Annual Comp:
\$ 28.1 M

Pay/Weekday:
\$107,962

David Cordani

Cigna



Annual Comp:
\$27.2 M

Pay/Weekday:
\$104,479

Steve Hemsley

United



Annual Comp:
\$66.1 M

Pay/Weekday:
\$254,328

Bruce Broussard

Humana



Annual Comp:
\$13.1 M

Pay/Weekday:
\$50,319

Seventy Top Health Care CEOs Raked \$9.8 Billion Since 2010

Wednesday, July 26, 2017

By Jake Johnson, Common Dreams | Report

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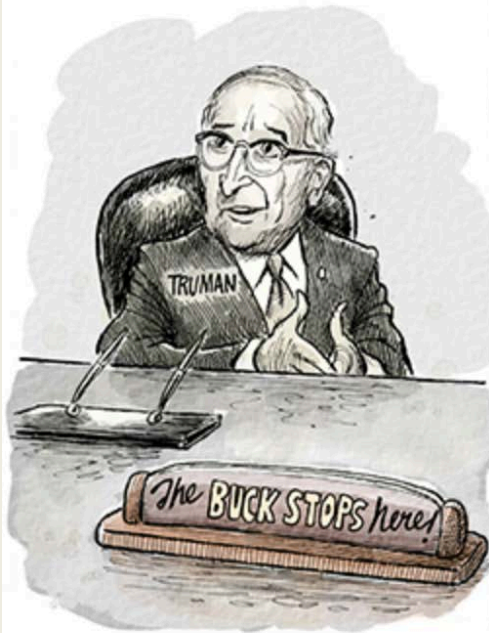
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Why the High Cost of Rx Drugs?

- High charges are needed to fund research and development of new medications
- This is an “alternative truth”
- What is the real truth?

Presidential



Modern Day Presidential



'Buck The System?'

By Adam Zyglis, The Buffalo News

New York Times Business bestseller

"A scorching indictment of drug companies and their research and business practices . . . tough, persuasive and troubling."

—JANET MASLIN, *The New York Times*

The Truth About the Drug Companies



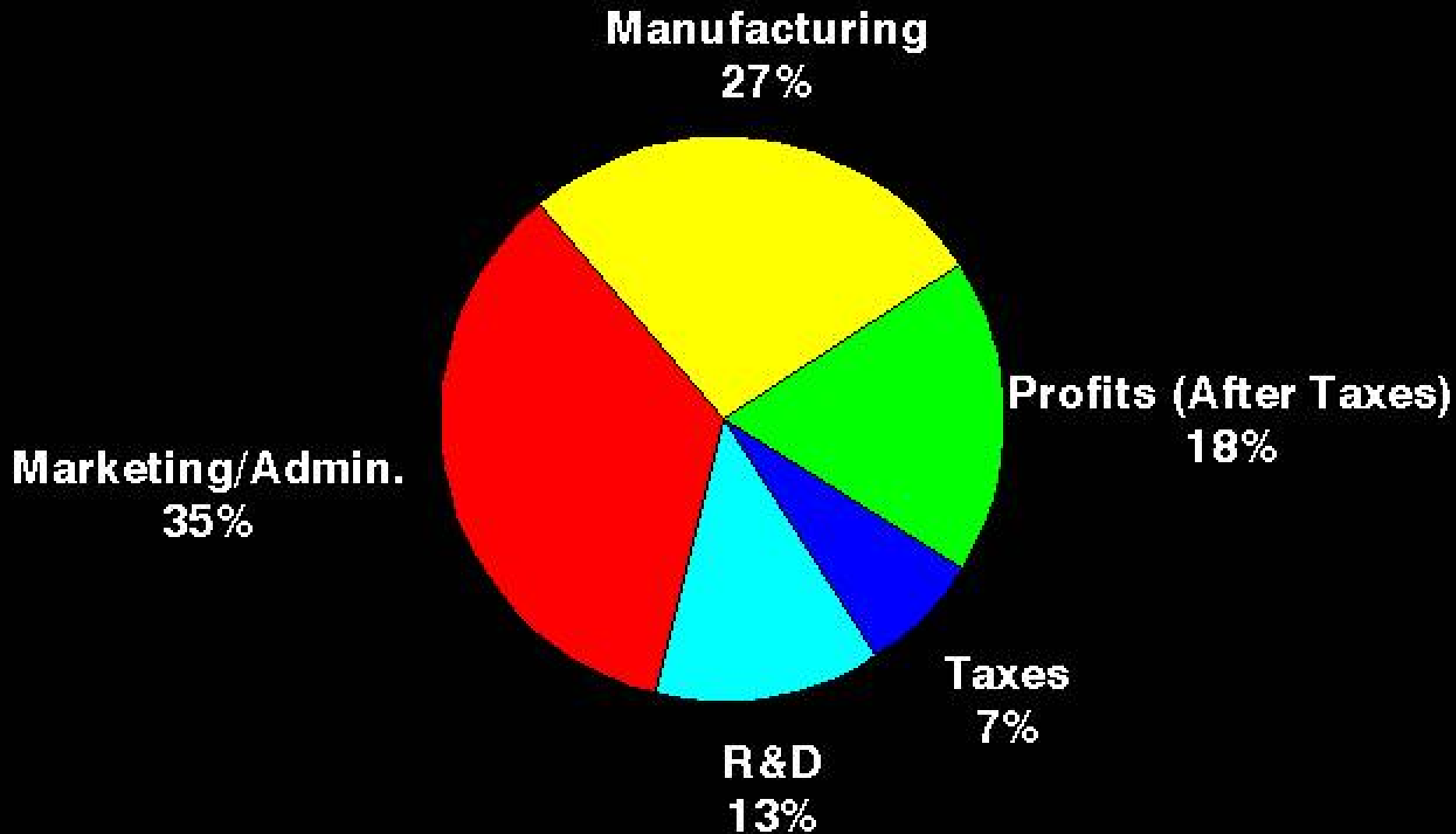
**HOW THEY DECEIVE US
AND WHAT TO DO ABOUT IT**

MARCIA ANGELL, M.D.

Former editor in chief of *The New England Journal of Medicine*
Winner of the Polk Award

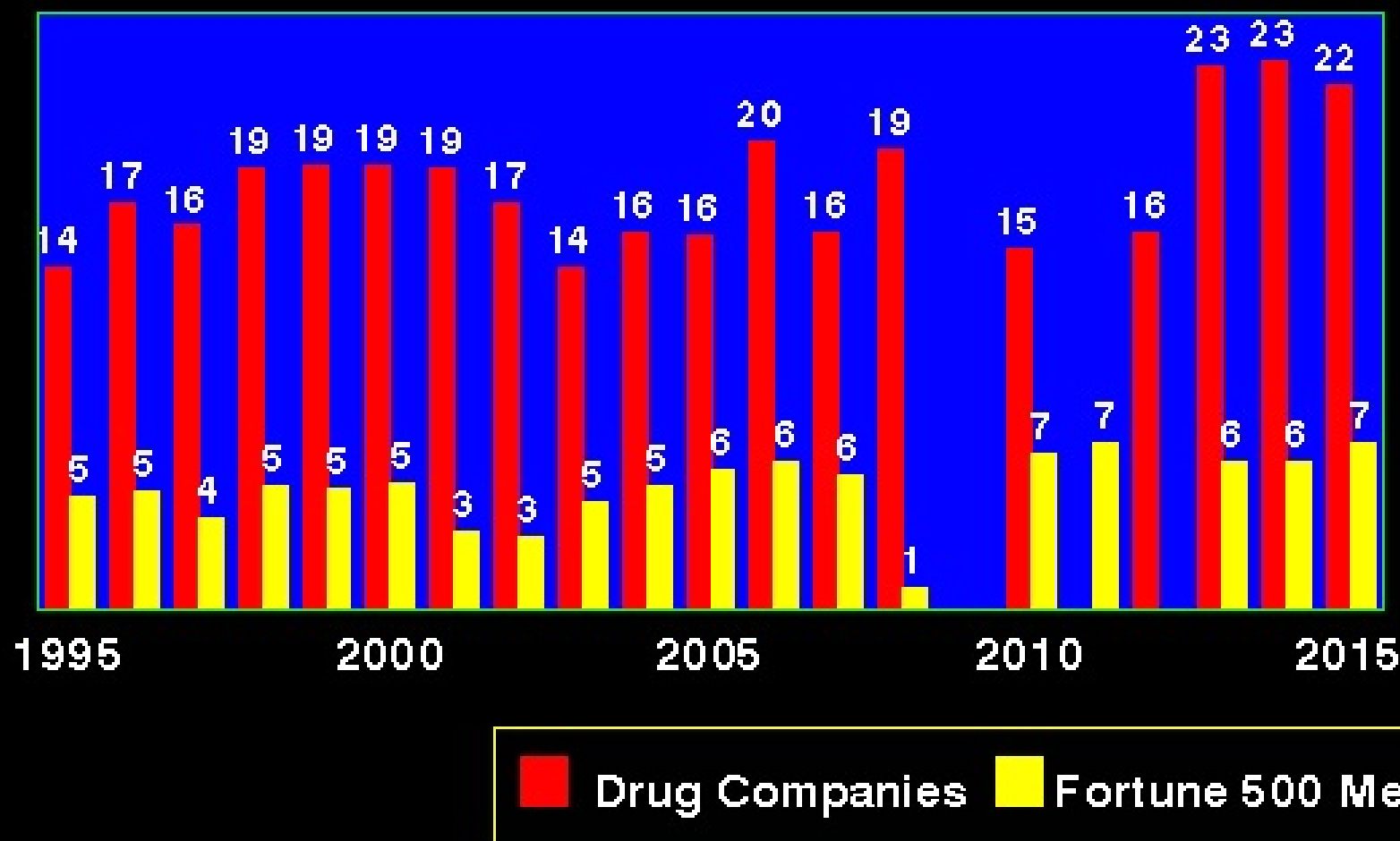
Updated, with a new chapter on the Vioxx scandal

Drug Companies' Cost Structure



Drug Company Profits, 1995-2015

Return on Revenues (%)

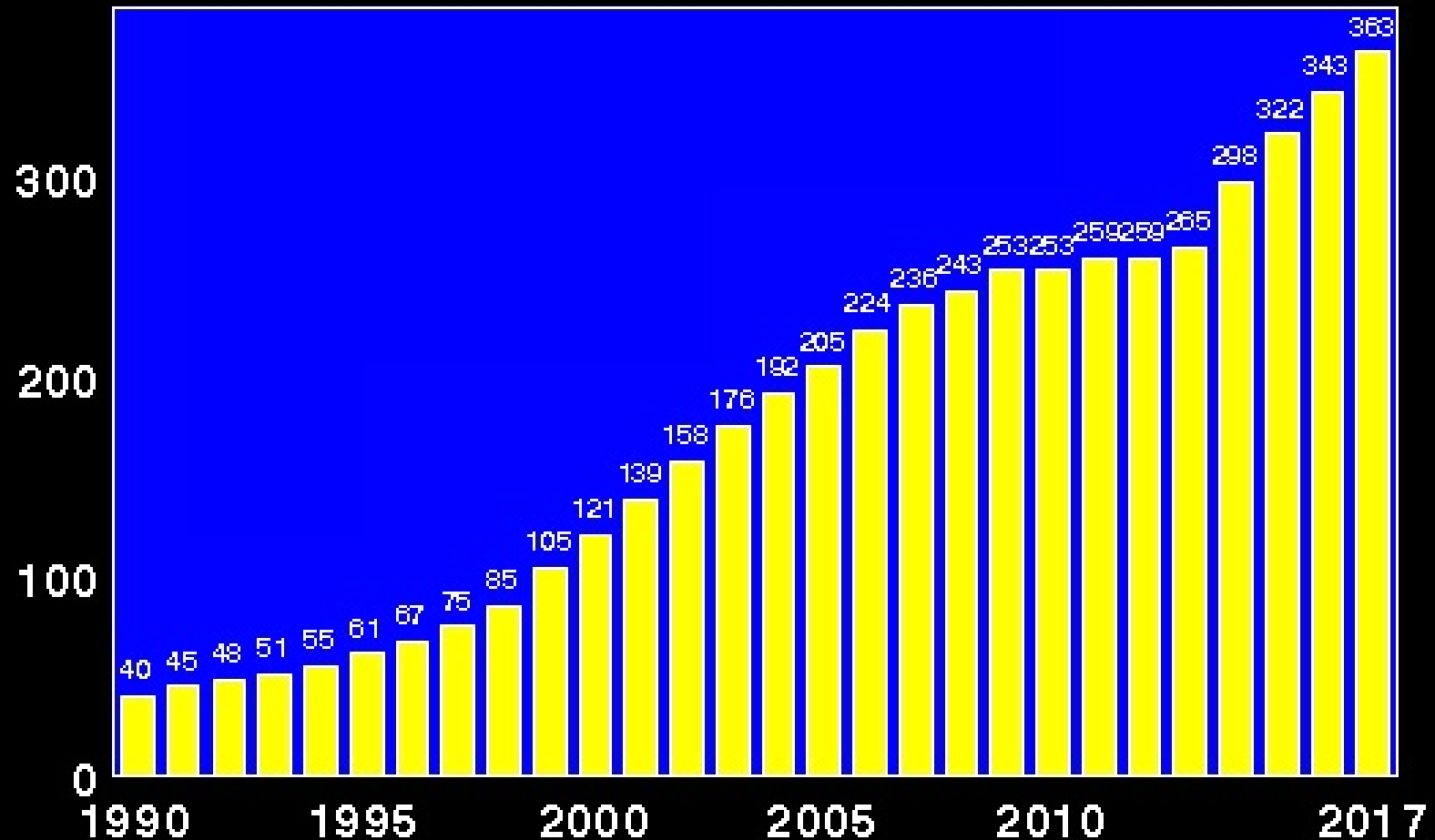


Source: Fortune 500 rankings for 1995-2016

Total drug company profits, 2015 = \$67.1 billion

U.S. Drug Spending, 1990-2017

Prescription Drug Spending - Billions of Dollars



Source: CMS, Office of the Actuary - Note: 2015-2017 estimated

PHARMA Abuse

Good Lord. Even the Price of Insulin Is Skyrocketing.

By Jordan Weissmann



A Type 1 diabetes patient holds up bottles of insulin.

Reuters

PHARMA Outrageous Abuse

SUN SEP 20, 2015 AT 04:05 PM PDT

**Hedge Fund Manager Buys Rights To
Critical Drug, Hikes Price By 5000%**

PHARMA Outrageous Abuse

BUSINESS DAY

Drug Goes From \$13.50 a Tablet to \$750, Overnight

By ANDREW POLLACK SEPT. 20, 2015

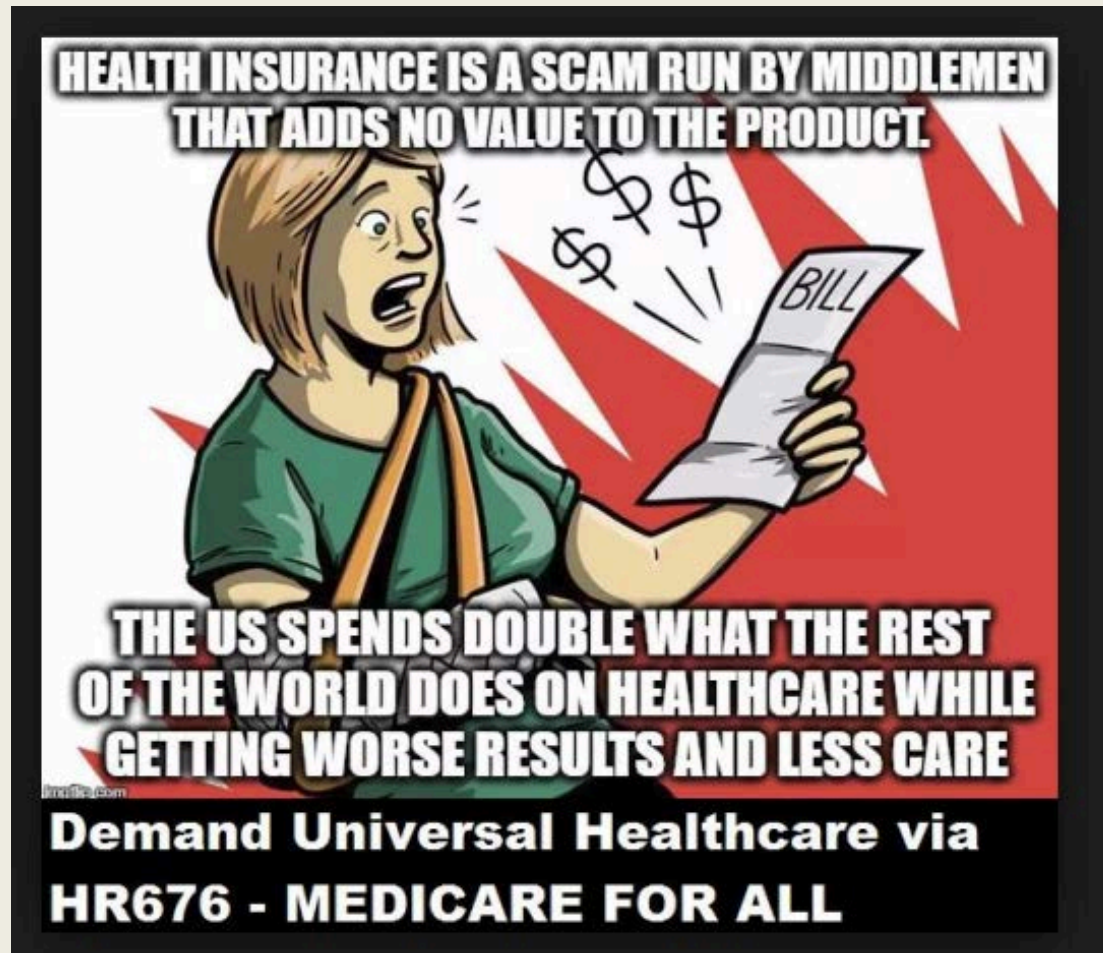
Specialists in infectious disease are protesting a gigantic overnight increase in the price of a 62-year-old drug that is the standard of care for treating a life-threatening parasitic infection.

The drug, called Daraprim, was acquired in August by Turing Pharmaceuticals, a start-up run by a former hedge fund manager. Turing immediately raised the price to \$750 a tablet from \$13.50, bringing the annual cost of treatment for some patients to hundreds of thousands of dollars.

Where do we go from here?

- With or without repeal and replace of Obamacare Congress will pay the ransom to **our private insurers who are holding us hostage.**
- Why will our Congress acquiesce to these demands?
- **Special interest** SSSSSSSSSSS

Does private health insurance add any value?



Attributes of “Ideal” Health Insurance

- Affordable... no copays or deductibles
- Universal... covers all residents
- Comprehensive...all 10 Obamacare essentials plus dental and long term care
- Portable...not tied to employer or location
- Single public payer for simplified reimbursement
- No investor owned providers
- Public accountability for quality and cost
- Minimal bureaucracy
- Strict cost controls
- Free choice of provider and hospitals

How can we eliminate most waste, fraud, and abuse?

- Jail time for all perpetrators of fraud
- Lump sum global budgets for hospitals
- Single buyer purchasing for drugs and devices
- Eliminate private health insurers provision of primary coverage
- Transparency in billing and quality measures
- Establish a single risk pool of all residents
- Comprehensive reform of PHARMA abuse

What are the impediments to reform?

- What some consider” waste” others consider “income”
- Entrenched VERY POWERFUL SPECIAL INTERESTS
- Unwillingness to acknowledge funding isn't infinite
- Unwillingness of our political leaders to work together for the common good of all

What's the ultimate solution to our healthcare dilemma?

- We as a people must decide if...
- **Healthcare is a RIGHT or a PRIVILEGE**
- If healthcare right as it is in all other countries than a publically funded **Medicare for All** is the best option.