Dr. Elisabeth Rosenthal

Mark Masselli: This is Conversation on Healthcare, I am Mark Masselli.

Margaret Flinter: And I am Margaret Flinter.

Mark Masselli: Well, Margaret, with all the discussions of the revived GOP Healthcare Bill, it's gotten me to think about healthcare cost. The revised bill takes away many of the Affordable Care Act restrictions, but also many of the protections. I think it is fair to say that if the bill goes through the House as written, there'll be many Americans who can no longer afford health coverage.

Margaret Flinter: And it will significantly shift the burden of paying for healthcare onto the consumer and at the same time, it is going to cover a whole lot less.

Mark Masselli: It still leaves many unanswered questions for the health industry moving forward and what the potential impact of the loss of tax subsidies will mean not only for the insurance market, but also the number of Americans, who may end up uninsured. So not necessarily what we would call progress, Margaret.

Margaret Flinter: And that's something that has been on the mind of today's guest for sometime, Dr. Elisabeth Rosenthal is the Editor in Chief of Kaiser Health News and she has just published a really riveting book, An American Sickness, how healthcare became big business and how you can take it back.

Mark Masselli: And as well Lori Robertson stops by, the Managing Editor of Factcheck.org, but no matter what the topic you can hear all of our shows by going to www.chcradio.com

Margaret Flinter: And as always if you have comments, please email us at www.chcradio@chc1.com or find us on Facebook or Twitter, because we love to hear from you. Now we'll get to that interview with Dr. Elisabeth Rosenthal in just a moment.

Mark Masselli: But first, here is our producer Marianne O'Hare with this week's Headline News.

Marianne O'Hare: I am Marianne O'Hare with these Healthcare Headlines. Congress has come to agreement on a trillion dollar temporary spending bill, keeping Government from shutting down, at least until the end of September. The spending package includes a number of measures including more money for defense spending, but also more money for the National Institutes of Health and anyone expected under the president's budget proposals and the House Republicans have tried yet again to muster enough votes to support the latest iteration of the GOP Healthcare Bill, something the president has been keen on seeing move forward after the failure of the American Healthcare Act. Well, this slightly revised bill technically retains protections for people with preexisting

conditions, it still leaves that decision up to the States and that's left some moderate Republicans on the fence, that potentially putting their vulnerable constituency at greater risk. Health disparities have improved slightly since the year 2000 to 2015, but African-Americans are still more likely to die earlier than whites in this country. A recent report from the Centers for Disease Control and Prevention show the average life expectancy for black Americans is 75.6 years and 79 years for whites. The study also found more African-Americans dealing with or dying in their 30s and 40s from disease typically found in older adults, such as heart disease and diabetes, higher rates of obesity in that population being considered as one of the causes. Cleveland Clinic will be getting a new leader sometime this year. Dr. Toby Cosgrove, announcing he will be stepping down after 10 years as CEO with many patents and breakthrough innovations to his name. No successor has been named, but Cosgrove expects it will be an internal promotion. He will be staying on as an advisor and so much for the transformation of the American School Lunch set in motion during the Obama administration and promoted heavily by First Lady Michelle Obama. Secretary of Agriculture under president Trump just signed a measure that rolls back certain dietary guidelines that reduced salt, fat, and sugar contents in the typical school lunch. Former Georgia Governor, Sonny Perdue, now the Agriculture Secretary, signed a measure that delays sodium restriction in school lunches and leaves more room for discretion in local purchasing for school cafeterias. Michelle Obama had pushed the healthier food changes as part of a Let's Move Campaign in combating childhood obesity, which is expected to cost the American Healthcare System hundreds of billions of dollars in coming decades. I am Marianne O'Hare with these Healthcare Headlines.

Mark Masselli: We are speaking today with Dr. Elisabeth Rosenthal, Editor in Chief of Kaiser Health News and the author of a newly released book, An American Sickness, how healthcare became big business and how you can take it back. Dr. Rosenthal was a well known reporter for the New York Times, where she covered healthcare, as well as the environment. She earned multiple awards for her two-year series on health pricing, paying till it hurts. She is a graduate of Stanford University and Harvard Medical School. Elisabeth welcome to Conversations on Healthcare.

Elisabeth Rosenthal: Oh, thanks for having me.

Mark Masselli: Yeah, you know first of all congratulations. It is wonderful, the book, An American Sicknesses published by Penguin Random House, which at last check had risen to number six on the New York Times nonfiction bestseller list and I think Americans of all political stripes are really trying to understand what's driving the American Healthcare to be the most expensive in the world and may be you could share with our listeners using the emergency room as a metaphor in American healthcare as a patient, could you describe the diagnosis and what condition you think the patient is in?

Elisabeth Rosenthal: The patient is approaching critical condition I think. We are reaching a tipping point of un-sustainability, both in terms of personal income, where I hear from more and more people who are spending 20% to 30% of their household income on health insurance and minor healthcare, not even you know, serious heart attack. We've all faced rise in premiums, deductibles, and I think what we are seeing at the town halls now is people standing up and saying, you know, wait I just can't do this anymore. So, I think we really have to face this central issue in American healthcare, which frankly we haven't faced head-on ever, which is the prices and how they got to be at this crazy place, where we are, you know two three, sometimes hundred times as much with certain procedures and that is since as they are in the rest of the world.

Margaret Flinter: Well, Elisabeth, you started to focus on the nation's health cost crisis, a few years ago with your New York Times series, Paying Till It Hurts, trying to determine what was driving the skyrocketing cost of healthcare to almost three and a half trillion dollar a year industry; take us to the beginning, what unique insights do you think you can bring to help us better understand the roots of the current crisis.

Elisabeth Rosenthal: Everyone knows it is too expensive and no one would have designed a system like this, so how did we get here and that's really what was my personal odyssey in the first part of the book, the first step was the development of employer sponsored health insurance in the post World War II era and that is not to say that health insurance is a bad thing, but what that set off was this kind of disconnect between a patient paying for healthcare and what was charged, because the insurers were paying. 10-20 years ago, your employer provided you with insurance that was little out of pocket cost to you and so it was all kind of funny money. It was invisible and what happened then is the business of healthcare starts insinuating into a system that was focused on caring and patients and this healing endeavor, which is where I started as a physician in medical school and residency. You know, we weren't paying it directly, it was kind of a white collar crime, nobody was paying, so if you were charging $50, you could charge $100, and then you would charge $500 and at some along the way, business consultants started being involved. They went into hospitals, consultants like Deloitte and McKenzie would go in and say, you know, you could you make a lot more money doing the exact same things if you just billed this way and that's where we started getting the $17 charges for Tylenol or the 200 bucks for every 15 minutes of oxygen therapy and of course once the hospitals are making money, the doctors begin to sound almost kind of Marxists, like you know, wait, we are the labor here, we want some of that too, why are these guys all being paid a million plus a year, when we are producing the value in this institution and likewise drugs, which were always kind of cheap and devices which were traditionally kind of like Band-Aids, you know they were just the ancillary things suddenly start charging a lot too and pretty soon you have all this money kind of flashing around and a lot of people who are motivated

by business and the values of business trying to grab for it and what's lost I think in that is the values that physicians and patients hold dear.

Mark Masselli: Elisabeth, you don't pull any punches in your book. In it you say that if we were trying to cure polio today, we still have polio, but we'd have iron lungs offered in seven different colors and it is hard to imagine a modern day Jonas Salk, who would be willing to offer his cure for polio to the world and forgo any profits from the discovery, I am wondering if you could talk about this aspect, the high cost of medical and pharmaceutical research and the outrageous prices of drugs today.

Elisabeth Rosenthal: I think we really have to think about our closely held belief in this country that the profit motive is a good way to direct innovation and drug discovery in healthcare. It does incentivise certain kinds of things that the discoverer can charge a lot for. It does not incentivise cures that might lower costs or be really cheap, so you know there are couple of examples in the book, one of which is a physician at Mass General, who has been researching a cure for type 1 diabetes. Her work may not result in that cure, but it is kind of in general a lot of excitement in the basic science community, but she can't get that funded by either pharma or the patient groups devoted to type 1 diabetes, because as she said, she went to a bunch of pharmaceutical companies and they said, vow, that's really interesting, but how are we going to make money from it. Treating diabetes is an industry worth a billions in this country and if there was a cure for type 1 diabetes, that whole industry would go away, so what's our model for that kind of discovery. Of course in Salk's days the idea that you could patent this thing that was developed with public research, it just wasn't a goal, but now of course, every university would be fighting over the patent for that. You know, we look now at CRISPR technology, you know, which is an important new technology prudentially, what have then news articles been about? It's about whether the Broad Institute or the University of California holds the patent. When I wrote about healthcare reform, we always talked about lot of these innovations were going to lead to patient centered evidence based care and then when I started to write the book, I was like, wow, what other kind of care could there possibly be and that we see in our country, it is financed based care. Is there a profit in it for someone? It is business values, but those are not necessarily what any of us want from healthcare.

Margaret Flinter: You point to another key driver behind the nation's healthcare sticker shock and that's hospital costs. We know that many hospital rates are set really in secrecy and you say that the other very menacing trend is the accelerating trend of hospital consolidation, which of course may do much to eliminate competition in many markets. Talk with us more about how does the average consumer get a hand on this without having a consultant after discharge to help them figure it out.

Elisabeth Rosenthal: Yeah, right now it is hard, but there is a lot that can be done. We need much greater transparency. You need to have a real price to shop for anything, whether it is our employer shopping on our behalf or us shopping individually in this era of higher co-pays and deductibles and hospitals, as you said, go to great lengths to hide these list prices, even doctors, particularly some of the younger doctors, I heard from one resident at a hospital in Arizona, who was a radiology resident and he wanted to know like how much are you guys charging for an MRI and the business office wouldn't tell him and I hear this even from more senior doctors, who are increasingly concerned about costs. All hospitals have this thing called the Charge Master, which is their master price list, right. In almost all States those are top-top secret and guarded as kind of trade secrets. In California, they have to be filed with the State. I would like to see that in all states and I don't see why it is not possible and I think once those things are filed publicly, then advocates or physicians or just patients who are really motivated can look at them and say, wow, you know, they are charging a thousand bucks for every 15 minutes I was in the recovery room. I was only there because the surgical team was having dinner that long, that doesn't make any sense. The other thing is I think that hospitals had to file these costs and make them public. You know, my colonoscopy at a hospital in New York was billed at $11,000. I know that if they had to list that price and put it in the lobby, they would have never charged that. So, I think the first step is greater transparency and you often hear a million different excuses why hospitals and physicians can't do that. You know, hospitals will say, well, nobody pays those prices and if you ask, well, why do you charge them then, literally, one hospital exec said to me, well because sometimes a foreigner with a big suitcase of cash comes in and does pay it. Another thing you hear is nobody really pays it well, the uninsured often have to go after them for those big bills. There is a woman in the book, who was billed over $350 thousand for surgery after a cerebral aneurysm. The hospital would have accepted under $100 thousand from Medicare, from the VA, but because she did not have anyone negotiating on her behalf, they went after her for 80% of the whole thing. It was nightmare.

Mark Masselli: We are speaking today with Dr. Elisabeth Rosenthal, Editor in Chief of Kaiser Health News and author of the newly released, An American Sickness, how healthcare became big business and how you can take it back. Elisabeth, as we know the president ran on the platform of repealing and replacing the Affordable Care Act and you say in your book that no reform of the Affordable Care Act addresses the unsustainable cost of getting sick. What needs to happen politically to lead to a better containment of health cost?

Elisabeth Rosenthal: You know the original proposal by the Obama administration did try and deal with this pricing issue head on. A lot of that the truly price reducing and cost saving components were knocked out, but look who is at the table. It was the insurers, the hospital associations, the medical trade associations, pharma, but who is representing the patients and that is partly what I want the book to do, to develop patients as a constituency that votes on this

healthcare issue saying, hey wait a second, we want more of a say and how our healthcare works. There are various steps that I think people can and should take. You know to look at these Explanation of Benefits Statements, literally there is one person in the book, who he and his wife had a baby and they were billed for circumcision. They knew their baby wasn't circumcised. So they went back and argued with the hospital. I think we have to start holding these institutions accountable. They also don't pay taxes because they are doing service for our community. Okay, but let's look at their 990 tax forms and say what have you done for my city to deserve that big tax break and likewise, you know, when you are going to your doctor's office, and say I care about these costs, will you work with me on it. Doctor please learn which of the x-ray facilities in this area will do it for $50 rather than $1,000. We need to learn how much money did pharma contribute to my representative campaign last year. Who is my State Insurance Commissioner? Right now, most of those insurance commissioners are drawn from the insurance industry. As patients, we should say no, those commissioners should be consumer advocates. You know, it is sad that we in this country have to deal with these issues while we are dealing with a medical crisis. You know when you go to an emergency room, do you really want to have to say, okay, I've come to this in network hospital, but doctor are you in my network, but I think right now we have to ask those questions with the ultimate goal being if I go into an in-network hospital, hospital it is your job to make sure that everyone who touches me is in my network. You know when I was an ER doctor, it was just assumed that the ER doctor was part of the bill. It wasn't even separate billing, but now a lot of hospitals have wanted these ER doctors to be contractors and the more entrepreneurial ones have seen it as a good money making opportunity. The problem with their argument is you and me, the patients, we are stuck in the middle and we have no hand to play in this, in this negotiation.

Margaret Flinter: So, Elisabeth, it is hard not to come around to the idea of single payer system, the moment you have this conversation about ways to look at our Medicare colleagues and the degree to which they are able to control that administrative limit and still do quite a bit of innovation as we've seen over recent years, we saw the State of Vermont try, almost got there with single payer, couldn't do it, talk to me about whether you think that would be a solution to the problem and whether it is remotely possible in this country.

Elisabeth Rosenthal: Of course, it would be a solution. I mean it's worked in many other countries. I think every country has developed a system that needs their kind of cultural preferences, their political reality, and their medical practices and many of them have gone to single payer. When people say, oh, that would never work in the U.S. Well, Medicare is a single payer system and while it has its issues, I hear from a lot of readers in their 50s and 60s, who are all looking forward to, you know the promised land of Medicare and of course I hear from more and more physicians, who are now saying, fine, let's just go with Medicare.

You know, it doesn't pay as well as some of the other payers, but it is fine, I can live with it and it's much less hassle.

Mark Masselli: We have been speaking today with Dr. Elisabeth Rosenthal, Editor in Chief of Kaiser Health News and author of the newly released, An American Sickness, how healthcare became big business and how you could take it back. You could learn more about her work by going to American Sickness.com or you can follow her on Twitter@rosenthalhealth. Elisabeth, thank you for your work and for your book and for joining us on Conversations on Healthcare Today.

Elisabeth Rosenthal: Thanks so much for having me.

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 non-partisan, nonprofit consumer advocate for voters that aim to reduce the level of deception in U.S. politics. Lori, what have you got for us this week?

Lori Robertson: President Trump recently hit the 100-day milestone of his presidency and we looked back at the false and misleading claims he has made in that time. On healthcare, Trump's falsehoods were about ObamaCare. He said that "ObamaCare is dead," repeating a common talking point that the Affordable Care Act is in a death spiral, with rising premiums foreseeing relatively healthy people to drop coverage leading to even higher premiums to covering ever sicker group of beneficiaries. We found the ACA marketplaces are ailing in some States such as Tennessee, but flourishing in others including New York and California and while some insurers have lost money are leaving, others see opportunity and are getting in. The Nonpartisan Congressional Budget Office and other neutral experts say the ACA marketplaces are probably stable for years to come. Trump has mentioned Tennessee several times, claiming that half the State doesn't have an insurance company selling policies on the ACA exchanges and that " the other half is going to lose the insurance company," not true, all of Tennessee's eight insurance rating areas have at least one carrier offering Affordable Care Act policies in 2017. For next year, Humana has announced it will cease offering ACA policies. That would leave 79 thousand Tennessee residents in the Knoxville area without ACA coverage. A spokesman for the State Department of Commerce and Insurance said the State is hopeful an insurance carrier will offer coverage in that area next year. In his first 100 days, Trump also said that "many of our best and brightest are leaving the medical profession entirely because of ObamaCare." Actually, the total number of active physicians has increased nearly 8% under the healthcare law according to the Association of American Medical Colleges and that's my FactCheck for this week, I am 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.

Margaret Flinter: Each week conversations highlights a bright idea about how to make wellness a part of our communities into everyday lives. Each year more than one million babies die at birth and another three million die within the first few weeks of life, often from preventable causes and when babies are born prematurely, the risks escalate. Newborns, in particular the preemies have a considerable amount of difficulty regulating their own body temperature and without access to incubators, babies in the third world often succumb to hypothermia. That got former Stanford MBA student Jane Chen thinking how do we develop a low-cost solution to the problem.

Jane Chen: My team and I realized what was needed was a local solution. Something that could work without electricity, that was simple enough for a mother or midwife to use. We needed something that was portable, something that could be sterilized and re-used across multiple babies and something ultra low cost.

Margaret Flinter: Speaking at a recent TED talk, Chen said that they developed a cocoon like device called simply Embrace, a thermal body wrap that encases the baby and helps regulate body temperature for up to six hours.

Jane Chen: It looks like a small sleeping bag for a baby. It is waterproof. There's no seams inside, so you can sterilize it very easily, but the magic is in this pouch of wax. It is a wax like substance with a melting point of human body temperature. You can melt this simply using hot water in that it is able to maintain one constant temperature for four to six hours at a time and it creates a warm microenvironment for the baby.

Margaret Flinter: Chen and her developers have managed to keep the cost of the Embrace Baby Warmer at around $25 per unit. Since launching the product, they estimate that over 150 thousand babies' lives may have been saved with the device. A low cost high-tech portable temperature regulator designed to regulate preemies body temperatures to ensure that they not only survive premature birth, but ultimately thrive as well. Now, that's a bright idea.

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

Mark Masselli: And I am Mark Masselli, peace and health.

Dr. Elisabeth Rosenthal

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