

Whose Health Care Is It Anyway?

Text delivered Sunday November 4, Neighborhood Church, United Church of Christ, Palos Verdes, California, at the request of Dr. Karl Johnson

Good morning. Karl asked me to solve America's health care crisis today. I do love a challenge.

This is not a sermon and I am not a preacher. I am an objective scientist, a physician and a teacher. The universe and our awareness of it is an incredible gift of God, but what we make of that gift is entirely up to us. That includes health care where we have made incredible strides in my lifetime. Its financing however has gone backwards.

You have all heard the litany of health care financing problems facing us today, some real some not so real. It is said we spend too much money and get too little for it compared with other countries, but I submit that the wealthiest country on earth SHOULD spend more of its wealth on health care. There are 47 million uninsured. Some say this is a crisis, but there are also 253 million insured Americans whose health plans serve them poorly even when their doctors and hospitals serve them well. We link 60% of health insurance to our conflicted employers creating gigantic problems for patients and employers that threaten your care and our economy. Medicare is insolvent. It needs \$70 trillion in the bank it does not have to fund its unfunded future liabilities and will soon have a trillion dollar annual deficit. Yet some, like Michael Moore, suggest we make Medicare universal. We detest the care rationing HMOs and PPOs government and employers forced upon us to save them money and long for the freedom to get what we need when we need it without begging. Yet rarely do doctors or patients take the personal steps necessary to get out of them. Health professionals are paid for paperwork rather than for delivering care, and medical errors kill 80,000 Americans a year. Everybody wants better, safer service, but all wonder how to pay for it, and the errors and paperwork multiply. Every politician has his or her proposed solution. Most are extremely unlikely to work.

So, "Whose Health Care Is It Anyway"? I hope you agree that it is yours, your body, your care, and therefore your choices. I apologize in the name of my own profession for allowing the current situation to exist. We physicians and you our patients should have led the way to solutions. Instead we allowed others to control health care economics and run it like Enron and the DMV. It is your health care, but the sub title of this talk has to be, "He Who Pays the Piper Calls the Tune". The current tune is full of discords.

The conversation about health care is upside down. Instead of talking about patient's best interests and how to serve them, we hear only about insurance coverage. That is the wrong starting point. Imagine how unworkable it would be to buy your food, housing and clothing through an employer or government sponsored insurance program instead of directly at the store. More insurance will not improve access to affordable basic health care any more than it will improve access to affordable food, housing or clothing. Here is one of the reasons I know this is true from personal experience.

I grew up in Seattle. We lived in a middle class neighborhood. Dad was a practical civil engineer, mom a homemaker and sometime elementary school teacher. My best childhood friend Jerry was a carpenter's son.

Yet we all had excellent, affordable health care. Our family physician Russell Anderson provided us his home phone number, made house calls, saw us the same day when ill in an unhurried well equipped office with little or no waiting. He became my role model.

His was the equivalent of a modern, “medical home”, a key term I want you to remember. My practice is also a “medical home”. What most Americans lack today is that primary care “medical home” with a doctor they can access 24/7 who coordinates all their care. How many of you have such a doctor?

His practice was also a “direct practice”, another key term. He had direct professional and financial relationships with his patients. It was a direct practice medical home like mine, but unlike me he had a lot of company. Almost all his colleagues practiced that way in a direct professional and financial relationship with their patients, even the ones they chose not to charge. They were accessible, affordable and affable because they worked for and were responsible to us, not for and to third parties.

Back then emergency rooms were quiet and saw only real emergencies. There was not a six hour wait behind a line of people with colds. We called our doctor instead, and he acted.

Through Russell Anderson we had surgeries, hospitalizations, immunizations, counseling and check ups. He put splints on our sprains, casts on our fractures and sutures in our lacerations in his office day and night. Numerous specialists were at our disposal from ENT to plastic surgery, all in the same medical building which housed an excellent community hospital where I in fact had my tonsils out. When we used their services we were valued patrons, courteously treated.

And, we were also completely uninsured. So were most of our neighbors.

Back then there were 150 million Americans without health insurance, not just 47 million. And we amounted to 90% of the US population, not just 15%. Being uninsured was the norm. The uninsured were respected consumers of health services, not problems and opportunities for politicians.

We bought health services directly with little financial strain, just as we bought more expensive things like housing and food and cars.

But when I was sixteen, disaster hit our family. Acute myeloblastic leukemia suddenly struck down my mother at age forty-six. Since we had no insurance to cover such a catastrophe, my father arranged a mortgage to pay for chemotherapy and prolonged hospital care. Six months or more was expected and her illness did threaten our family’s economic viability. However, mom died in a few weeks, before the mortgage money was needed. For those weeks she had the best treatment with the best oncologists and hospitals of the day, paid for directly from family income and savings. Fear of events like my mother’s leukemia drives us all to want health insurance.

So, now most of us have health insurance, but are we better off? Health care is a good deal more complex, that’s true, but it costs astronomically and unnecessarily more than it should. Our insurance, as Michael Moore points out in “Sicko”, is often more problematic than helpful. Unlike in my youth payment for almost everything we buy in health care is funneled through that insurance. Money and time is thus wasted while you and I have endless battles with insurance coverage, rules and bureaucracy for basic, relatively inexpensive care. Often it is easier, and a lot more satisfying, to care for the uninsured.

Our crisis is not really one of un-insurance. It is instead a crisis of “medical homelessness”. That “medical homelessness” is the result of insurance perversions destroying the free market in health care

necessary to create value sensitive consumers and service oriented doctors. There are too many “third parties” meddling in your basic health care. Doctors and hospitals pay too much attention to those third parties and not enough attention to you. After all these days that’s how most of us get paid.

Of the 47 million now lacking health insurance there are 10 million non citizens that do deserve care and concern, I hope you agree. They often buy health care for cash and they spend, according to a Rand study, about \$1,500 each per year on those services.

They are bargain hunters, but by conservative estimate our dysfunctional health insurance system, interacting with hospitals and doctors, slowly inflated the price of health care to at least four times its real value, making bargain hunting in America tough. Yet they do find bargains now and then.

Cash practices with low prices exist to serve them here and there, and the service can be excellent. My friend Dr. Robert S. Berry, a former emergency room doctor in Tennessee, runs such a practice called “PATMOS, named after the Greek Island where St. John worked and wrote Revelations, but also meaning “Payment At Time Of Service”. Dr. Berry has been widely recognized, appeared recently on 20/20 and the Geraldo show and testified before Congress. He was one of the first modern, excellent cash doctors to the uninsured but is no longer alone. His practice design is growing. It’s even spreading to strip malls and Wal-Mart’s!

High prices here also promote medial tourism by the uninsured to other countries where transparent, free markets in health care actually exist. Did you know you can buy a total hip replacement in a top quality Bangkok, Thailand hospital performed by U.S. trained surgeons with published results as good as or better than ours for \$3,000? Well, you can. My friend Maria Todd runs a company that arranges medical tourist trips like these and hers is only one of many such expanding companies.

There is some progress closer to home. I invited Craig Leach the CEO of Torrance Memorial Hospital today, but he is out of town this weekend. He now provides 70% discounts off all the hospital’s published fees for cash patients, and that deserves our applause. He inherited a grossly inflated fee schedule that he cannot scrap because of existing discount insurance contracts and truly ludicrous Medicare rules. He therefore believes these discounts for cash are “the right thing to do”. He makes a little money on them too. As his discount commitment spreads to other institutions hope for reasonable, direct health care prices here in America grows.

Here is another reason I know more insurance will not solve our problems. Outstanding, “concierge”, medical home preventive medicine and primary care including all needed treatments at that care level can be bought directly for \$75-150 per month. That is less than most Americans spend on cell phones and cable connections. It is one quarter the amount spend on food and a tiny fraction of the amount spent on housing. Why therefore do we pass the money for this basic service through an insurance company or government at all? [Irish joke if time permits, see below *] Insurance companies and government extract 20-40% of the money we give them while passing it through their bureaucratic organs. They stingily return us an altered product with malodorous strings attached. We should buy primary care [and some of our specialist care] directly.

Another friend, Dr. Garrison Bliss in Seattle, who was also my fathers physician and is past president of a national organization (SIMP) promoting direct practice that I will assume the presidency of in December, just opened the first of seven new Qliance clinics, each with four doctors and two nurse practitioners, aimed at caring for lower income Americans and the uninsured. Patients who join pay \$39 to \$74 a month age adjusted. For that fee they get 100% of all the primary medical care they can use, 24/7 direct access to their personal doctor, same day on time appointments, regular check ups and

a lot more. Not one cent of insurance money, government money or charity funds are used in his clinics. The care is paid for directly and entirely by the patients through their monthly fee, bypassing the expensive and meddlesome middlemen.

Garrison is negotiating with a major carrier to provide members wrap around coverage for high-tech care his clinics cannot provide, with rock bottom premiums. The rates will be very low because primary care “direct practice”, “medical homes” (there’s those two terms I want you to remember again) such as Garrison’s prevent much illness, most ER visits and much expensive hospital and high tech care. They do this by giving outstanding, immediately available, largely error free, primary and prevention care where and when it is needed. Published data suggests that such direct practice medical homes can radically reduce medical errors and cut high tech care by over 60%. That translates to better health, saved lives and lower cost.

This is care like Russell Anderson used to give my family and friends. Anyone want to help me start such a program here? It will require some seed money. Garrison got his from Microsoft executive investors. I am in conversation with the former Orthopedics Chair at King Hospital about setting up a similar system here.

Charity for those in need is not optional to us, but those who are not in need should take care of their own expenses. That is part of being a free American and it should not be that hard to do. Even with today’s massively inflated, quadrupled prices the average American consumes only \$250,000 worth of health care in a lifetime. He consumes at least \$400,000 worth of food.

Furthermore, 20% of patients consume 80% of the care. The healthier eighty percent spend much less, perhaps \$50,000 in a lifetime or \$100 a month. That is an affordable lifetime expense for most of us. The unaffordable excess risk that infrequently befalls a few of us, like my mother’s leukemia, must be insured. That is what insurance is good at. It is in fact the ONLY thing insurance is good at.

So, can we fix health care? Is there the political will to fix it? Can we defeat the vested interests holding back progress? What criteria should we use to sort through, accept and reject, the various ideas thrown our way?

We need to gradually get people back to buying their own basic care with their own money completely outside the public and private insurance systems. A good mechanism is tax free health savings accounts and high deductible personally owned insurance that some of you may already have. Non existent five years ago, today tens of millions of Americans use health savings plans. My family does. Even Medicare now offers such a plan.

We must change health insurance, public and private, so that it covers only expensive chronic disease and catastrophes, not basic care. All but the poorest Americans, who do need a charitable safety net, should buy that basic care through a primary care “direct practice”, “medical home” (there I said it again) or through a direct cash practice. With the savings we could easily afford the charity care the poorer Americans need.

Under our current arrangement primary care medicine itself is on life support. Most students refuse to enter the field. We must convince 50% of our medical students to enter primary care. Less than 5% express much interest. That has to change because primary care is the backbone of medicine. Until we eliminate primary care medical homelessness, nothing else will work very well.

Government does have a role. Insurance, once purchased must not be cancelable or up ratable just because of illness. It must be purchased in advance of need. We need strong tax incentives, maybe even individual mandates as Governor Schwarzenegger suggests, that encourage everyone to buy that coverage in advance of need. Creating that playing field is the role of government in a free society.

We must means test government programs and promote private charity as better and less costly solutions. Charity care, public or private, must go only to those in real need, and bluntly, most of us do not need other people's money to pay for routine care.

Health care is different from other critical human needs like food, housing and shelter, which are actually more expensive. Illness is unexpected, confusing, terrifying. It strikes randomly and unevenly. Only recently have we found effective tools to battle and prevent it. We naturally want all humanity to have equal access to those new and effective tools, and in our zeal to accomplish that we forgot that free markets are the best way, the only way, to achieve that goal.

Can we do it? I don't know. I have put myself in a position to have a more audible voice in the national debate and encourage you to do the same. I keep the objectives of direct practice primary care medical homes for all, an open transparent market and consumer controlled financing in mind with every action I take. I hope I can enlist your support, but I fear health care may crash and burn before we wake up and rebuild it. I hope it is not too late.

We will not solve health care with employer or government based universal first dollar prepaid health plans advocated by some. Likewise, we must not copy the failed systems of Europe and Canada which control costs with year long waiting lists and outright denials of care. We must solve health care in a unique American way.

Winston Churchill said that Americans can be depended upon to do the right thing after trying every other possible alternative first. We have tried or observed the shortcomings of everything else. Let us try elevating the individual to his proper role of self reliance when possible, using true charity only when necessary, to care for ourselves optimally, while preserving our national identity.

It is your health care, but he who pays the piper calls the tune.

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*Irish joke not use in actual "sermon"

I am reminded of the tale of an Irishman on his death bed. He always enjoyed his whiskey and hoped to take a bit of it with him. He asked his lifetime friend and drinking companion, "Sean, at my wake will you pour a bottle of fine Irish whiskey on me chest?" The friend responded, "Patrick, I'll do it for sure, but can I pass it one time though me own kidneys before I pour it in the casket?"

You laugh, but that is exactly what Blue Cross and Medicare are doing to you.