(Music)

Mark Masselli: This is Conversations on Health Care, I am Mark Masselli.

Margaret Flinter: And I am Margaret Flinter

Mark Masselli: Well, Margaret there continues to be fallout from the recent budget announcements out of a White House calling for cuts to some social programs as well as increases in spending to get the federal insurance exchanges off the ground.

Margaret Flinter: While the Obama administration is taking some heat for requesting more money than originally was planned to get those health insurance exchanges up and running and money that's needed primarily because of the large number of states who chose not to set up their own exchanges. At least 33 states will now have to be covered entirely under the federal exchange once again interest juxtaposition of the people that would fight for state's rights handing it over to the federal government to run.

Mark Masselli: And even Democratic Senator Tom Harkin a proponent of the Affordable Care Act had some harsh words for the White House budget plan, he doesn't agree with the provisions that would take money from the prevention in public health fund to fund the program that will help the uninsured sign up for new insurance markets. He says it's a classic case of robbing Peter to pay Paul.

Margaret Flinter: Well, it's real dilemma, Mark but the law was set up with funding provision for the state to handle that transition for the newly insured but with so many states opting out it's the federal government's job now and the way the law was written there weren't additional financial provisions allocated for assisting customers with their federal exchange, it would simply assumed that most of the states would do their own. So just kind of a case of unforeseen consequence.

Mark Masselli: And yet advocacy groups like families, USA says well, it may not be perfect and there will be start up glitches, the health care law will prove to be a real benefit for the average American family struggling to require health care coverage and estimated 30 millions will gain coverage under the Affordable Care Act and that's the price we need keep our eyes on.

Margaret Flinter: And I do think there's another area of the law that is irking some of the opponents of the Affordable Care Act and that's the lack of power the law has to control cost and health care but our guest today has done exhaustive research into what is driving America's health care cost to be so high and we're very excited to have him here.

Mark Masselli: Investigative Journalist Steven Brill will be talking about his recent article on Time Magazine, Bitter Pill: Why Medical Bills Are Killing Us. It's sending ripples through Washington and across the country for exposing who's profiting from the way

we pay for health care and who's been forced to fit the bill, it's a sobering tale of follow of the money.

Margaret Flinter: I think Former CMS Administrator Don Berwick called Bitter Pill, the single most important piece of health care journalism in a decade, that's pretty high praise from somebody who knows.

Mark Masselli: Lori Robertson from FactCheck.org checks in as well with another corrected misstatement about health care but no matter what the topic you can hear all of our shows by Googling CHCradio.

Margaret Flinter: And as always if you have comments e-mail us at chcradio.com or find us on Facebook or Twitter because we love to hear from you.

Mark Masselli: But first, here's our producer Marianne OHare with this week's headline news.

(Music)

Marianne OHare: I'm Marianne OHare with this health care headlines. The explosions that rocked the Boston Marathon finish line this week ended up being the start of some real preparedness training for triage clinicians working in Boston's emergency rooms. They were varying degrees of devastating wounds among the 130 injured in the blast. Emergency room physicians likening the trauma as similar to injuries they'd encounter in warzones. They were visible wound such as severed limbs and there were also non obvious wound and marks around nostrils indicating patients might have inhaled dangerous levels of heated shed which could cause swelling and suffocation of the airways, ruptured eardrums were common injuries as well and of course those close to the blast were at much higher risk for traumatic brain injury from the concussive force of the dual blast.

The Supreme Court heard arguments this week on whether pharmaceutical companies have the right to patent human genes. Companies seeking that right have committed research dollars coming up against doctors and patient's groups who fear the move will monopolize research protocols while blocking exploration in the emerging world of genomics. The case involve the Utah company that had isolated two genes indicated in higher risk for breast and ovarian cancer. They quickly patent to those genes and were challenged in court. Lawyers for patient groups argued that genes are human elements and therefore not patentable. The line of questioning from several justice has indicated they're leaning towards the same point of view even from conservative justices on high court.

The president has proposed budget which includes cuts to social security and Medicare continues **(4:27 Inaudible)** from groups previously supportive of the president's policies. The plan which creates new tears for Medicare recipients who earn more money and capping growth in social security cost of living formulas elicited angry calls from a

number of groups including the national association to preserve social security and Medicare saying social security is secret and should not be touched, other groups warning the production and already strain Medicare reimbursement formulas would yield negative consequences for senior's health.

Physician and assistant suicide. The Montana legislature narrowly defeated to bill this week that would have set the stage for imprisoning physicians who assisted terminally **(5:04 Inaudible)** patients and choosing to die. The bill would have mandated fines and prison homes or doctors assisting and patient's suicides. The bill has been tabled indefinitely.

And kids and fish the recent study showed when children consume more fish more Omega 3 they were at reduce risk for allergies and asthma that according to reporting the recent journal pediatrics apparently grand mom was right to give those yummy spoon full of cod liver oil.

I am Marianne O'Hare with these Health Care headlines.

(Music)

Mark Masselli: We're speaking today with investigative journalist and entrepreneurs Steven Brill whose recent Time Magazine expose on the American Health Care pricing assent shockwaves through the industry, his article Bitter Pill: Why Medical Bills Are Killing Us attempts to pull the vale away from the secretive world of Health Care pricing by following the money. Mr. Brill teaches journalism at Yale University and is founder of the Yale Journalism Initiative. He's also founding CEO of Brill's Content, Court TV. He's also author of numerous articles and books including Class Warfare: Inside the Fight to Fix America's Schools. Mr. Brill welcome to Conversations on Health Care.

Steven Brill: Thank you.

Mark Masselli: You know, you spend seven months following the money for your article Bitter Pill which has been described as morbidly fascinating ultimately discouraging story about destroyed financials accesses in the US Health Care system. And former CMS administrator Don Berwick call the report the single most important piece of Health Care Journalism in a decade. And so with all of the talks surrounding Health Care reforms in these past two years in which I think there's been so much focusing on can we bend the cost curve why hasn't the hard data about Health Care pricing been a key part of these discussions?

Steven Brill: Well in March **(6:48 Inaudible)** but it actually takes a lot of work. Anyone who's gotten a bill from a hospital knows that they're basically indecipherable. They -- you know they're just -- they have code words and acronyms and numerical codes and you can't figure out what's work. The second reason is that people just assume that you know it must be worth it because it made me better and you know you don't want a haggle over your health. And the third reason is that when it comes to debate over

health care such as the debate over Obama Care all of the interest for the making so much money off of this had a real interest in having the debate be over who should pay not how come it cost so much. So that's what the debate was about who should pay without any focus on what it cost, what is cost.

Margaret Flinter: Steven we've had a number of guest on the show including Don Berwick talk about the cost of the Health Care industry and we spend more than any other industrialize nation, we rank something like 37th overall and global health outcomes and then we also heard lots in the last couple years about the waste in health care may be as much of one in three dollars that spent --

Steven Brill: Probably, yeah.

Margaret Flinter: -- being wasteful on either duplication or unnecessary testing that don't work. May be you could describe for our listeners the kinds of systems or formulas or tools that got developed overtime that are bringing us those results.

Steven Brill: Sure. You know again I think the reason it's indecipherable is that no one ever looked at the specific. So what I tried to do was take a bill and just trace all the money behind the price so that if someone has a giant bill from the cancer centre and part of that bill is a $13,000 charge for a drug. Okay, well the $13,000 what did it cost of the hospital and I've send out across the hospital maybe $4,000 for the $13,000 drug what it cost the drug company to sell it to the hospital for $4,000 maybe $300 so suddenly you can see whose making what kind of money and where all this gets sort of large is in something called the charge master which is every hospitals internal list of all their prices and that's the thing that sort of became the villain of the piece if you will. The charge master all the hospitals have them, none of them will consistent with each other so much so that a very simple blood test that Medicare would pay a hospital in Connecticut you know maybe $24 for the Bridge Port Hospital charge $239 and the Stanford Hospital in an emergency room charge a $199 for neither hospital could explain anything about the charge or why there is a difference of 20% but the charge master's distinct that has just grown up over the years and nobody can explain what the rationale is they just tell you well you know every year we bump all the prices by four, five or six percent whatever you know whatever we decide. And then we add new procedures, new test and new things as they get invented and we make up a price for them then when insurance company deals with us we just count of off charge master so the insurance company things is getting big discount and the only real player in the game in the market who has any kind of power on his Medicare because it's so big and it buys you know all these procedures on behave of so many people and Medicare basically looks at the charge master and tears it up. And since we're not paying any attention to that, here is what we know your cost is for something like this and we'll pay you X dollars which is based on your actual cost including overhead, we'll pay your cost but you know we're not going to contribute to a world in which the typical "Not For Profit" hospital is making ridiculous profits and paying ridiculously high salaries.

Mark Masselli: You know, I want to pull this right on something and Margaret started off within our question which is really talking about outcomes. So I guess the question to you is with this matter if in fact we were number one, two and three and the reality is we're not world 37th. So are you really say look at -- I sure thought missing here is let's focus on outcomes we are just we are over paying for something that we are not having delivered.

Steven Brill: Well it's actually even a little worse than that because a lot of doctors you talk to who look at this objectively will say that the high cost actually contribute to the bad outcomes, you know every test, every procedure, every extra day in the hospital actually has risk the test.

Margaret Flinter: Right.

Steven Brill: So you know the outcomes can become worst the higher the cost get. Tell me the there is any better outcome of the standard blood test in Bridge Port you know versus Stanford I mean you know that's just ridiculous.

Margaret Flinter: So Steven one of the great paradoxes of our systems does the very group that's least likely to be able to afford to pay their bills the uninsured often end up paying at the very highest end or the pricing skill. But what about when the government pays you, you talked about what Medicare is willing to pay as more closely approximating through price and yet we have all this call for privatizing Medicare giving vouchers to help Medicare folks purchase insurance, why is that a good or a bad idea?

Steven Brill: Well it becomes a really bad idea when you do what I did and if you follow the money what you realize is that insurance companies are hopelessly inefficient compared to Medicare. They pay much more because they can just charge on a higher premium and there is no way the farming aid, Medicare to a private insurance company was going to result in anything other than much higher cost all through the system including much higher cost to the government because the government is going to have to subsidize that care. Yes, it's a great thing that insurance companies have to cover people with pre existing conditions but that means insurance companies are going to have much more risk and are going to have to charge higher premiums, it's a real good thing that we've gotten rid of those caps so that if someone buys an insurance policy that says you know you have a $75,000 a year **(12:57 Inaudible)** the insurance company can be on the hook for that's no longer legal, that's good except it raises the risk for the insurance company if God forbid you get cancer it could be a million dollars. So that's going to cause all premiums to go up.

Mark Masselli: Well, you noted that one of the good things is that there will be millions of American estimate about 30 million Americans are going to be added to the insurance polls, but what is the way out of the sort of thing call that you write about in the Bitter Pill?

Steven Brills: Well the first thing you could do is you know if you allowed Medicare to negotiate the prices it pays for drugs and the prices it pays for defibrillators and for cans and for implantable medical devices you would save probably 20 to 30 billion dollars that you are just doing that and you could take those savings and use that you know to subsidize people for insurance. So, there are all kinds of things you can do but ultimately what we have to get our heads around is that we are a country devoted to a private free market but in medicine, we can't have a private free market in medicine because the buyer just doesn't have the kind of power that a buyer needs to have in a free market. You don't wake up in the morning and say gee I think I'll go, you know shop around a bunch of emergency rooms today because I'm feeling sick and I want to see who would give me the best price and offer me you know the best care. You don't get to do that, you end up in the emergency room. You know hospitals are consolidating so rapidly that you know if you're in the new heaven area you don't have a choice of a hospital. You don't have a choice of a the price you're going to pay.

Margaret Flinter: We're speaking today with investigative journalist and entrepreneur the Steven Brill whose recent Time Magazine expose on the American health care pricing has created quite a stir across the country. His article Bitter Pill: Why Medical Bills Are Killing Us attempts to pull the vale away for the world of Health Care pricing by following the money. So Steve we're looking ahead to the full implementation and roll out of the Affordable Care Act but we're looking back in some ways at Massachusetts' experience to try and get a sense of what might happen because they've actually had a few years to play out some of these things. And as we've you know talked with the folks who designed and have lift through the Massachusetts' experiment they have been very clear you know we didn't focus on cost controls, we really focused on covering the uninsured but now they've made a shift and I know their legislature has been working on many policies to try and control cost going forward. Have you looked at that at all, would you have a comment on whether it's possible at a state level?

Steven Brill: I really you know I really should know much more about how the Massachusetts' program is working than I do. But again my impression is they were you know quite focused on making sure people had you know coverage without focusing on the ultimate issue which is why does it cost so much, why do we spend in the United States including in Massachusetts you know twice per capita on Health Care than any other develop country? Why are our drug prices 50% higher than in any other country? And if we can deal with that then all the other reforms don't really matter.

Mark Masselli: Who are you keep an eye out it in terms of reforms you know somewhat argue the President's plan, the Affordable Care Act also known as Obama Care is sort of an **(16:11 Inaudible)** process. But now you're going to see a lot of states engage some of the Republican governors who have been reluctant or signing up in part to shift some of their cost off to the federal government. I wonder if you don't think that this is not similar to Medicare in some ways thought Medicare -- a little more support but anything that you're watching or people have been talking to you about?

Steven Brill: Well I guess I am concern that the cost is going to be so high that it's going to discredited the whole program and discredited the good aspect for the program also the Obama Administration hasn't been to terrific about implementing the parts of the program that are really to my mind sort of unabashedly good and easily implemented. Best example is there's a provision in Obama Care that I don't think anybody's notices except the people in the industry that requires the internal revenues service to promulgate rules that tell non-profit hospitals that as a condition of your non-profit, non taxable status, you have to do certain things when it comes to bill collecting, you have to be really aggressive about making people aware of the financial aid policies that you have which most hospitals such **(17:23 Inaudible)** or not and if you hire bill collectors or sue people you can only sue people below a certain income level for your usual and customary rates not your charge master rates and that's a huge deal. So that this woman I mean Bridge Port who I write about who gets sued for $21,000 worth of you know charge master rates one of the -- the hospitals typically gets from insurance company might have been you know three or four thousand dollars. If she get sued for $21,000, the hospital wins and they collect the $ 21,000 from her at a rate of $60 a week for like the next five or six years or something, that would not allowed. Now the day Obama Care past is the treasury department which is you know with the IRS is had written and promulgated those regulations they would be in effect three years later they have still not promulgated those regulations. I mean I could write those regulations in an hour.

Margaret Flinter: But we'd like you to write those regulations and send them in but on a serious note you know it sounds a little simplistic but I have often found myself saying the only way we're going to really control the Health Care cost is to keep people out of the hospital because --

Steven Brill: Well that's true.

Margaret Flinter: -- we want to make people better, we want to keep them out of the hospital and we wanted to try and do as much as we can to make sure they only those people who truly need to get to the hospital and get their --

Steven Brill: You're absolutely right.

Margaret Flinter: I'm wondering -- as you did your investigative research, did you come across anything that looked promising, hopeful, innovative in that arena ---

Steven Brill: Well we're becoming much more aware that is a problem and I think to generally as a culture and as a political organization the country has made progress whether it's in you know rules prohibiting smoking in various places whether in my mayor, my Bloomberg so called nanny state rules ---

Mark Masselli: Yes.

Steven Brill: You know relating to listing calories on menus and things like that I think we have 95% of the way still to go but we started to make a little bit of progress. So yeah we do have those issues that you know Americans sort of you know present themselves as much more likely candidates for very expensive medical care but then you have to get back to what happens when they do present themselves which is you know they get a MRI or a CAT-Scan in the United States and it's you know 50 or 100% higher price than it is in Germany or France or the UK. So it's a combination of you know factors sort of a perfect storm that yields this you know this 20% of the country's output is going just to keep us healthy which would be great if we were much healthier than -- than all the guys but we're not.

Mark Masselli: We've been speaking today with journalist, entrepreneur and author Steven Brill, author that critically acclaimed Time Magazine article Bitter Pill: Why Medical Bills Are Killing Us exposing the flagrant abuses and inflated prices of the American Health Care System. Steven thank you so much for joining us.

Steven Brill: Happy to be with you.

(Music)

Mark Masselli: At Conversations on Health Care 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 U.S. politics. Lori, what have you got for us this week?

Lori Robertson: Well Mark and Margaret President Obama's new budget included changing the way cost of living adjustments or calculated for social security. Instead of using the tradition consumer price index Obama proposes using the chained Consumer Price Index or chained CPI. Many opponents argue that senior spend more on rapidly rising Health Care than younger people meaning their cost of living increases faster than either measure. Economist however generally agree that the chained CPI is a more accurate measure of the actual cost of living. What's the difference? Traditional CPI measures the prices of goods and services in a market basket that doesn't change the way consumer behavior right. For instance when these prices go up consumers might switch to buy in chicken but the traditional CPI doesn't make that adjustment. The chained CPI does. It's true that it also rises somewhat more slowly than traditional CPI leading government spending to also rise more slowly. For example the $21 average increase for social security retirees this year would have been $2.40 less under chained CPI. As for the complaint that seniors rising Health Care cost put them in a special category. Economist generally haven't found solid evidence that that's true. Senior spend less of their budgets on other things like education and gasoline and then experimental measure of elderly spending by the bureau of labor statistics has produced inconclusive results.

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'd liked checked e-mail us at chcradio.com, we'll have FactCheck.org's Lori Robertson check it out for you here on Conversations on Health Care.

(Music)

Mark Masselli: Each week conversations highlights a bright idea about how to make wellness a part of our communities and to everyday lives. When Jennifer Staple-Clark was a sophomore at Yale and internship at the ophthalmology office turned out to be the life transforming experience. She realize that many of patients who had limited access to medical care were coming into the office with serious eye conditions that had gone pass the point of reversing leading to unnecessary blindness. What she launched from her dorm room 11 years ago was a local initiative to improve access to preventative eye care, within two years she took her organization Unite for Sight worldwide and has since turned it into one of the leading providers of global eye care and hundreds of communities around the world. Unite for Sight bring social entrepreneurs local eye surgeons and volunteers together to bring eye care into some of the most underserved areas of the world. The motto at Unite for Sight is that local problems need local solutions. So they use each country's existing pool of ophthalmologist and eye surgeons to treat their local patients, they also train community health workers in each area they serve and also ensuring a continuum of care for all of the patients they serve. The community health workers provide education and transportation to get doctors to the patient's communities and patients to the hospital as surgery is indicated since its inception Unite for Sight has served 1.4 million patients worldwide and restored eye sight to roughly 55,000 people. Restoring not only their sight but their dignity and ability to be productive members of their communities as well, suing global health delivery models and improving the quality of life by offering basic preventative eye care to those who had previously gone without, now that's bright idea.

(Music)

Margaret Flinter: This is conversations on Health Care I am Margaret Flinter.

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

Announcer: Conversations on Health Care broadcast from the campus of WESU at Wesleyan University streaming live at wesufm.org and brought to you by the community health center.