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Health Policy Basics

About Me

- From Farmington, CT
- Undergrad at Georgetown University (Washington, DC) in Government
- Medical School and Public Policy Master's at University of Chicago
- Transitional Year: Northwell Health, Long Island, NYC
- Residency: Dermatology at Georgetown University (starting in 2020)

Disclosures

No conflicts of interest to disclose

This is designed to be fact-based and neutral

"Agree to disagree without being disagreeable!"

Outline

- Defining terms
- Who are the big players in American health policy
- Contemporary policy discussions
- Q&A

Definitions – Health Insurance

- **Premium:** Amount you pay each month to have your insurance policy
- **Deductible:** Minimum amount you have to pay in a time frame (usually 1 year) before insurance kicks in
  - Premiums, co-pays and drug prices *sometimes* count towards this
- **Co-pay:** Amount you have to pay at the time of a visit, regardless of insurance plan

Definitions – Insurance Programs

- **Medicaid** – government insurance administered through states, usually for low-income people. Each state has different policy
- **Medicare** – government insurance administered at federal level. Automatically given to all people at age 65, or younger if they meet certain conditions (disability, etc.)
- **Private (Aetna, Blue Cross, etc.)** – private insurance plans, highly variable
- **Medicare Advantage -** combination of Medicare and private insurance (wide variability in plans)

Big Players in Healthcare Policy

- American Medical Association (AMA)
  - Main lobbying group that represents doctors to Congress
  - Losing a lot of its influence lately
- Specialty-specific doctor groups:
  - ACP (internal medicine), AAP (pediatrics), ACR (rheumatology)
  - Not as influential as AMA
- Patient Advocacy Groups (e.g. Vasculitis Foundation!)
  - AARDA and various other organizations that put a human face on many healthcare issues
- Third-Party Groups
  - Insurance companies, Hospital lobbying groups, many others

Areas of Strength in U.S. System

Medical Innovation: New drugs, tech, devices, etc. developed here due to economic incentives

Lots of Specialists: RELATIVELY short wait times for specialists/surgeries/doctor appointments

Employment: Nearly 20% of U.S. economy is healthcare related, so provides jobs for millions

National Institutes of Health: Cutting-edge research on rare diseases (like vasculitis!)

Many others - but key feature of U.S. system is that financial costs are usually not considered.

http://www.euro.who.int/__data/assets/pdf_file/0019/215155/HiT-United-States-of-America.pdf

"Socialized Medicine?"

- System where government owns all hospitals and pays all doctors
  - United Kingdom has this
- NOT THE SAME AS CANADA!
- In Canada, hospitals are private but government pays for health services

Consider Hybrid Models

- **Germany:** Good private insurance market, but gov insurance available for the poor
- **Switzerland:** insurance companies are nonprofits, and people have choice to buy whichever they want
- **Japan:** cost-sharing, where patients pay about 25% of costs and government pays the rest

- BOTTOM LINE: Reform efforts in the USA can choose one of SEVERAL different models!

Election 2020 Health Reform Plans

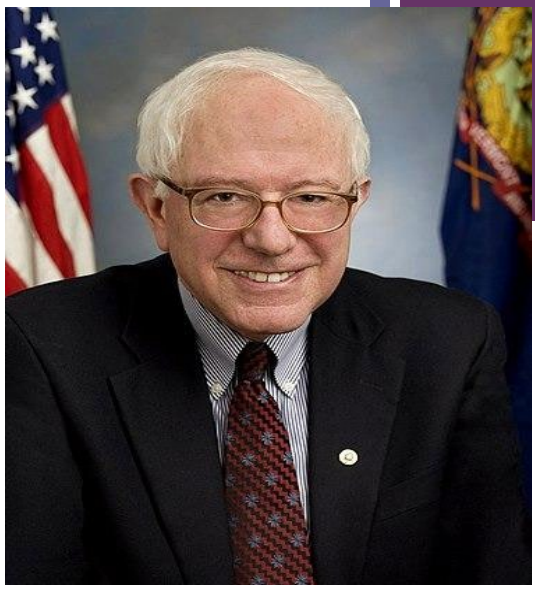
1) MEDICARE FOR ALL (M4A)

2) MEDICARE + PUBLIC OPTION

3) "FREE MARKET" CARE

Medicare for All (M4A)

- Based on the Canadian system
- Everyone gets Medicare, and basic health services are free
- **Private insurance no longer exists**
- Candidates disagree on how to pay for plan
- MAJOR COST CHANGES:
  - Cuts in payments to hospitals, doctors, insurance companies
  - Higher taxes
  - Lower drug prices due to regulations



Medicare + Public Option

- **Maintains private insurance**
- Allows any person to qualify for Medicare
- Medicare will compete on price against private insurance companies, and people decide which they like
- MAJOR COST CHANGES:
  - Possible price reduction due to transparency
  - Mostly maintains status quo with payments
  - Possibly higher taxes
  - Lower drug prices due to regulations/competition

"Free Market" Alternatives

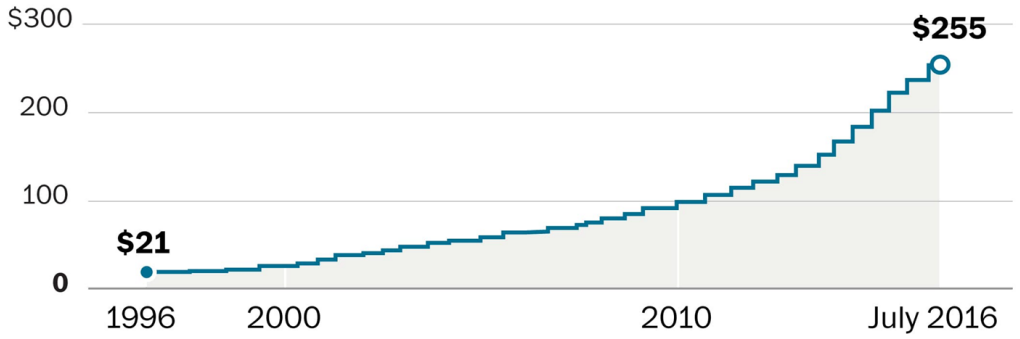
- Conglomeration of plans proposed by many organizations → behavior change focus
- Make health insurance like car insurance
  - Used only for catastrophic cases
  - Patients pay out-of-pocket for "routine" things like primary care visits, cheap medications, etc.
- Increase price transparency in healthcare → force health services to price compete and lower prices
- MAJOR COST CHANGES:
  - Drastically reduced role for insurance. Lower premiums, but possibly higher out-of-pocket payments
  - Impractical for people with frequent doctor visits, or the extremely sick
  - More price transparency

Policy Issue #2: Drug Costs are Too Dang High!

- USA pays more for meds than any other country – by a huge margin
- Many reasons:
  - Profit-incentive drives medical research/innovation
  - Government not allowed to regulate drug prices
  - Monopoly power – companies can set their own high prices for certain drugs

The list price of Humalog insulin keeps going up

Since 1996, there have been more than two dozen price increases on a vial of Humalog insulin. Adjusted for inflation, the current price is 700% higher than it was 20 years ago.



Note: List price is in unadjusted dollars and does not reflect rebates or discounts

Source: Truven Health Analytics

THE WASHINGTON POST

What do we do?

1. Import drugs from somewhere else
   - Great for patients, but drug companies hate this…
2. Promote more competition and generic drugs
   - Already happening!
   - Doesn't work for "orphan drugs" (rare diseases)
3. Allow government to regulate prices
   - Can help, but not sure if they will do it correctly…

Policy Issue #3: Doctor Shortage

- Too few doctors for the population, especially primary care/general practitioners
- Especially worse in rural areas
- BUT: Not enough job openings for graduating medical students… why?
  - Congress has restricted the doctor supply!

What do we do?

- Solution 1: Lobby Congress to increase doctor supply
  - PLEASE DO THIS! Med students will love you
  - Doesn't address the shortage in rural communities
- Solution 2: Allow nurses/PA's to practice
  - Good idea, but we need more of them, too
  - Need doctors for super complicated stuff

How to Get Involved? #1 = VOTE!!!!!

- Local Level
  - Go to town halls, meet your local representatives and tell them about what issues affect you
- State Level
  - Call/mail your State Senator or Representative
  - Go to Advocacy Days
- Federal Level
  - All of the above

How to Get Involved?
#2 = DO YOUR OWN READING

Commonwealth Fund (health policy overview)

Health Affairs Magazine

PubMed (international database of medical research)

Up to Date (practice guidelines for doctors on any disease)

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Questions?

- Miscellaneous stuff in the appendix