



Overview

- Family Medicine – Who are we?
- Transparency in Health Care – Why? Why now?
- Obstacles – What stands in the way?
- Opportunities – What are possible solutions?
- Conclusions - What I hope you remember.
- Questions ?

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Who is Family Medicine?



- NC Academy of Family Physicians
 - Over 3500 strong
 - Practicing family physicians
 - Residents in Training
 - Medical Students interested in Family Medicine
- Largest Medical Specialty in the State
- A leader in Patient-Centered Medical Homes

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Who are we?



What it takes to become a Family Physician:

- Undergraduate degree.
- 4 years of medical school.
- 3 years of residency (at least).
- 12,000 to 16,000 hrs of clinical patient care in training.
- Board-certification, with recertification every 7-10 yrs.

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So, why are we here?

\$ 2.8 trillion in 2013

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Pricing in Health Care?

**OFF LIMITS TO
UNAUTHORIZED
PERSONNEL**

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Transparency in Health Care

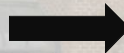


- In principle, a good idea.
- In the real world, not so simple.
- Many paradoxes in health care economics.
- Imperative that we focus on PRICING and QUALITY
- Many obstacles and barriers.
- There are opportunities already available.

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How do we get
from this ...

to this ?



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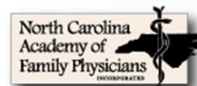
Why not just post Prices?



- It's difficult to predict complete costs.
- For primary care: time & complexity unpredictable.
- For specialists: thorough assessment first needed.
- For procedures: potential surprises, change in plans
- There may be multiple providers for one service.
- Different insurance plans = different patient costs.
- Retail clinic settings are different !!!
 - Very limited (not comprehensive) acute care.

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A Personal Case illustration



- Injured knee on Appalachian Trail.
- Weeks later sudden severe pain running.
- En route to ED, stopped at orthopedic clinic.
- MRI ordered, showed torn meniscus.
- Consulted primary care physician.
- Consulted another orthopedist.
- Successful arthroscopic surgery.
- MULTIPLE bills. MUCH confusion.

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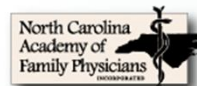
What did I learn?



- I would rather be the doctor than the patient.
- I had a “sense” of quality, but no real data.
- I had “some” knowledge about my health plan.
- I had some choices (ex – anesthesia).
- But I had no “menu” with prices.
- I had no clue what/how much my plan would pay.
- I had no idea what my final costs would be.
- And I still don’t. And I’m supposed to be “informed.”

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Legal Obstacles To Consider



- Contracts:
 - Billed charges not the same as what is paid.
 - Contracts can prohibit disclosure of payment.
- Antitrust law concerns
 - Sharing negotiated rates between competitors may simply drive up rates, present risk of price collusion

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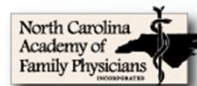
Is decision by price always best?



- Research is mixed.
- California study suggested no change in behaviors.
- Will consumers choose lower cost today, and incur more expensive consequences later ?
- Can we account for all "costs"?
- Is lower price but lower quality really desirable?

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Are We the Answer?



- Our focus: provide cost-effective quality care.
- We will be supportive team players.
- Primary care offices probably not the best place to provide cost transparency for patients and others.
 - Impossible to predict the uncertainties of medicine.
 - Added administrative burden to collect and inform.
- Primary care needs support and sustainability.
- We need to continue doing what we do best – caring for patients (comprehensively and continuously).

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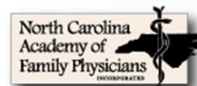
We do believe ...



- We must address cost and improve quality.
- We must change incentives.
(from procedures/volume to outcomes/prevention)
- Patients must take some personal responsibility.
- As consumers, they need data/access/guidance.
- Every patient needs a medical home.
- NC: #5 in Patient-Centered Medical Homes.
- Medical homes do reduce cost / improve outcomes.

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There are Opportunities!



- Innovative Practice Models
(example - Access Healthcare, Apex NC)
 - Monthly fee covers all primary care.
 - Additional appointments subject to scheduling charge.
 - These practices do NOT take any insurance.
 - Prices for cash-only patients posted clearly in waiting room.
 - 30-60 minutes per visit. Comprehensive. Not just acute care.
 - Could be paired with high deductible insurance plans.
 - Demonstrated high quality, improved outcomes.

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Opportunities ...



- Innovative Payment Models

- ☑ Physician-led Accountable Care Organizations

- Organization of physicians, hospitals, others.
 - Accountable for the quality, cost, overall care.
 - Medical Homes moving into the Medical Neighborhood.
 - Shared Savings between providers and payer.
 - Example: Medicare Shared Savings Program.

- ☑ Bundled Payments for certain care

- BCBS is bundling payment for all care related to knee replacement for hospitals (ex - Caromont in Gastonia)

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And more Opportunities ...



- Employer initiatives

- ☑ Food Lion incentivizes employees to use certain facilities for certain procedures, based on cost and quality. But, Food Lion researches and arranges ...

- Vendor products

- ☑ Health Care Blue Book publishes "fair prices" for services
 - ☑ Other third parties assisting self-insured with cost data

- Community Care of NC (CCNC) – robust claims data

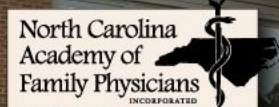
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Conclusions



- Transparency in health care seems due.
- But there are obstacles to overcome.
- Don't forget: It's price + quality.
- Each illness unpredictable, each patient different.
- Multiple opportunities do exist.
- The family physician is not the sole solution.
- All parties must come to the table / work together.

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Thank you !

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