

Overuse and Medicare Why It Matters and What to Do

Presentation to
Health Watch USA
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Overview of Presentation

- ❖ **Discuss overuse of medical care**
- ❖ **Highlight why addressing overuse is essential to Medicare's future**
- ❖ **Identify public policies to protect Medicare that no politician talks about**
- ❖ **Highlight what you can do to protect yourself**

❖ But first....

❖ Acknowledge the good

❖ Perfect care

NYU Hospital Evacuation







Meanwhile...

-
- ❖ **Institute of Medicine of the National Academy of Sciences, September 2012**
 - ❖ **\$750 billion -- about 30% -- of total U.S. healthcare spending was wasted in 2009 on unnecessary services, excessive administrative costs, fraud, and other problems.**

HCA Discloses U.S. Inquiry Into Cardiology Services

By JULIE CRESWELL and REED ABELSON

Published: August 6, 2012

HCA Holdings' stock fell about 4 percent Monday after the company disclosed that the cardiology practices at some of its Florida operations were under scrutiny by the Department of Justice.

 GRAPHIC: Heart Procedures Under Scrutiny

In its second-quarter regulatory filings, and in a conference call with Wall Street analysts and investors,

HCA said the United States attorney's office in Miami contacted the company in July seeking information about the "medical necessity" of interventional cardiology services at approximately 10 of its hospitals, primarily in Florida



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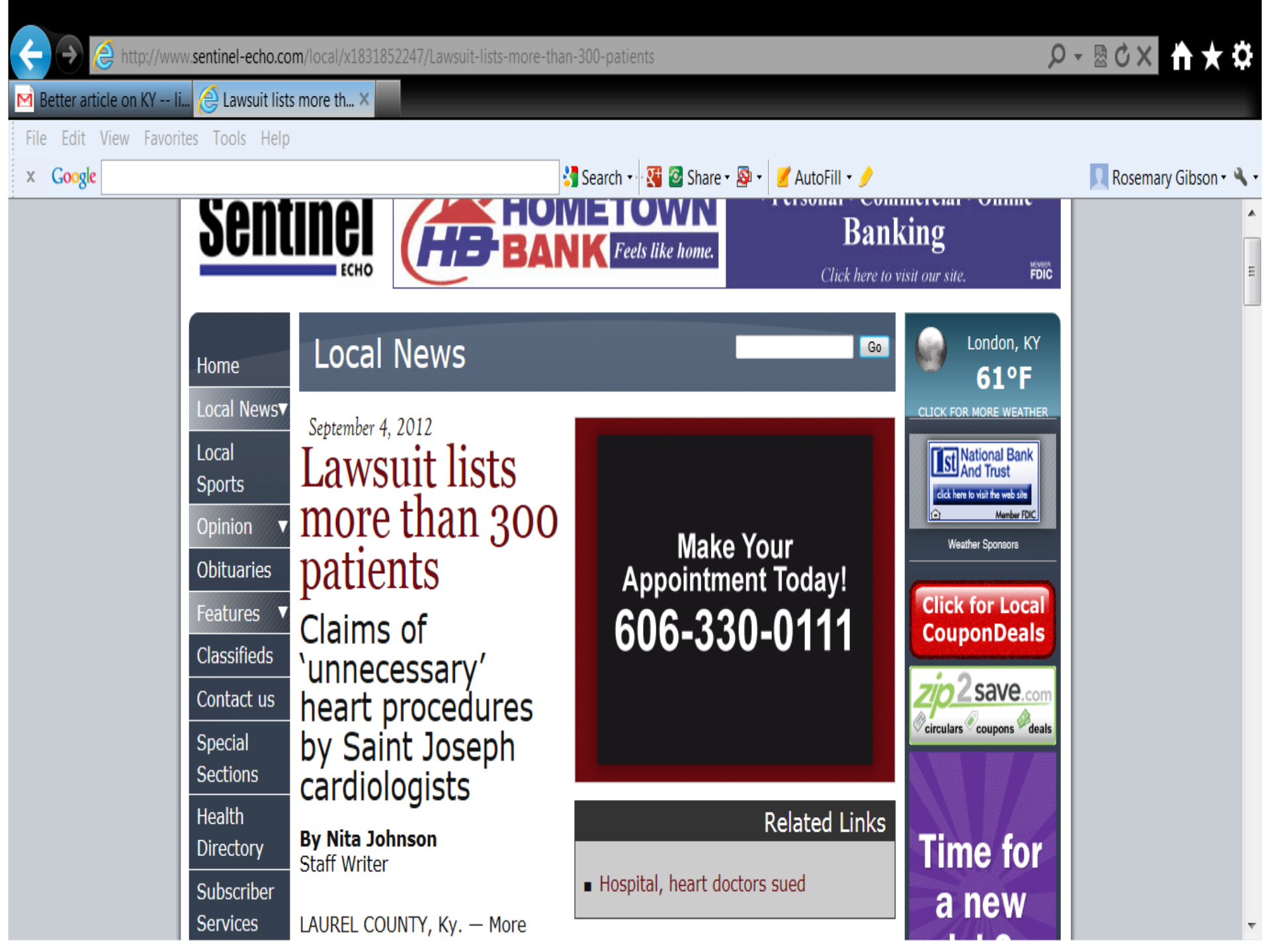
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Claims of 'unnecessary' heart procedures by Saint Joseph cardiologists

By Nita Johnson
Staff Writer

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- ### Related Links
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Time for a new

That's the overuse

Now the waste

A case study of the waste in 1 operating room in 1 hospital in the US

-
- ❖ **“The business of America is business” Calvin Coolidge**
 - ❖ **The business of health care is business**

❖ **Health care industry has its own:**

- **Price bubbles**
- **Toxic assets**
- **Too big to fail**
- **Privatized gains, socialized losses**

Price Bubbles

- ❖ The median cost of a hospital bill to treat uncomplicated appendectomy in California was \$33,611.
- ❖ This amount is 75 percent of the annual per capita income in CA of \$44,481 in 2011.
- ❖ The range in cost varied among hospitals from \$1,529 to \$182,955

Source: Renee Y. Hsia et al, "Health Care as a "Market Good"? Appendicitis as a Case Study, *Archives of Internal Medicine*, May 28, 2012. <http://archinte.jamanetwork.com/article.aspx?articleid=1151669>

Price Bubbles

- ❖ A 65-year old man from rural Kentucky received a bill for 1 night in a hospital for a procedure and it cost \$244,041
- ❖ A Maryland man received a hospital bill for \$104,000 for treatment of two kidney stones

Price Bubbles

- ❖ In 2011 a drug company gained exclusive rights to produce a progesterone shot used to prevent premature births in high-risk mothers
- ❖ It increased the price 150 times higher than the cost of the non-branded version used for years
- ❖ It had been available from specialty compounding pharmacies for \$10 an injection. Price was raised to \$1,500 or \$30,000 per pregnancy

Price Bubbles

- ❖ **American College of Obstetrics and Gynecology:**
- ❖ **“The US health care system simply cannot be expected to absorb the cost of Makena™ at its current prohibitive price without significant negative repercussions.”***
- ❖ **Under pressure the company reduced the price**

http://www.acog.org/About_ACOG/News_Room/News_Releases/2011/Makena_Price_Reduction_Is_Inadequate, April 1, 2011

Volume

- ❖ **42% of U.S. primary-care doctors believe patients they see receive too much care**
- ❖ **More than 25% believe they themselves provide too much care to some patients**
- ❖ **About 75% of those surveyed said they're interested in learning how their practice compares to other doctors' practices**

Toxic Assets

- ❖ One example: medication overuse in nursing homes
- ❖ U.S. Department of Justice prosecuted Eli Lilly for illegally marketing its drug, Zyprexa, for unapproved uses on seniors
- ❖ It is a drug approved by the FDA to treat schizophrenia

Toxic Assets

- ❖ To increase sales, Eli Lilly marketed the drug to doctors saying that it can be used to sedate people with Alzheimer's disease in nursing homes
- ❖ The drug provided no benefit and exposed people to great risks from weight gain, diabetes, blindness and other serious conditions

Toxic Assets

- ❖ Despite warnings from the FDA to stop this unapproved use, the company trained its sales forces to continue its marketing campaign
- ❖ The company marketed the drug because the patent on Prozac, its antidepressant, was expiring and cheaper generics would appear on the market.

Toxic Assets

From internal company emails:

“Dollars pay the bills and boost the stock price so let’s look at \$ growth. Again we are redefining the market... Look at how that Zyprexa sales line jumps.... The company is betting the farm on Zyprexa....

If we succeed, Zyprexa will be the most successful pharmaceutical product ever... we will have made history.”

Toxic Assets

Eli Lilly did make history

In January 2009 the US Department of Justice imposed the largest drug company fine ever, \$1.3 billion.

Privatized Gains, Socialized Losses

- ❖ This is a term used during the financial meltdown to describe how banks made money by giving people mortgages they could never pay back.
- ❖ Taxpayers and society at large paid the price by rescuing the banks while also bearing the cost of massive unemployment, lost homes and jobs

Privatized Gains, Socialized Losses

- ❖ **Similarly, the health care industry privatizes gains by performing unnecessary surgeries and supplying medically inappropriate drugs**
- ❖ **Society – we pay – in the form of higher health care costs and the physical and emotional burden caused by harm from inappropriate use**

THE BATTLE OVER HEALTH CARE

WHAT OBAMA'S REFORM MEANS
FOR AMERICA'S FUTURE



ROSEMARY GIBSON AND JANARDAN PRASAD SINGH

Commonwealth Fund Survey

- ❖ **32% of people surveyed for a Commonwealth Fund report said they have had medical care they thought was unnecessary**
- ❖ **We can't fix a problem unless we talk about it**
- ❖ **Big problems are fixed with the first step**

Source: Sabrina How, et al, "Public View on U.S. Health System Organization: A Call for New Directions," The Commonwealth Fund, Data Brief, August 2008 p. 4.

Two Questions

- ❖ Have you or someone you know had medical care that you/they thought was unnecessary?
- ❖ Have you or someone you know declined treatment recommendations because they were too invasive, and found a medically appropriate, less intensive alternative?

“I get a chest x-ray every three months when I go to my doctor. I’m not sure why. I’m going to ask him if I need them next time I go.”

State legislator/Assembly Speaker

“I get annual dental x-rays. Maybe we need to ask about that, too.”

State legislator/Deputy Assembly
Speaker

“I have a heart murmur and I’ve been practicing watchful waiting. I went to a diagnostic testing center for a stress test.

...When I finished, I was told I needed mitral valve surgery, I needed to stop jogging immediately, and I had to take a prescription drug....

...You are going to think I am making this up but while I was having the (nuclear stress) test, I overheard the doctor tell the nurse:

‘We’re under pressure to get more patients. We’re only at 9 a day now and we need to get to 14 to make this place pay for itself.’ I couldn’t believe they were talking within earshot of the need for more business.”

**Robert Wood Johnson
Foundation officer**

“My father had triple bypass surgery at Redding Hospital that was medically unnecessary. He died because of it.”



Center for the Evaluative Clinical Sciences

AREAS OF INTEREST

Coronary Artery Bypass Grafting Surgery in Redding, California

In 1996, we reported that the rate of coronary artery bypass grafting among residents of the Redding, California HRR in 1992-93 was 7.4 per 1,000 Medicare enrollees. That rate was 42% higher than the national average of 5.2 procedures per 1,000 enrollees. When the next edition of the Atlas was published in 1998 (reporting 1994-95 data), the rate of bypass surgery in the Redding HRR had increased to 9.0 per 1,000 enrollees. At that time, the national average rate was 5.7 per 1,000 enrollees, and rates of the procedure in other California HRRs ranged from 3.7 in the Santa Rosa HRR to 6.8 in the Napa HRR.

The 1999 edition of the Dartmouth Atlas reported that the rate of CABG surgery in the Redding HRR in 1995-96 had climbed to 11.5 per 1,000 Medicare enrollees (a 55% increase over the rate in 1992-93), while the national average rate had grown by only 19%, to 6.2 per 1,000 enrollees. Rates of CABG in other California HRRs in 1995-96 ranged from 3.6 per 1,000 enrollees in the Santa Rosa HRR to 7.0 per 1,000 in the Salinas HRR. The 1999 edition of the Atlas pointed out that the Redding HRR had had the highest rate of bypass grafting surgery in the United States in 1995-96.

The table beneath the graph gives the rates of coronary artery bypass grafting surgery per 1,000 Medicare enrollees in the Redding HRR and in California from 1992 to 2003. The rate remained essentially constant throughout the state between 1992 and 2003, rising from 4.9 proce-

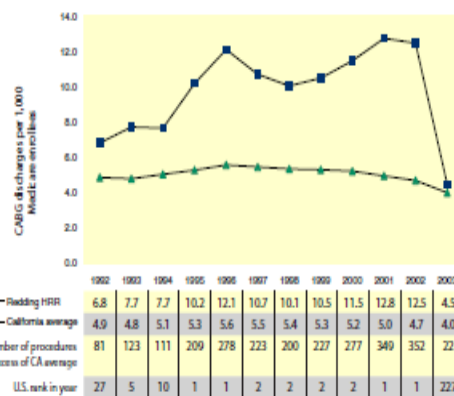


Figure 12. Trends in Rates of Bypass Surgery in the Redding HRR and in California

Analogy of the Burning Building

- ❖ In hospitals with pockets of overuse:
- ❖ Doctors inside try to pull the fire alarm
- ❖ Patients inside try to pull the fire alarm
- ❖ Why do we leave it to people inside to pull the fire alarm?

“it is not uncommon for suffering to occur not only during the course of a disease but also as a result of its treatment.”

Dr. Eric Cassell

Two Questions For You

- ❖ Have you or someone you know had medical care that you/they thought was unnecessary?
- ❖ Have you or someone you know declined treatment recommendations because they were too invasive, and found a medically appropriate, less intensive alternative?

Why Overuse Matters to the Country's Future

The U.S.: From net creditor to net debtor

How much is a trillion dollars?

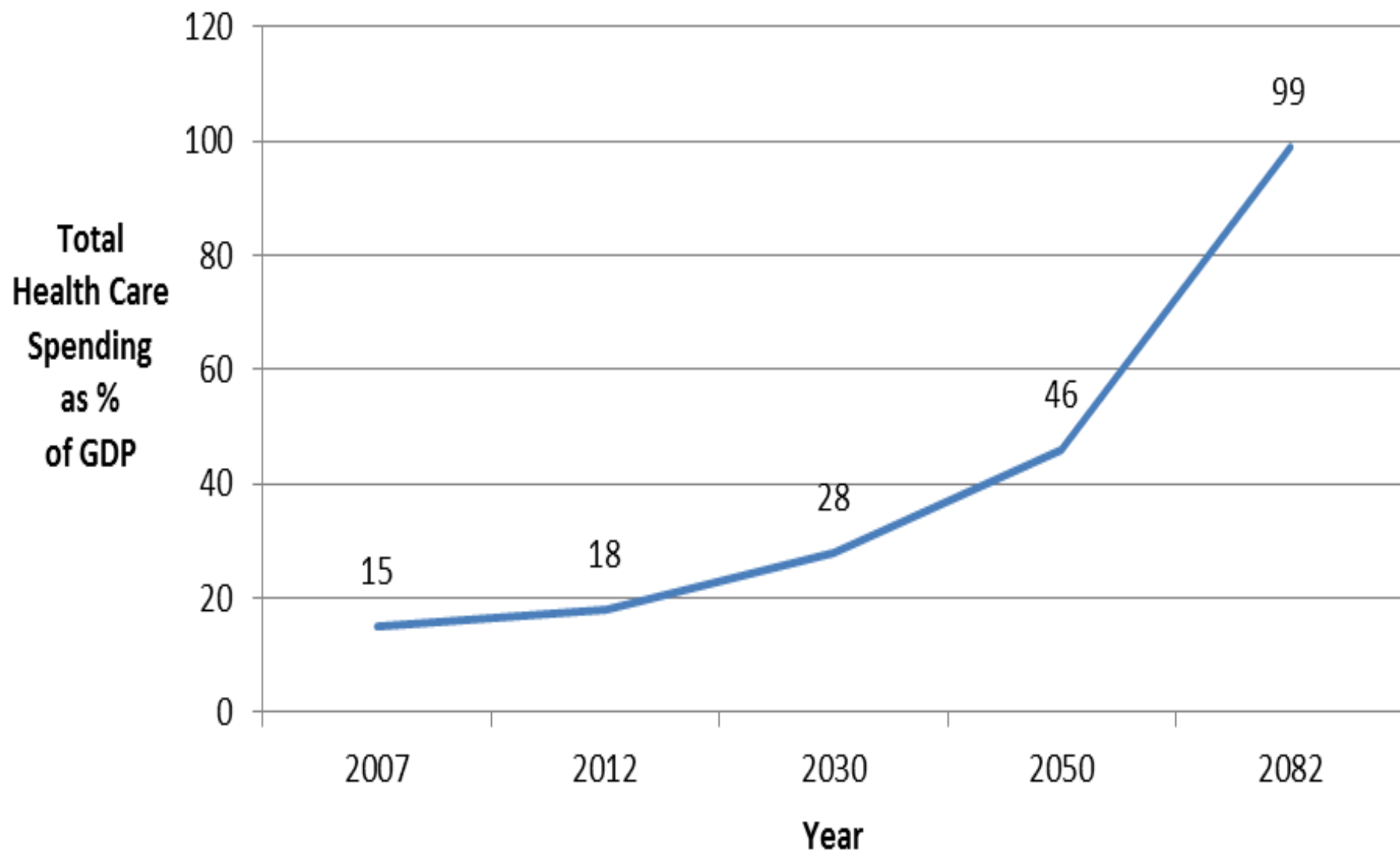
The US borrows money to pay for Medicare – and overuse

If Einstein were alive...

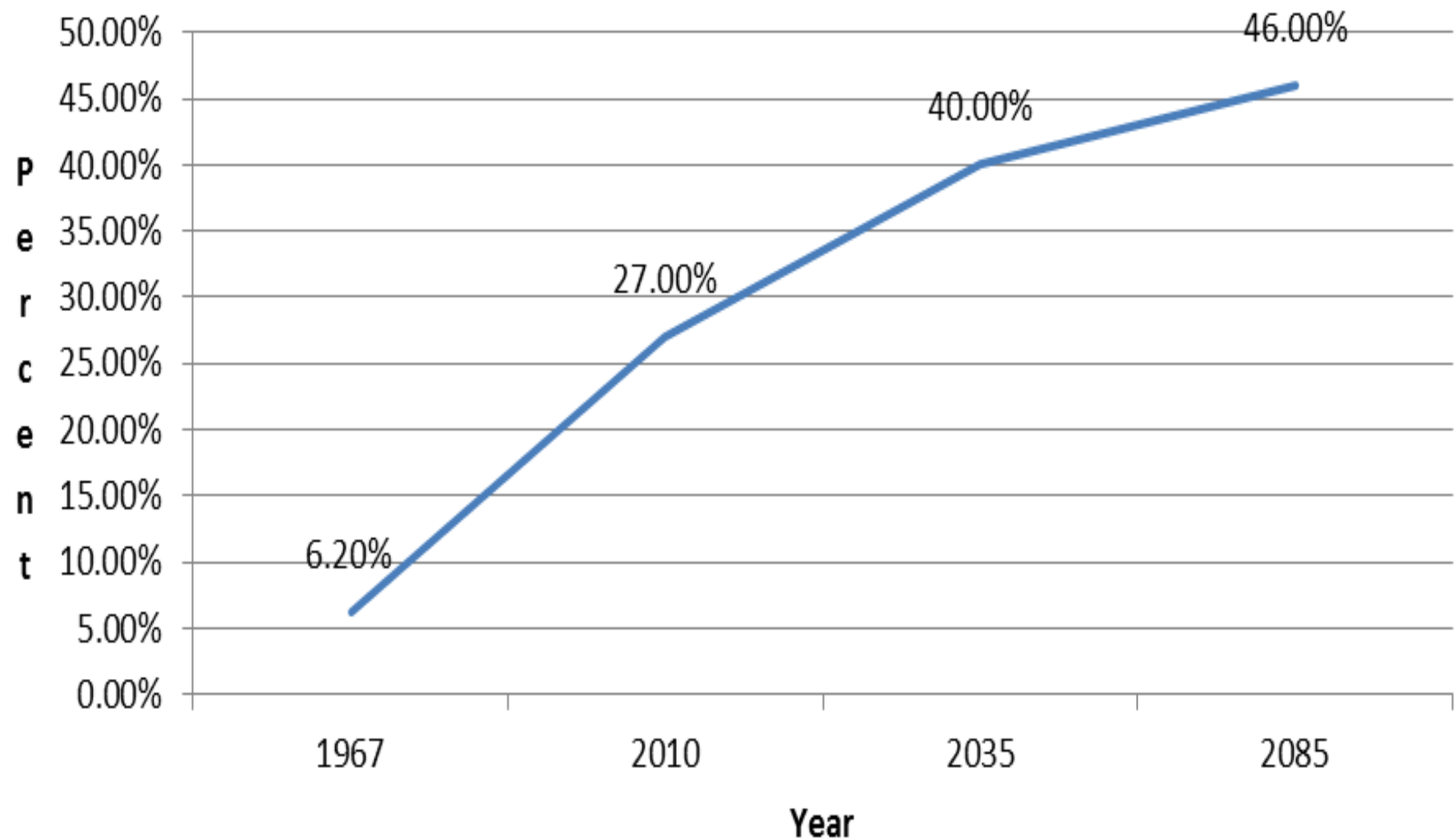
What Do President Obama and Rush Limbaugh Have in Common?

- ❖ President Obama: "The U.S. government is not going to be able to afford Medicare... on its current trajectory. ...the notion that somehow we can just keep on doing what we're doing and that's OK, that's just not true."
- ❖ Rush Limbaugh: "There won't be any Medicare if we don't fix it. It is not sustainable."

**Figure 3: Projected Total Health Care Spending as a % of GDP
Based on Historical Spending**



**Figure 1: Percent of the Average Social Security
Check Needed To Pay For Medicare
Part B and Part D Premiums and Co-Pays**



Medicare Policy Options

- ❖ The public is given the following options to keep Medicare sustainable
- ❖ Cut payments to hospitals, doctors, and every other provider
- ❖ Increase eligibility age for Medicare – discussed by both parties
- ❖ Raise co-payments and premiums
- ❖ Have a voucher/premium support and competition

Third Way to Deal with Medicare: Take Out the Waste

- ❖ Here is the waste:
- ❖ \$60 billion in Medicare fraud annually
- ❖ \$48 billion in improper payments to providers annually
- ❖ Untold amounts of overuse of unnecessary cardiac, orthopedic and other procedures and tests

Third Way to Deal with Medicare: Take Out the Waste

- ❖ Amount of waste in Medicare is equivalent to the entire economy of New Zealand – about \$160 billion a year (30% of Medicare spending)
- ❖ \$60 billion in Medicare fraud annually
- ❖ \$48 billion in improper Medicare payments to providers annually
- ❖ Untold amounts of overuse of unnecessary cardiac, orthopedic and other procedures and tests

Third Way to Deal with Medicare: Take Out the Waste

- ❖ Why don't we hear about these options?
- ❖ Because special interests don't want the public to know about an alternative approach to protecting Medicare without harming any senior.
- ❖ How many of you heard about this behind the scenes lobbying:

Third Way to Deal with Medicare: Take Out the Waste

- ❖ During the 2011 debt reduction talks, letter from Senator Bernie Sanders to the American Hospital Association on October 5, 2011:
- ❖ “The American Hospital Association is lobbying Congress to cut Medicare benefits by increasing the eligibility age from 65 to 67. The hospital lobby also is advocating a big jump - from 25 percent to 35 percent - in what Medicare patients pay for each visit to a doctor.”
- ❖ Meanwhile, AHA television advertisements encouraged seniors to call their members of Congress and tell them not to cut hospitals

What You Can Do

- ❖ Tests and treatment: Ask yourself:
- ❖ Do I need it?
- ❖ What are my options?
- ❖ What are risks and benefits of the options?
- ❖ Are benefits more than the risks?
- ❖ What if I don't have it?

Medication Safety

- ❖ When you receive a prescription, Google the name of the drug
- ❖ Before you have the prescription filled ask yourself and your doctor:
- ❖ Do I really need it? What if I don't take it?
- ❖ What are risks and benefits? Are benefits more than the risks?
- ❖ If you get the prescription filled, are you getting the right drug?

Medication Safety

Two stories and lessons for us all

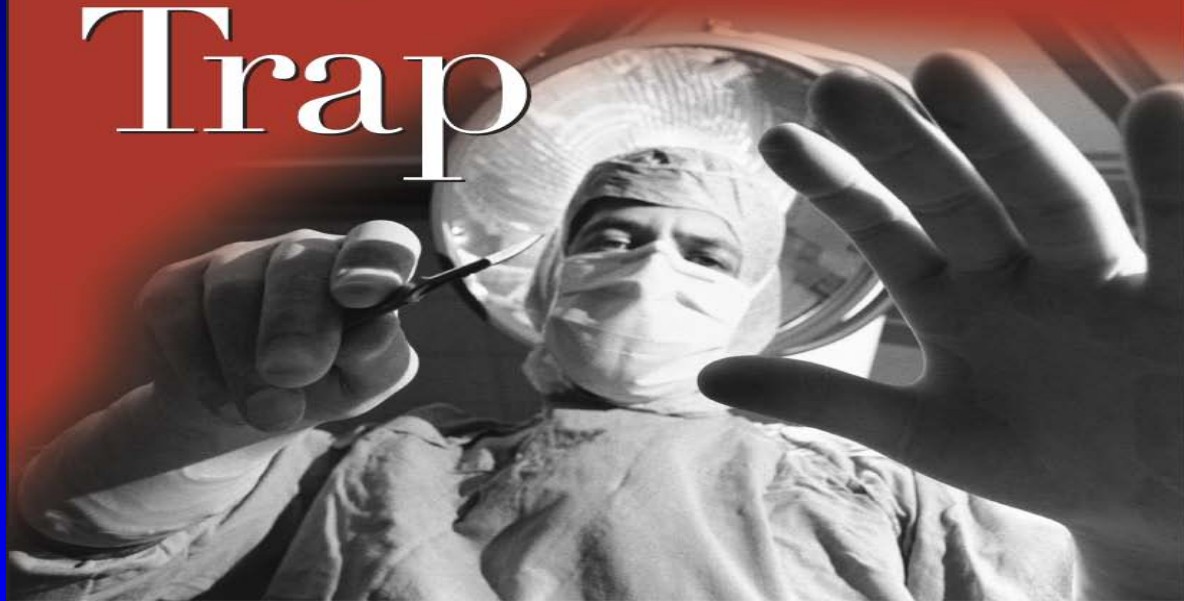
Remember

- ❖ **There is no mother in the system**
- ❖ **Invest the time in doing your homework**
- ❖ **How much time is spent watching television or sports?**
- ❖ **How much time do you spending learning about treatment options and their risks or benefits?**

The Treatment Trap

“A wake-up call
for Americans.”

—Dr. Christine Cassel,
President, American Board
of Internal Medicine



**HOW THE OVERUSE OF MEDICAL CARE
IS WRECKING YOUR HEALTH AND
WHAT YOU CAN DO TO PREVENT IT**

Rosemary Gibson and Janardan Prasad Singh

With a Foreword by Jim Guest, President, Consumers Union

"A call to arms for families who have had loved ones disabled or die in the pursuit of medical treatment." —Former First Lady Rosalynn Carter



WALL OF SILENCE

THE UNTOLD STORY OF THE MEDICAL MISTAKES
THAT KILL AND INJURE MILLIONS OF AMERICANS

**ROSEMARY GIBSON AND
JANARDAN PRASAD SINGH**

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