Primary Care Cures
Episode 87: Marshall Allen

Ron Barshop:
This episode is brought to you by the MediSearch Institute. What happens when patients cases become too complex to solve in a typical 30-minute visit? Well, we've all had those super thick, super deep patient history nobody's looked at in a long time and gone back through. Well, I'll tell you what happened is those patients bounce around from doc to doc without getting any answers or making any progress. These patients are trapped and lost in a maze.

Ron Barshop:
Well, MediSearch is here for those doctors and for those patients. Their motto is we solve the unsolvable. Their process is rather simple. Dr. Trent Talbot, the founder, assigns a team of medical detectives, typically three MDs and one PhD to each case. They research the latest breakthroughs and clinical trials and they elicit the opinions of 10 to 15 world-leading experts per case. They purposely seek out experts who will come at each case from a different perspective, the Bayesian method. Altogether, they will put in over 250 MD hours for every case. That means 500 times the amount of brain power that typical doctor can afford to offer.

Ron Barshop:
You know most problems in health care are fixed already. Primary care is already cured on the fringes, reversing burnout, physician shortages, bad business models, forced buyouts, factory medicine, high deductible insurance squeezes the docs and is totally inaccessible to most of the employees. The big squeeze is always on for docs. It's the acceleration of cost, deceleration of reimbursements. I want you to meet those in this show that are making a difference. With us, Ron Barshop, CEO of Beacon Clinics, that's me.

Ron Barshop:

In recent days, the nation's four largest for-profit hospital chains all wrapped up reporting their second quarter results. Well, who really cares? Well, there are four profit, gigantic pithecus like HCA, followed by Ascension and Tenet, and then there's gigantic, [enormicus 00:00:17] nonprofit models like CommonSpirit, which is the merger of Dignity and CHI, and all the rest of the system nonprofits that are characterized often with the name Baptist or Methodist or Saint something in their name. Well, like I said, public for-profits have announced Q2 results after.

Ron Barshop:

So here's what we know, is that nonprofits all did even better if they're just any indication of how the for-profits did. Because they pay no tax, no federal, no state, no local tax. They do pay FICA and FUTA, but that's about it. The rest is a free ride. So their margins are naturally better by enormous margins. So here's the big question, did hospitals need the CARES Act, which is also known as the Marshall Plan for hospitals to save their bacon from a pandemic? No. They did not

need $175 billion because the actual Marshall Plan, just as a side note, this just between us, was less in real dollars than this hospital Marshall Plan.

Ron Barshop:

So if you look at inflation, the real Marshall Plan that got us world peace and trading partners and capitalism with Japan and Germany and Italy, once enemies, was less money than this bailout was for hospitals. So the modern Marshall has no strings attached. We didn't get transparency. We didn't get in price gouging. We didn't get to give up monopolistic pricing in local economies. We didn't get any of that stuff. So let's go back to the for-profit earnings reports.

Ron Barshop:

Tenet Healthcare did 88 million in net income which is more than tripling the year before. They did fine in this pandemic. Dallas-based chain said its bottom line benefited from the 523 million they got from the government. But they did fine without it. HCA Healthcare. Again, numbers are tricky on radio. But their net income surged 40% to over a billion dollars during the second quarter void by under 600 billion in federal relief funds. So 600 minus 1 billion. They didn't need the bailout either. Let's talk about community health systems.

Ron Barshop:

Their net income of 70 million was up from a net loss last year, and they got over half a billion dollars in relief money. Let's talk about universal health care and then I promise I'll shut up with these numbers because, again, they're hard to listen to. But they were aided by 162 million in rescue funds. But they reported a net income of 252 million more than the rescue funds, meaning they were going to do fine up slightly, in other words, for the quarter from the year before without the rescue funds. These big four needed no bailout, clearly.

Ron Barshop:

In fact, no reporter and dozens of tough piece articles and local newspapers that were bemoaning the hospital financial pain and all the layoffs and furloughs and they ever look at the balance sheet. If they would have, the reporters would have found this, that the 20 largest systems had 105 billion in strategic reserves. They got more than that, about 125 billion. So look, no strings attached bail out, only bailed out strategic reserves at best. So Washington essentially funded these reserves. And now every independent physician has a buyout offer on their desk because the billboards are not going to put heads in hospital beds, but doctor referrals do.

Ron Barshop:

70% of all physicians in primary care are owned by large systems. So if the doctors working in the system, and they referring into the system, happy system. That's what's going on really with this bailout. I'm so excited today. I can't think of too many other times I've been as excited for you to meet a guest that you should have met a long time ago, but his name is Marshall Allen. And Marshall investigates for ProPublica, which is just this great journal, why we pay so much for health care in the United States and we're getting Third World outcomes.

Ron Barshop:

So United States is number one in spend. We spend 11,000 plus dollars per capita and we're competing right in between with our outcomes for Croatia, which is number 55 and Cuba, which is number 57. We are number 56. And to put cube into context, they have the same GDP as San Antonio, Texas, my hometown, which is the poorest of the 20 biggest metros in America. Pretty sad that we have first-world expense and third world outcomes. Marshall also got the Harvard Kennedy school's Goldsmith Prize for investigative reporting, and was also shortlisted as a finalist for the Pulitzer that same year.

Ron Barshop:

In about six or nine months, we're going to be able to see his first book come out which is called, Never Pay The First Bill and Other Ways To Fight The Healthcare System And Win. So it'll be published spring of next year. Marshall spent five years in the ministry and three in Nairobi, and we're going to talk about that and how that informed his sense of outrage. And he has a master's degree in theology. So Marshall, tell us was your theology degree the beginning of your outrage that legend journalism?

Marshall Allen:

Ron, I think I was born with a sense of outrage. Thank you. Thank you for having me on your podcast. It really is an honor to be here and to talk to you about these things. I think the connection, sometimes people ask me about my ministry background. I've had journalists say, did you have a crisis of faith that led you into journalism? And I'm like, no, I actually, I still am a believer, I'm a Christian. And my time in ministry, I did youth ministry for five years, and the connection between the two is that I really do have a belief that if you want to get theological about it, that people are made in God's image. And so we have value.

Marshall Allen:

As image bearers of God, I know that sounds kind of crazy to someone who's not from my background, and that gives us value. And so when I see people getting ripped off, the way our healthcare system really oftentimes cheats people, especially working Americans who are paying the highest premiums, and the employers are paying the highest premiums and health care costs. When I see these kind of tactics and schemes that are really immoral, taking advantage of people's ignorance and their sickness, and using deception often to do that, it makes me fired up. It does make me fired up.

Marshall Allen:

And also I do a lot of stories about patient safety issues and the quality of health care. And when I see patients who get harmed while undergoing medical care, and then they can't even get a straight answer about what happened to them, and even more so, they often get billed after they've suffered harm due to a medical error, the hospital system will have the audacity to send him a bill for it, that also gets me fired up. So yeah, I kind of have a bit of outrage in me. I think it does probably come through a bit in my stories. I mean, I write very objectively, I'm very fair, I go to all the people I write about and make sure to get their side of the story. But there is probably a sense of some moral outrage in the stories that I write. No doubt.

Ron Barshop:

It definitely drives me, Marshall. I've been studying the Torah now for most of my adult life. Every Saturday, on my Sabbath, I go and I spend a couple of hours with a lot of smart people and a rabbi and we get into it. It's not ancient words, it's ancient words that affect us today and what our lives are informed by those ancient words. And so it's the wisdom that you got from your ministry work and your theology study, I think, gives you a moral compass, perhaps, that maybe a lot of folks just simply don't have?

Marshall Allen:

You are hitting on something. And I think that people know that the stuff that they're seeing in our healthcare system right now is wrong. And it is a moral issue. And no matter what someone's maybe faith background is or worldview background is, people can agree as Americans that it's really not right to take advantage of someone's sickness to make a buck. Unfortunately, a lot of what our healthcare system is doing right now, is doing just that. It's exploiting sickness for profit. And it has resulted in us not having the best health care system in the world unless you want to ...

Marshall Allen:

If you're wealthy, I would say definitely, if you're wealthy, you can get the best health care in the world in the United States. No question. But really, the shame of our health care system is that we have 10s of millions of people who are still uninsured or underinsured. And those numbers are even going up now with the pandemic. And we're spending way more per person than any other healthcare system in the world. And that right there ... We have people being bankrupted. About one in six people have medical debt that's in collections. And so we're spending way more, and yet we're not covering our citizens. And there's really something wrong with that.

Ron Barshop:

You talk about the uninsured, and that is a political hot potato that everybody agrees needs to be fixed, but there's a different solution. But the untalked about issue are the functionally uninsured. And right now, our economy is primarily driven 56% by under $20 an hour wage earners. We have 100 50 million people that are with employers getting insurance, so that's the bulk of how we're getting insured in America that's not federal. Not Medicare, Medicaid, or veterans.

Ron Barshop:

And out of that 150 million, roughly half of them don't have money in the bank to pay for their deductibles. So that's what I call functional insurance. If you have a plan with your employer and you can't afford the ... Maybe you can afford the $400 a month of premium but you can't afford the deductibles, you really are not in the treehouse of care.

Marshall Allen:

Yeah, that's right. And I think that's all So what I've been focused on. That population of working Americans has been the focus of my work the last few years at ProPublica. I've been doing a series of stories. One of them in 2017, I did a series of stories I just called Wasted Medicine. That was about all of the various ways our health care system takes our money and waste it. I mean, its profit for the system. But it's wasted spending, because they estimate that as much as a

third of all of our health care spending is wasted. Spent on unnecessary care, or overtreatment, or upcoding, or fraud.

Marshall Allen:

We're talking hundreds of billions of dollars a year being spent in ways that it doesn't need to be spent that way. Administrative costs are out of control. In 2018 and 19, I did a series of stories that I called the Health Insurance Hustle. And that was really looking at how working Americans, especially, and employers are paying costs that are exponentially higher than Medicaid or Medicare pays for different services, and really kind of highlighting the absurdities. If you're a working American, and you go to get a knee replacement, you might have your plan, pay $70,000, whereas a Medicare patients, Medicare would pay $25,000. Working Americans are paying by far the most.

Marshall Allen:

I think we need to kind of reframe the way we look at this and ask, why is it our health care system discriminates against working Americans by making them pay more for the same thing? It's like, if you went to McDonald's, if I went to McDonald's, I'm 48 years old and got my big Mc meal. And they said, well, you're going to pay $50 for it. And then my parents who are Medicare eligible, they're older, went and they got it for five bucks. It's like, why is it that an older person pays less than younger person. And that's just the way our healthcare system has worked. They're trying to wring as much money as they can out of the commercial payers. And that has a direct effect on working Americans.

Ron Barshop:

Before we get into why local reporters are afraid to tackle some of these issues, I want to compliment you on trumping your last article with your last article before that. You were very proud to announce a $2,500 COVID test that the hospital paid for, I'm sure the insurance company paid for. And then you came out the very next article with a doctor who worked at a hospital who's ostensibly paying that doctor's hospital bill, a $10,000+ COVID test. So the hospital paid it, the insurance company build it and agreed to pay it. So basically, if a hospital is self insured, this may be complicated to hear this, but they paid for their own overcharge.

Marshall Allen:

That story got even crazier. But yeah, it's funny that you notice that. Because these numbers keep getting more and more absurd, right? So I did that first story about the, I think it was like a $2,700 COVID test, and that one hadn't been processed yet by the health plan. So I don't know how much was paid on that one. But the charges alone for just a drive through COVID test were $2,700 or something, something absurd like that. Well, then I get an email from this doctor. And he's like, I got a story for you. And this guy, he was actually covered by a short-term plan, which are usually considered cut rate health insurance plans.

Marshall Allen:

He was covered by short term plan. He was a pathologist. He was a medical director for a chain of these freestanding emergency rooms. You're a Texas guy, so they're big in Texas. And these freestanding emergency rooms are sort of like a glorified urgent care center, but where they

charge really big ticket prices. His short-term insurance plan was charged almost $11,000 for the test and they also really added a bill for what they called a moderately complex emergency room visit which it really wasn't. And lo and behold, his health plan paid it. 100%. No discount. And so he was happy that he didn't have to pay but he was really alarmed. In fact, he resigned his position right on the spot because he was so concerned about potential fraud with this billing and with this payment.

Ron Barshop:

Honorable situations like that out there you hear about, but that's wonderful. Marshall, you're considered the, this will date me, but the Mike Wallace of journalism that you go and interview and ask the hard questions and present the facts in a very plain manner, very hard-nosed manner, but you also make change. ProPublica is sort of famous for outing hospitals that sue the poor, and then they stopped suing them overnight. So it's interesting, you have the power of the pen, but you also have the power of the flashlight. You can shine light on these immoral, egregious acts and a lot of it stopped. That's got to be rewarding for you when you see that stop.

Marshall Allen:

It is rewarding and it's satisfying. But it's also alarming because I know that these hospitals or sometimes it's doctors or insurance companies, they seem to be satisfied with doing these things in private. But then when the reporter gets involved, they change their tune right away. Like I'm thinking about, you mentioned Dignity Health in your intro. I did a story last year about a nurse who worked for Dignity Health at one of the Dignity Health hospitals. And this is a Christian, again, it's a Christian owned company that says they want to, I think they even say in their tagline, they want to bring the healing ministry of Jesus Christ to their patients.

Marshall Allen:

Well, their own employee, a nurse was one of their patients. She had a baby that was premature. She was on a self-funded plan. What happened is the baby was in NICU for about 90 days. And the mom called the insurance company, which is the third-party administrator to get the baby put on the plan. But the mom didn't go through the employee portal on the website, which apparently the HR department said you have to go through the portal. Well, so she didn't find out. She had 30 days under the plan guidelines to sign up the baby under the health plan.

Marshall Allen:

She did it through the insurance company, excuse me, the third-party administrator. But she didn't know that she didn't do it right. So the baby never got put on the plan. And the plan then hits her with about a million dollars in hospital bills. Literally, she got a bill in the mail for $898,000. She appealed it, again, through the third-party administrator and through her employee benefits department. They said for a year, no, we can't make an exception. We can't do this. IRS rules prohibit us from making any changes. Then I called and I pointed out to them, actually, the IRS does allow you to make changes, you just can't be willy-nilly about how you make changes. And you have to be fair and apply the changes you make in a way that is fair for everyone.

Marshall Allen:

So actually, they were able to make the changes. And of course, as soon as I wrote the story, they called her and said, sorry, we took care of it and they fixed it. So it was nice. It was very satisfying to save a million dollars for this young mom and her family. But it was also really alarming to think that she appealed this. She begged them for a year in her appeals to reconsider this and they blew her off. And I know that most of the time patients are getting blown off. And that's kind of what motivated me to write this book that I'm in the process of finishing right now the manuscript.

Marshall Allen:

I'm trying to give people a guide to fight back. Like, the insiders in the business know the tips and the ... Like as soon as I heard her story, I was like, no, no, a self-funded plan can make exceptions under these types of circumstances. In fact, the law says, if the mom has some extenuating circumstances, they're supposed to make exceptions. And in her case, she was in the hospital herself because she had had some complications related to the birth. So they absolutely could have made these changes. I know that because I've developed a certain amount of expertise, but the patients don't know that. And so what I'm trying to do with this book is help patients and employees and even employers see the tips and the tricks that the insiders know, that allow you to fight back and win when you encounter these types of unfair situations.

Ron Barshop:

Yeah. There is a place of service analogy that I love that you can buy a Coke at a grocery store and pay 55 cents and that's primary care that's independently owned, which there's fewer and fewer of. You can go to the system on primary care across the street and pay for like the corner store price for Coke, which would be a couple of bucks. And then it's not even really Coke, it's quasi-Coke. And then you can go to a restaurant and get the same quasi-Coke for double that, and that would be like going to this drive-through ER that looks like urgent care, but it's really urgent care. And then you go through the hospital for ER and now you're buying your Coke at a movie theater than 7, 8, $10 dollars for quasi-Coke.

Ron Barshop:

So it's not really even primary care when it starts devolving further and further away from independence into system owned, you start getting more system utilization or unnecessary tests or burnout of the doctors. It becomes a treadmill for them too. So the doctors aren't winning either.

Marshall Allen:

Yeah. In fact, I have a chapter in the book about the price variation that most people just aren't aware of. They don't know that if you go to say like a freestanding imaging center, you might pay hundreds of dollars for a CT scan. But if you do it at the hospital, it might be thousands of dollars. That's just something that ... I mean, who would ever think that that's the case, right? But I like your analogy there, between grocery store, corner shop, movie theater for a Coke.

Marshall Allen:

I mean, it's that kind of thing that maybe can help people understand a little bit. But that's absurd, right? I mean, you wouldn't expect that. And what they also don't realize is that the doctor

referring you might be within that referral network sending you to a place that's going to be higher priced and you don't really realize how referrals work with doctors too. And that's not always in the favor of the patient.

Ron Barshop:

There's some simple solves, but you'll never see them. The hospital/medical device/pharma lobby/brokers I call them bigs, these guys have $565 million to spend on local and state governments to get their way and make sure there's never change. Because who would want change when you're profiting so nicely? I mean, we talked to the top of the show and the rant about hospitals had a pretty darn good quarter during the pandemic which they shouldn't have. They were screaming bloody murder. But the insurance companies are sitting on massive profits they've never seen before because nobody burned their cash while they were still sending them their cash. They didn't get even close to their acceptable loss ratios of 85%. That's how they pay for a $10,000 test is because they got to burn off the cash and loosen up the pre-authorizations.

Marshall Allen:

Yep, that's right. I think in that story, the second quarter of this year, United Healthcare made $6.6 billion in profit.

Ron Barshop:

Well, they're going to because nobody is using their services for the pandemic, they're afraid to go to the doctors and the hospitals.

Marshall Allen:

Right.

Ron Barshop:

Yet they collect premium. That doesn't-

Marshall Allen:

Right.

Ron Barshop:

So let's talk a little bit about the bill collection strategies. When we sat down and talked in Dallas, I was telling you that HCA owns a company called Parallon. And that is their most profitable division more than their outpatient, more than their other nonprofits. It's in the 28 to 30% range of contributing to margin. And Parallon is their bill collection division in Catholic health initiatives and Dignity, which are now CommonSpirit, and Tenet owned a company that's called Conifer, it's the same thing. It's the most profitable division that they own is their bill collections.

Ron Barshop:

And Cerner, which is Epic also, they have a gigantic incentive to bill patients and collect on these giant bills too because they're making their money on the collection side as well, in a big

way. So that's what the three biggest collection agencies in this one out of six Americans you are talking about are working for hospitals.

Marshall Allen:

Ron, I want to do a story about that. But now you're putting it on your podcast, and some other reporter is going to beat me to it. That's a really good story. I don't know a lot about that. But it's certainly the kind of thing that I'm interested in looking into.

Ron Barshop:

The very company that's creating your monster scary bills is also in your time of greatest stress of billing you, calling you at night, the games that they can play. They can now call your children that are adults and shame you, they can call your adult parents and shame you. I mean, the laws have gotten loose and not tighter. And now they can text and email you too and phone call you and mail you. So it's just overwhelming. If you're one of these folks that can't afford a lawyer or can't afford a consultant to help you figure out your bill, like that woman you described earlier.

Marshall Allen:

That's amazing. Yeah. See, I don't even know a lot about that side of the business. But that's exactly the kind of thing that I would want to dig into. Because that's pretty amazing.

Ron Barshop:

For the first two I mentioned have 15,000 employees, the second one has 25,000 employees. It's like you said earlier, when CommonSpirit has the name God or Jesus in their mission statement, and they're treating people like this, and they're gaming the system like this and playing Three-card Monte with bills and they're delaying the actual bill so it takes months to actually find out what the heck you've got, that's where you get into the evil stuff. When you're invoking God and still playing games like this.

Marshall Allen:

Well, it is really dark. Again, that's also very duplicitous. I mean, people don't really know that. I didn't know that. I think it also shows that this stuff is around every corner. And in many cases, it really is predatory. I mean, when you get into the hospitals suing patients and turning them into bill collectors, that's getting into predatory medicine. It's not the doctors and the nurses, it's not the clinicians on the front lines who are providing the care that are doing this. Usually they're not even aware of it. They're busy taking care of patients.

Marshall Allen:

But it's the business side that has found these ways to use medicine and use sickness for profit. Especially, I mean, when you get into the stuff about suing patients who just did nothing more than they were sick and couldn't afford to pay the bills, often the bills are unfair and price gouging anyway. But that's predatory behavior.

Ron Barshop:

There's a question I have about local reporters. I have a theory why they're afraid. When you were in Las Vegas, you were not afraid to get the Freedom of Information Act, pull the data and start reporting some news that was sort of not complimentary towards some doctors and also some hospitals. You didn't have fear. But for some reason, the reporters locally are not doing that kind of deep dive investigative journalism. Is that laziness or have the hospital boards got complete control of the press and they're scaring them away from bad stories.

Marshall Allen:

So I would say it's a combination of things. I mean, first of all, there are a lot of journalists who have interest in doing this kind of reporting. But there are also a lot who are not interested. I don't say that to criticize them. Investigative reporting is really hard, it can be really tedious. It's very confrontational and a lot of people don't have that disposition. So you might have healthcare reporters who have a preference to cover ... Maybe they want to cover the business side of health care more from like an earnings side, maybe they want to cover fitness, or nutrition, or the latest medical studies, or the more science side of the B. Not every journalist wants to do investigative reporting. And I don't blame them for that.

Marshall Allen:

It's just for me, my disposition is when I started covering healthcare, I wanted to do it from the point of view of the patients. Patients are the ones who have the most at stake and least influence in their outcome. And they're also the ones who are ultimately paying the bills. And so that's partly just my disposition to have that investigative edge. I do think, in many cases, so you mentioned my reporting in Las Vegas, we did a big project we called it Do No Harm back in 2010. And that showed, for the first time, just the number of injuries and infections that took place in the hospitals in Las Vegas. And we analyzed my partner, Alex Richards, did a lot of data analysis to show and report which hospitals had which injuries and infections. We reported that, named the hospitals.

Marshall Allen:

I had a lot of people around the country say, I would never be able to do that, I would never be allowed to do that. And I think that the reason for some of them is that the health care systems in their communities might be big advertisers for their media outlet, whether it's television or website or newspaper. And a lot of times that can influence the way things are covered. And it creates that conflict of interest where the reporters are not unleashed to really expose what's going on in that healthcare community. So I think it may be the disposition of the reporters, and then also, sometimes the advertising dollars do come into play. It's also hard and time consuming.

Marshall Allen:

Nowadays, a lot of local media outlets are really struggling financially. And reporters don't have the luxury of spending weeks or even months on different stories. Like at ProPublica, each story I do will take at least weeks, but often months. And I kind of have a pipeline of stories but they're all in different stages. But it takes a long time to do this kind of in-depth reporting. And you have to make sure that you're right. You have to be very careful. You have to be extremely

fair. So it's complicated and time consuming and expensive to do this kind of reporting. So not every media outlet is really wired for it.

Ron Barshop:

How do you feel about nonprofits? There's over a dozen stadiums, whether they're soccer, baseball, football, hockey, basketball, that have nonprofit health systems as the naming rights. So in Houston, we have a soccer field with the Methodist name on it. Not every city, but a dozen cities have a local hospital that's a nonprofit with naming rights. They all have skyboxes. When I say they all have skyboxes, I challenge anybody to find an NFL team that doesn't have skyboxes for the local hospital. These are supposed to be nonprofits that are supposed to be giving care for free and doing the right thing by the community. They're living a pretty luxurious life, aren't they?

Marshall Allen:

Ron, I'm loving your story ideas. Are you trying to become like my assignment editor? Because I mean, that's not a bad idea too. I like that. Like the stadium names, I mean, because there are all these egregious expenses, right? I think I always go right to the salaries. Like I did that story about Dignity Health. Again, it's a nonprofit. And I want to say that there were, I have it in my story, so I apologize if I'm not remembering this correctly. But I think that there were 20 executives at Dignity Health were making more than a million dollars a year.

Ron Barshop:

Actually, I don't mind that. And I'll tell you why. Because they you've got to get the best talent for the competitive price. But there's the Banner Health is-

Marshall Allen:

So you're okay with the executives getting a million dollars a year, but not the sponsoring of the luxury boxes?

Ron Barshop:

Well, I don't see how that benefits the patient. How are outcomes going to improve? They're simply attracting more heads and beds. That's all it is. I mean, it's a branding.

Marshall Allen:

Well, yeah. But how does the million dollar salary help the patient? Because you need that kind of money to attract the talent?

Ron Barshop:

Yes. To get a good waiter, you're going to pay them extra and it's complicated making food and delivering hot food and making that restaurant palatable. And it's the same in hospitals, there's 1000 things that can go wrong. And it takes a great organizer and a great leader to just get it half right. I mean, there's so much that could go wrong.

Marshall Allen:

So do you have that much faith in the leaders of these hospital organizations that you-

Ron Barshop:

Hell no.

Marshall Allen:

So what? You're saying they're worth a million dollars-

Ron Barshop:

I am. I think 90, well, I'm not going to guess percentages. But I think it's fair to say that if somebody has earned their position to get a million dollars, most of them deserve every penny of that. Now, when you get into the 28 million-

Marshall Allen:

But they justify it, Ron, by raking in money for the organization. Right?

Ron Barshop:

We have a new feature at the end of our show, Marshall, that's Hospital Minute and we talked about some of these egregious games they play. My favorite was the very first one where if you check Marshall's mother out at 12:01, you get to charge for another day to her insurance and the checkup is 12 o'clock. So they make you sit in a wheelchair for two hours waiting for that second day to bill. There's hundreds of little games-

Marshall Allen:

Right. So that's how the executives are coming up with their justifying their million dollar salaries.

Ron Barshop:

Sometimes. It's a complex organism called a hospital that you got to run. It really takes a lot of talent to do that and it takes a good team.

Marshall Allen:

Yeah. But I mean, lots of hospital executives are not making a million dollars a year. So are they doing a crappy job?

Ron Barshop:

So I was going to mention Banner Health is the 53,000 employee group out of Arizona, and they sort of dominate a couple of major markets in Arizona. And the CEO makes 28 million. The nearest hospital to him in that geographical area is about a 2 million, or about a million, two. I'm sorry. So he is so far above, but he's also got 53,000 employees. So can you attract the best leader at a company that big? And I say you got to pay the market. So I have no problem with them making big bonuses. But with big outcomes, not with big heads and beds and EBITDA. It shouldn't be based on what you and I have seen, which is a health care driven EBITDA rather than outcomes.

Marshall Allen:

Yeah. Well, I mean, we may disagree on that one. I mean, when I see massive salaries in health care, so every dollar that funds our health care system, is coming out of the taxes or out of the pocket of the public. And one reason our healthcare costs are so high, I'm looking at all these things. I'm going, does a healthcare executive, are they so exceptional that they should be paid that much money? I mean, I question that. I really do. And the reason I question that is because these are some of the same facilities that are suing patients.

Marshall Allen:

These are some of the same facilities that are engaging in questionable practices. Finding games, like your two-day thing to boost their income in a way that, frankly, is questionable, maybe even fraudulent. So they get rewarded with a massive salary? I don't think so. I guess I question that. It is all about money. And so again, I get in the United States, we look at something if it makes money and we go, how could it be wrong? And I go, well, money isn't really just-

Ron Barshop:

For the theory that you want to become a CEO and become rich. Look, if they have skyboxes, that's just egregious. If they have a private jet or series of private jets, that's egregious. If they have Cayman accounts to hide their billions in strategic funds, that's egregious. If they're not paying taxes like a lot of the tech companies in America, that's egregious. They've got to pay their fair share. And when you start laying off people and you just ... And the very people that are paying their taxes for the layoff, for the funding of the layoff, the Marshall Plan are the ones that are getting furloughed. It just is ridiculous that they can get away with that.

Ron Barshop:

But look, rather than complain, let's talk for a second and switch the gears to what is positive in health care that you see on the horizon that you like. Like, what is some directions that you would love to write about that are happy stories, where things are getting turned around in a positive manner for outcomes and for patients?

Marshall Allen:

Well, I think some of these things are silver linings. So when things become to become so untenable that the harm is so widespread, people do start to wake up and stand up for themselves. And I think that's a positive. So like we talked about, you and I talked at that Health Rosetta conference. And what's interesting there is that there are a number of employers who are kind of coming to their senses, and realizing that they need to push back and demand different ways of doing things. They're realizing, wait a minute, why does this cost keep going up and up and up and up, and I keep getting less for my money.

Marshall Allen:

They look at the way they've been passing on their higher deductibles to their employees, they're looking at their employees paychecks and seeing them get smaller and smaller, because of the rising healthcare costs. And so you are seeing some employers push back. And that Health Rosetta program, some of these brokers that and advisors that are working with them to help

them come up with different ways of providing health care that's actually better for their employees and also cost less money. And so that's one thing, I think, is encouraging.

Marshall Allen:

I also think COVID, again, these are silver linings. Because of how bad things have gotten it has made people maybe be open to some disruption. But I think the pandemic has completely exposed our healthcare system as a for-profit. It's a system that doesn't serve the public interest when it comes to something like a pandemic. And by that I just mean we've underfunded public health, we've not saved for an emergency and stored things like personal protective equipment that people need. We haven't invested as much as we need to in emergency preparedness. That's been done on paper a lot of times.

Marshall Allen:

This pandemic wasn't something that should have been catching people off guard. I mean, people knew that this type of virus could hit. And what's happened is, it's exposed that our system is penny wise pound foolish. We should have and could have been saving, let's just say something like personal protective equipment. That should have been in our stockpiles. Hospitals should have had that in their storerooms. But it's expensive. You have to invest in that in the short-term. And when everybody's looking at the profits by their quarter, and saying, well, we don't want to spend money now to prepare for the future.

Marshall Allen:

Well, then when the future comes, and you get hit with a pandemic, you end up losing a lot of money and overspending for a lot of things because you weren't prepared. And not only that, you end up sending your doctors and nurses into harm's way because they're not properly protected. So I think the pandemic kind of showed that our health care system is not really a system. It's certainly not a public health system. It's a collection of for-profit or profit-driven stakeholders who orchestrate ways to make as much money as they can for themselves while providing care for people. They are providing care in a lot of ways. But is it about the profit or is it about the care? In the United States, we've shown time and time again that it's often about the profit.

Ron Barshop:

It's a sad reflection of our outcomes versus our spend. Marshall, you and I could talk forever, there's just 100 subjects. But the beautiful thing about your byline is you also have your phone number and your email at the bottom so that if people have something interesting they want to send you or something interesting they want to talk to you about or they work for a hospital and they can give you a direct line. You are wide open to taking those calls on those emails. And so how do people find you and reach you if they're not looking at your byline right now?

Marshall Allen:

Well, LinkedIn is a great way to reach out to me. I connect with everyone on LinkedIn, whether I know them or not. And I love when I get messages on LinkedIn. I have a lot of conversations with people that are just off the record where people who work for insurance companies or hospital executives or whoever will tell me what they're seeing on the front lines or behind

closed doors. And I depend on those folks to tell me what I should be reporting about. And so LinkedIn is a great place, email is a great place.

Marshall Allen:

I also have each year when I do these projects, I'll do what I just call a call out. And that's just to say, like, hey, I'm going to be ... Like before this pandemic hit, I had just put out a call out in February that said, I'm going to investigate the markups and middlemen of medicine. And so that's just a kind of a, again, it's a really easy online form that people can fill out. And just tell me, hey, what do you think is the most outrageous markup or middleman that's really wasting our healthcare dollars, or exploiting sickness for their own profit? I mean, for ProPublica these are investigative stories. So I look for insiders to tell me which way to go. So those are the ways people can reach me.

Ron Barshop:

Marshall, you have a very interesting network of people to give you insight email. Somehow you got into the, was it the CDC, private emails and talked about how confused and messed up they were in the beginning of this pandemic.

Marshall Allen:

Yeah, that was through a public records request that we did. We did that with all the state health departments where we did a records request for their correspondence with the CDC during the pandemic.

Ron Barshop:

It's a little like Comedy Capers. I mean, they had no idea what they were doing and they were lost, and they were conflicting with each other, and there was no central leadership. It just looked like a big hot mess from the-

Marshall Allen:

Yeah. It did. It showed how underdeveloped our public health system is and how unprepared we were for ... This was an unprecedented pandemic. I don't want to minimize that. But at the same time, it was predicted, it was expected. So I want to have some sympathy for the fact that nobody had seen anything like this before. But in terms of the emergency preparedness community, people knew that this is what was a risk. So it shouldn't have been a surprise.

Ron Barshop:

Yeah, exactly. Well, Marshall, I always close the show up by asking our guests to, if you can fly a banner over America, tell us what that banner should say.

Marshall Allen:

Man, what an interesting question. What I would say, and this is not so much about health care, maybe it is, I don't think it is. I think if I could fly a banner over America right now, what I would want to say is, people, we have more in common than ... We're more unified than we are divided. But right now, if you read the media, if you listen to our politicians, the interest groups,

special interest groups who are trying to influence the public, they really focus on the divisions and the ways that we are all ... And there are differences, obviously. They focus on the divisions and the ways that we're different. And we have a lot more in common than not.

Marshall Allen:

So I wish people would be a little more open-minded and tolerant in their engagement with one another and stop pointing fingers at each other, stop demonizing people who disagree with you. One thing that's made this country great is that it really is this gathering of people with lots of different perspectives. We have civil discourse. But we seem to have lost of that. It is discouraging because it gets inflated. The divisions get magnified and inflated on social media, and I'm just not convinced that they really reflect reality.

Ron Barshop:

Yeah. A lot of it is conflated. Thank you, Marshall, for your insight and wisdom, and please keep up the good fight. And when your book comes out in the spring, we definitely want to get you back on the show again.

Marshall Allen:

Thank you, Ron. I really appreciate you taking the time to talk to me today.

Ron Barshop:

Thank you. So welcome to Just a Hospital Minute. We are adding these segments for one minute at the end of every show to tell you some of the games that hospitals play. Chargemaster is like menu pricing in a restaurant, but a little different. They can place an implantable pacemaker or an injectable and the Medicare code can be sometimes 10 to 20 to 30 times what they would charge if it were a network. They can charge 18 to 20 times Medicare as if it was a network. So this is just another Hospital Minute.

Ron Barshop:
Thanks again. Thanks again to our sponsor, the MediSearch Institute. I want to read you a note a CEO friend of mine sent me who used them for a rare childhood disease her daughter had. Dr. Talbot's research was thorough. He provided clear paths of treatment and he gave me access to the best physicians. I'm so grateful for his work. That's the MediSearch Institute.

Ron Barshop:

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