

# Primary Care Cures

## Episode 123: Elizabeth Rosenthal

Ron Barshop:

Welcome to the only show dedicated to a new way of delivering healthcare. This new model has no name, but let's go ahead and call it direct contracting or digital first care. The new way centers on opting out of the games bigs play with their rigged dice, their crooked game board and their purchased referees. And if you're looking for a future where everyone wins, that's the doc, the consumer, the employer, and with assured amazing outcomes and measurably lower costs that are ranging up to 60%, you're in the right place. I'm Ron Barshop, your host. I'm glad you're here. Welcome to the new healthcare economy.

Ron Barshop:

Okay so, Barshap, let me get this right. I, as an individual, or as an employer can eliminate all my deductibles and copays, reduce my spend overall for healthcare and monthly, get telehealth and unlimited access to a primary care provider 24/7, and maybe even a chiro or physical therapy free too, in some instances. Come on, Ron.

Ron Barshop:

Now I can stop there, you guys. But this is what I've been talking about the last year on my show, but there's even more. So, let's recap. You can reduce your costs. You can access real doctors and access digitally probably providers. I can't guarantee doctors. And low-cost meds. Yeah about half of Americans qualify for patient assistance where drugs are at cost or free. More often cost means pennies a pill. So let's throw in free for most labs that your doctor's going to need, also imaging when it too isn't free, and with really comprehensive plans out there, you can get your doc supervisor in the care plan if you go outside the primary care network, meaning if you're delivering child or you have to go to the ER or which it turns into a giant crapshoot, which our ex our guest today, as an expert on.

Ron Barshop:

And this desperate maze, instead of navigating yourself, you now have a care navigator who can do that for you. But wait, there's more. Ron, you're also telling me that as an employer, your teams absenteeism dropped like a rock? Yes. I'm telling you that. Why? Because they no longer have to take half days to get that stink in the air or those tummy problems looked at for their kid. It's a call. And literally 85% of primary care visits are avoided using yucky sick rooms by using tele-health. And my hiring has been made easier too. Why? When you offer free health care, like I do day one, you get great candidates.

Ron Barshop:

My interviews used to take all day to find one or two positions now take an hour and I found my person. Go there it is. Get a health Rosetta benefit advisor and they'll tell you all about it. Or if

you're an individual, just call my last guest, which was Redirect Health, Dave Berg, and then hire. Sadera, a cost sharing company that can take away your fear of that scary cancer or cardio bills or car accidents. Those big, scary things, because Redirect Health doesn't cover that. So how's all this possible. What's the catch Ron Barshop? simple. All of the middles have been cut out. Those big insurers who are also PBMs. They're one in the same today. And the big hospital monopolies, I call these the bigs, they're chief preservationists. They don't want, they don't want you to get cut out because they make a fortune by being in the middle of all of these transactions in normal healthcare.

Ron Barshop:

So if you contract directly or better, hire someone who's already done this before and can help you, there is no catch basically. You've gotten past all the headaches. You can say goodbye now forever to name brands like Cigna, Aetna, Blue Cross, or United, and these same bigs that have jacked prices and gouged just so-called customers, we're not really, have unsurprisingly recorded the best stock market games. The past 20 years of any verticals outside of tech and in a global pandemic, it's nearly wrecked the rest of our businesses. They have produced record profits in big healthcare, across all of the verticals with healthcare. They didn't miss a beat, these big, bad brands. So Ron, what if, what if, what if? You can stop. I can't answer all these questions guys, but I will tell you this, there's 25 million Americans that are on this direct contracting train.

Ron Barshop:

And once we all experienced this kind of VIP red carpet care, none of us want to leave. I've interviewed two employers that have laughed when I said, would you imagine going back to the old days. It's true healthcare they have now. There's also 14,000 providers who are in this space. And it's the same for them to burnout is non-existent. Even though it's extremely common in the rest of the universe of primary care, and it's never been studied, but docs regain lost autonomy because billing and coding have melted away, because we cut out the middles. There's no new laws needed, no new movements needed, no federal funding needed. There's no marches on Washington. There's no climbing the castle and killing the Frankenstein. There's no Frankenstein to kill. This is a market based solution that's been around about six or seven years. And most of the players that I've interviewed on my show are the largest.

Ron Barshop:

I think I've gotten most of the largest. I'm going to have a couple more, but I think I've gotten the big ones to add up to 25 million patients in America. So I know these numbers are real. So come into the light, follow the light. Even if you have a company plan, you will save a bundle. Okay, well, I really want to introduce you to our guest today. She is a rockstar of journalism. She is the Kaiser Health News Editor, and she worked at Healthcare Beat from the New York times for decades and I say, work the beat, she was the beat. She is an MD, studied at Harvard and she wrote An American Sickness: How healthcare became big business and how you can take it back. Elizabeth Rosenthal. Thank you for coming on the show.

Elizabeth Rosenthal:

Thanks for having me. Lots to talk about here.

Ron Barshop:

There's so much to talk about. I've been trying to get you for so long and you're like the great white Buffalo. You're like the Moby Dick. And now that we have you, I know you'll want to come back. Well, Elizabeth, you wrote this book a few years ago. And do you think that today going to the press with your grievance of how your hospital bill surprised you or shocked you or was so ridiculous? Do you still think that's an answer with all of the coronavirus sucking the air out of the room and the press today?

Elizabeth Rosenthal:

Well, I never really thought it was a very viable answer for society. I mean, we were on with NPR, we had Kaiser Health News run with MPR and CBS This Morning, a project called bill of the month where people give us their absurd, confusing, baffling, usually high healthcare bills. And we kind of dissect them and say, "This is why it happened. These are the minefields you have to avoid in American healthcare." And we call the hospitals and providers and insurers who are responsible and those bills almost always go away in that context. My answer is like, I'm really glad that we're saving, you know, these now 48 patients we've been able to profile in the last four years, but this is not a solution for the United States. It's a sign of deep dysfunction in our healthcare system that the only way you can, or that if you're stuck with a huge medical bill, the only way you can have a do right by you is by having your story broadcast on CBS This Morning, which is what people, these institutions are really afraid of.

Ron Barshop:

Yeah. It's not scalable. We have 45 million Americans that are carrying an average about 2,300 in debt. The debt never leaves them. It survives their death, their children's death, their children's death. Medical debt never dies. How do you, how do you scale your great idea of those 40... How did we turn those 48 into 48 million?

Elizabeth Rosenthal:

Well part of it, what I tried to do in the last part of my book was like, you know, "Hey, here are the traps. Here's how you can avoid them. Here are strategies for avoiding them." They will work in some cases. The most gratifying thing is when I get a note from someone that says, "You know, I was in the hospital with X, Y, or Z, and I did what you said. And I knocked off \$20,000 from my bill or I refused to have an out of network anesthesiologist. And they got me someone who was in network. So I didn't get that surprise bill." So there are strategies for individuals that can help, but they're not, again, a very satisfying answer, as some people who reviewed the books said the first part's really good about all the problems. Second part, it will help you some, and it will help you particularly with some of the small dollar stuff. But the solutions were a little unsatisfying, even to me.

Ron Barshop:

Have you seen the solution from Al Lewis of Quizzify and Katie Talinta formerly from the white house?

Elizabeth Rosenthal:

What is their solution?

Ron Barshop:

Well, as she said it on our show, basically you scratch out everything on the consent pay, which is also consent to treat. And that says that they can use whoever they want to use. And it says, you'll only pay reasonable charges, you're not going to pay any charges, because they've merged these two documents into one now. And when you're signing away your treatment rights, you're also signing away your payment flexibility.

Elizabeth Rosenthal:

Sure. And I actually recommended the same thing and I do that. When my husband, and I felt somewhat guilty about doing this, had a quite serious head injury. And they brought over the little electronic, the board and said, "Sign this, it's consent pay for whatever your insured doesn't pay for." I was like, no. And they're like, "Your husband's unconscious." And I'm still like, no. And so I write in, "So long as it's in my insurance network," which doesn't protect my insurer from being billed in nutty amounts, but they're in a much better position than I am individually to negotiate that.

Ron Barshop:

Yeah. Well, let's talk about how Kaiser Health News, I was... Well, I read the feed every day and I rely heavily on Kaiser Health News for great stories that I write about in my blog every day on LinkedIn. But what I had noticed this past year as the Coronavirus, this mysterious thing has taken all the oxygen out of the room and you can't do all your cool stuff you were doing like the surprise billing and the suing of the patients or the poor. You had some amazing stories that literally changed the world for tens of thousands of patients that were getting sued. And I don't see that. I guess your staff can't cover that anymore. You got too many other subjects with dealing with a pandemic.

Elizabeth Rosenthal:

Well, thankfully both because the pandemic seems to be ebbing in the United States, at least right now and because for us and for our core mission, we're not [inaudible 00:10:17], we would have preferred to keep talking about health system reform and health politics and how to get better healthcare. We are now going back to that, that which was previously core to who we are. And I do worry about medical debt. I worry, frankly, equivalently about all the patients I hear from, that we hear from in our bill of the month database. And we have literally like four to 5,000 complaints in there. Now they're not all people who were thrown into debt, but many of them have been forced or backed into signing these insane payment plans. A thousand dollars a month for the rest of your natural lifetime, basically. And that doesn't count as debt, but it counts as deeply disabling to the future of that person and their family.

Ron Barshop:

These mega corporations, I call them bigs, they have the largest lobby, bigger than these four combined defense, Silicon valley, wall street, the fourth one is escaping me right now, but big oil. All four of those lobbies combined aren't as big as healthcare. And so it seems like it's like [orillian 00:11:37], there's no way to win a battle against that big of a lobby that has one out of six, every lobbyist working for them. And it has that much clout. And that's just the FEC report in money. We don't know what is the dark money, supposedly it's equal to what's reported to the

federal election commission. But it seems to be the best weapon we consumers have against these giant lobbies is you the press, and I mean, Kaiser Health News, because there's not many of the large press that are going to cover this.

Ron Barshop:

You don't see too much in the LA times, although it's some occasional articles, the Washington Post, you don't see much in the New York Times or the Wall Street Journal, except when you were there, the New York Times. But the press is really the great last bastion to get these stories out there.

Elizabeth Rosenthal:

Yeah. I mean, we try and we actually, KHN does stories for the post and the LA times regularly, a little less so for the New York Times and not for the Wall Street Journal for the logistical reasons. And we do a lot with NPR and PBS and USA Today. We give away all our content for free, so it has very broad and wide circulation. But yeah, I think the unfortunate thing about our system is that everyone has a seat at the table except the end users, the patients, and even the physicians have less of a seat at the table than generally the insurers device makers from hospitals who have much more powerful lobbies, and much more money to spend. And that is a problem, so my goal in writing the book was really to make patients kind of wake up and vote and shame hospitals and pharma. They're not very shameful, I guess, for some of their practices.

Elizabeth Rosenthal:

And I don't want people to get me wrong in the sense that I think there are good people in all of these places, and a lot of people want to say, "Oh, the problem is the insurers, or the problem is that doctors," it's the system that we've let evolve over these years. And that makes it very hard. Everyone wants a bad guy. So pharma says, "Oh, it's not us. It's the PBMs." The PBMs say, "It's not us, it's pharma." And it's kind of like a circular firing squad that we need to disentangle and make sure we're giving good healthcare to people, which is really the only goal of healthcare. As I was writing the book, there was this whole mantra where people were talking about cost-effective patient-centered healthcare. And I was like, I kept repeating that mantra as a goal. And I'm like, wait, what other kinds of healthcare could there be? That is the definition of what healthcare should be, but unfortunately that's not what we find in much of the country today.

Ron Barshop:

Well, I have a tethered question and let me start with the first part, and then we'll get to the second part. The first question is if you had to nominate a story that had the most impact that you've covered either with the times or with KHN, which story would that be that has had a very broad ranging impact you're very proud of?

Elizabeth Rosenthal:

I'm going to break the rules name, two. When I was with the Times, one of the last things I did was a series called Paying till it hurts, which was about because I had been overseas for a number of years before that, covering actually environment more than health. And when I came back to the US in 2007, I was just shocked about so many things about what, after a decade away, how the health system had evolved. And I'd read a lot of stories about like the \$1 million

cancer bill, and I think when people read those, they say, "Oh, I hope I don't get that kind of cancer," not, "Oh, this has to do with me." So what Paying till it hurts did, and it was a series that lasted two years, is we took the most ordinary procedures like that everyone could relate to like taking your kid to get stitches in an ER, or getting an echocardiogram or buying an asthma inhaler, and really looked into, through patients' stories like a guy who needed a hip replacement, but because his insurer said his hip problems were preexisting condition, this was in the bad old days of pre-existing conditions. They wouldn't pay for it.

Elizabeth Rosenthal:

So he flew to Belgium to the best hospital he could find there and got a good hip replacement for \$13,000, including airfare. It's making people understand the craziness of a system that we've become kind of, we accept because we don't know another way. So I'm really proud that that started a big conversation. I think it had the first story on Surprise Medical Bills, that I'd seen. It was about a wonderful young man who was charged \$117,000 by an assistant surgeon for some back surgery, an assistant surgeon who he'd never met.

Elizabeth Rosenthal:

So we talked first about surprise medical bills. I think in that series, we also did something. One of the stories was about how generic drug makers were suddenly raising prices. So that generics, which had always been the cheap solution for Americans were often raising prices by a thousand percent and were no longer, they were marginally cheaper than the brand, but not really money saving for people. So really proud of that series for starting a conversation and introducing some issues that I think a lot of Americans were blind to, but more and more have experienced now. And so now when they suddenly get that extra \$10,000 bill from an out of network, anesthesiologist, they go, "I know what's happening. I get this." And a lot of states have tried to address some of these things, but the one at KHN I'm most proud of that we did, which wasn't with some of my reporters was one about how the University of Virginia sues patients and how many patients they sue, how they ruin lives in so doing.

Elizabeth Rosenthal:

A that took enormous work from two of my wonderful investigative reporters, but it shocked. And I thought I could be shocked by anything in healthcare. We found out that there was a court in Virginia that did nothing else one day a week, but deal with lawsuits against patients by the University of Virginia Medical Center. As a land grant university founded by Thomas Jefferson, and it was not acting nobly. And it took a long time to reverse course on this. It did eventually, but-

Ron Barshop:

It kind of finished a couple of weeks ago. They dismissed the last set of suits.

Elizabeth Rosenthal:

Yeah. But it took a very long time and it involved just everyday Americans. People who worked at... Good, bill paying people, not like some of the more sophisticated patients who would say, "I'm not going to pay that," and just walk away, "You can't do this." People who tried really hard

to pay their bills. It included a student at University of Virginia who was not allowed to re-enroll because he couldn't pay a \$4,000 hospital bill as an undergraduate.

Ron Barshop:

As I recall it was mostly poor people that they were going after.

Elizabeth Rosenthal:

They were going after everyone. If you were rich, you got your house taken. If you were poor, you got your tax refund taken. It was equal opportunity in that sense, but it was pretty appalling.

Ron Barshop:

I agree. That's the most important story y'all have covered because of the volume of people affected. And you enabled Marty Macquarie when he wrote his most recent book, he found the same thing happened in New Mexico, and I'm sure it's happening all over the country, but you guys uncovered it first and you named names.

Elizabeth Rosenthal:

Different papers have done it since then for different hospitals, because I don't think UVA is, they are by no means the only hospital that does it, although they did seem to be uniquely aggressive in their pursuit of patients.

Ron Barshop:

Well, so when you became a doctor back in the bad old days, did you imagine you'd have as big an impact on medicine as you have by number one, writing the book, but also covering stories like the UVA story?

Elizabeth Rosenthal:

I became a doctor. I come from a family of doctors. So it was one of those, what am I going to do with my life? Well, I know a lot of doctors, it's gratifying. You make a difference in people's lives. And so I did go to medical school. I'd always loved writing on the side. And I think what was pretty transformative for me was I did a residency in New York City in internal medicine, and then worked in an emergency room. And when I worked in the emergency room and this was during the aids epidemic in the early nineties, I saw so many people who just, their problems really weren't medical problems. They were problems with our medical system and it was deeply, deeply unsatisfying to me. And it was so all along I was doing a lot of freelance writing on the side.

Elizabeth Rosenthal:

And in 1994, the New York Times, who I'd done freelance writing for, came to me and said, "There's this thing being debated called the Clinton Health reform plan. Would you consider coming on board to write about that?" And so I did, and I never looked back partly because in the emergency room, it was kind of like bill of the month. I could sew up one person's cut. I could diagnose one person's appendicitis. But the problems were just so much bigger than the individuals. So it wasn't what I planned, but I'm very grateful it worked out this way.

Ron Barshop:

Okay. Can I pitch you two stories?

Elizabeth Rosenthal:

Sure.

Ron Barshop:

Okay. The first story is the number of football stadiums and basketball stadia and baseball stadia that have naming rights from healthcare systems or more interestingly have sky boxes that are bought every year by these so-called non-profits.

Elizabeth Rosenthal:

That's a great story. Thank you. We're on it.

Ron Barshop:

And the second one I want to pitch you is what happens once medical... So first of all, the people that are the largest collectors of medical debt, did you know, they're owned by hospitals?

Elizabeth Rosenthal:

Yes. And we were working on a story about this, so--

Ron Barshop:

I'll shut up then. Okay.

Elizabeth Rosenthal:

We're working on a project about this, so you may not see it till next year.

Ron Barshop:

That's okay. But there is an amazing story behind the story of medical debt. And it's amazing, the companies that are behind it are the same ones that are creating the debt. So they're profiting off of it. And if you look at the interest, the rates of return that they're getting, that they reported in their annual reports and their quarterly reports, they're higher than anything other than outpatient services. So it's a giant profit margin item for the companies that are putting this together.

Elizabeth Rosenthal:

As you said, there's certainly a lot of industries and sub-industries feeding at the trough of American healthcare at the moment. And I think the problem is every time we see an area of dysfunction, the solution is to create yet another middleman to solve that dysfunction. And so the cost just balloons and it's just not right.

Ron Barshop:

Well, my biggest discovery in doing this show, Elizabeth, is that there is a new industry that doesn't even have a name because it's so small with only 25 million patients, but it's still 25



million. And it's directly contracting, as I said, at the top of the show. There's no association. There's nobody head counting this. There's nobody that's lobbying on their behalf, but it's just simply a step away from complexity into simplicity. I've been doing it with my employees for four years, and it's just a beautiful thing. So it's not direct primary care. That's a subset of it. It's direct everything else. You can do direct labs surgery. So I'm not pitching that as a story, but I'm just saying there's a whole universe of solution out there that's already working.

Elizabeth Rosenthal:

Yeah. And when I have gone around to talk about the book, I have suggested that as a possibility for, because it's often employers that want to know what can we do. And that is one solution that has worked for a number of employers. You have to be really smart and know how the system works to make it work. And there are some economies of scale, but I've, like you, I've spoken to a number of employers who have managed to make it work in their area, but you're fighting. It's a little bit of a David and Goliath battle to make it work. And, but people like Dave Chase have done a great job of bringing that to the forefront. And I always say, I, which your solution addresses, that I don't blame them, but the people who've been most asleep at the wheel as the system has spiraled into its current state have been employers, because they feel helpless.

Elizabeth Rosenthal:

And I work for a great healthcare employer, but it's so complicated that most employers basically they'll go to one of the big insurers and they'll offer two or three plans and they'll pick an HMO and a PPO and maybe a full indemnity plan. But just because it's so complicated, not because they think it's good healthcare, but because they need to offer something and they don't want to their employees high and dry.

Ron Barshop:

I already know the answer to this question, but you've got to satisfy the curiosity of the listeners. Kaiser Health News, and Kaiser Permanente have no connection whatsoever.

Elizabeth Rosenthal:

It's like the bane of my existence. No Kaiser Health News and Kaiser Permanente have no connection whatsoever other than a hundred years ago, the Kaiser family founded two very different things. One were healthcare clinics on shipyards, which evolved into Kaiser Permanente. And the other was something called the Kaiser Family Foundation, which has long been known as a foundation that does healthcare policy research and healthcare polling. And 10 years ago, they just started, they decided because newsrooms in the country weren't doing a great job of covering healthcare and particularly smaller newsrooms that just couldn't afford a dedicated healthcare reporter. So our CEO started Kaiser Health News, and now we've grown. We have about 70 people. We have bureaus in St. Louis, Sacramento, San Francisco, Montana, Colorado, we're opening one in the South. And the idea is to give good healthcare news content. I don't mean good news, but meaningful healthcare content to all different kinds of media, large and small, and all different parts of the country for free.

Ron Barshop:

Can you imagine doing anything else? I mean, when you became a doctor, I suspected you never imagined you're going to be doing this.

Elizabeth Rosenthal:

No, but you know, as I tell my two children who are both in their twenties, you kind of go where life takes you. And that's the most interesting path, right? So I liked being an ER doctor, it's pretty cool in New York City, you interact with people from all walks of life in ER and Manhattan. But I don't know that it would have been as gratifying as being a journalist where you could address the larger problems. And I think like many physicians today, I would have ended up very frustrated by how medicine was evolving. When I worked as an ER doctor, I was on a salary. I was just part of the hospital. I came with the ER now to have to be an ER doctor where I'm an independent contractor and everyone's looking at how many RVUs I'm billing. I don't think I could have tolerated that.

Ron Barshop:

Sure. All right. Well, so two final questions so we can stick to our time constraints. The first one is, how do people find you and reach you if they want to connect with you?

Elizabeth Rosenthal:

It's pretty easy. Just my email is on the web, but it's just [erosenthal@KFF.org](mailto:erosenthal@KFF.org). That's how you can find me. And we like hearing story ideas. We feel like our readers and listeners and viewers are our eyes on the ground. It's that New York City police motto. If you see something, say something. Let us know, because if it's a problem or a solution, it likely makes a good story for us.

Ron Barshop:

I would agree. And I think y'all do it as well as anybody out there. And my last question, if you could fly a banner over America, what would that say?

Elizabeth Rosenthal:

When I wrote the book, I had a fantasy of starting a patient movement and called We, the Patients. Like patients stand up for your rights and vote for your healthcare. And like I said, you need a seat at the table.

Ron Barshop:

Well Moby Dick, thank you for letting me land you. You were my whale this year. The rest of the year is going to only be easier.

Elizabeth Rosenthal:

Anytime. I'm always happy to come back. COVID has made things rather exceptional for us at KHN as for everyone else. But we are getting back to these longstanding problems, which one of the things that was interesting to me in some of the polling I've had to look at, because I also occasionally do opinion columns for the New York Times still, is that pre-COVID the number one health voting issue for voters was a high drug costs followed by surprise billing. Post-

COVID things have gotten harder because obviously the drug companies have been somewhat ennobled by their work on vaccines, which we're all grateful for. However, a poll just last month showed that when asking voters, "What are your top five concerns?" Four of them were COVID related and getting the economy restarted. The fifth was still get down those prices, healthcare is unaffordable and inaccessible. So it's still really on the front of patients' minds.

Ron Barshop:

Thanks again, Elizabeth, we'll talk to you very soon. I hope.

Elizabeth Rosenthal:

Okay. Thank you very much for having me.

Ron Barshop:

Thank you for listening. You want to shake things up. There's two things you can do for us. One go to [primarycarecures.com](http://primarycarecures.com) for show notes and links to our guests. And number two, help us spotlight what's working in primary care by listening on iTunes or wherever you get your podcasts and subscribing. And leave us a review. It helps our megaphone more than you know. Until next episode.