

# Primary Care Cures

## Episode 135: Leon Wisniewski

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:

Buying a Coke is exactly like buying primary care. You can get it at the grocery store or at Costco or at Sam's for the best pricing, but that's an independently-owned primary care doctor. Or you can go to the corner store ... In San Antonio, we call them ice stores. So you can go to the ice house or the ice store and go to the corner store, and pay two to four times grocery prices. That's the hospital on PCP. It's sometimes obvious that they're hospital owned, sometimes it's obfuscated.

Ron Barshop:

Or you can get it at a restaurant, pay four to eight times the grocery prices for that same Coke. And that's urgent care. 70% of all urgent care in America are owned by hospitals or corporate entities, so it's just even more secret. There's not any transparency there, which is what we're going to be talking about today. And it's really still Coke here forward, or is it fountain water with brown stuff mixed in?

Ron Barshop:

Or you can get the Coke at the movies, and you'll pay 10 to 20 times what you'll pay at the grocery store, and that's an ER. That's the cost markup there. And it's often more. You can drop \$8,000 in an ER in a blink, a doc told me, who ran many ERs, and that might just be for a simple sprain that could have waited anyway. Every mom who's a doctor knows this place of service business. She's never going to buy the pricey healthcare because it's just dumb, but 99% of us don't have that basic knowledge that where we buy care is important. Place of service is everything. And, frankly, your PCP knows your history, so it's not even a horse race.

Ron Barshop:

Tele-health makes your PCP able to handle most issues. Urgent care is dumb most of the time. It's getting harder to find independent docs though, because over 70% are now owned by the bigs, unless you direct contract where they're all independent by their very nature. So we know this to be true when independents do have to sell, and they do have to sell. They don't want to

sell to big systems. The costs only go up. Lots, double at least. That burnout will rise because they're working for the man. Medical errors will increase. Waste and bloat will increase. Over-testing and over-utilization because the meat grinder has got to have its meat. And referral patterns are always going to shift to higher cost of care, like the Coke example.

Ron Barshop:

The pressure to sell a PCPs is 100% government driven and essentially government funded. Keith Smiths of Oklahoma Surgery Centers says that politicians will never solve the heist because they are driving the getaway car.

Ron Barshop:

70% of hospitals are nonprofit. So here's the thing about nonprofit systems. They pay no city, county, state, federal income tax. They don't pay a penny in property taxes, even though they're the largest property owner. They don't pay any sales tax, zip. And they get access to giant pools of cheap money called tax-free bond financing. So they have the very best lawyers and CPAs, and they have the biggest galas locally, and they employ the best fundraisers in nonprofit America. And that's a fact. And the best lobby in America, the American Hospital Association, which won a pandemic handout of \$175 billion called the Second Marshall Plan by its sponsor, which few needed. We know that today now that we can look back four quarters and see it. They have that , too, the best lobby.

Ron Barshop:

Are they a great local citizen? Well, wait. They need fire and police protection, don't you think? And they need garbage pickup, and they need roads repaired around their hospitals, don't they? And they're going to need sewer and water. Nope, that's all free. And they're usually a major property owner, as I said, if not the major property owner in every metro where they are. And they're a giant user of these roads and utilities and infrastructure, but it's free to them.

Ron Barshop:

So if you're not chapped now, you might be when I say this next little piece, because do they own a sky box at your favorite local stadium or arena? I don't know. I don't. Do you? Well, likely they do. And a few are even bold enough, like the Methodist in Houston, at our local stock soccer stadium there to own naming rights of a stadium or a field. Do you know any other American nonprofits with sky boxes and stadiums? Imagine the United Way Arena. Imagine the Salvation Army Field. It's quite a sweet racket, this nonprofit business.

Ron Barshop:

So don't buy your primary care through them. Docs don't, why should you? But if you're going to have to use a hospital this year, or starting next year, the big insurers, thanks to some new transparency rules, today's guest is a good place to start. Health Cost Labs. Leon Wisniewski founded Health Cost Labs, which will this week, and this is the 4th of July weekend, produce data from 2,400 hospitals with offering a low cost pathway on data for 300 different procedures. It's a new rule some, but not all, are complying with. Leon came from Blue Cross not only as an actuary, but a health cost modeler and a forensic auditor. So he's the perfect guy to take these complex files and simplify them for me and you.

Ron Barshop:

Okay. So, Leon, let's get into this. Welcome to the show.

Leon Wisniewski:

Thank you for having me. It can be fun.

Ron Barshop:

Yeah. Well, you've uncovered intentionally confusing files. You posted on LinkedIn this week one in, I think, Rhode Island or New Hampshire had 21 million lines on Excel.

Leon Wisniewski:

Yes.

Ron Barshop:

You call these bastardized files intentionally. What's going on there?

Leon Wisniewski:

Well, before January 1st, I fully anticipated sabotage, obfuscation by the hunt for these files. I knew the hospitals were not going to make it easy for me to aggregate and build a database where you could price shop. So when January 1st arrived, I dove head first into the websites trying to locate these files. And when I would open them up, I wasn't disappointed. I could see that it was not in a reusable format. So I had in programming experience. I'm a data guy and a finance guy, so I'm a little bit dangerous in that area. So I was able to write my own code and re-engineer the data files to be normal where I could upload it to a server.

Leon Wisniewski:

So this has been going on for the last six months, this hunt. It's the great hunt for these files. And I'm pretty much finished, and now we have over 2,400 hospitals loaded into the server. It's all cleaned, it's aggregated and it's benchmarked against CMS. And now I'm going to turn it over to my website, the web developers, and they're going to facilitate this data flow, I call it data fluidity, from essential database to America. So you're going to have it. Whether you want to use it or not, it is your right to not decline a low price, but it's there for you to use it if you want.

Ron Barshop:

The hospitals were dragged into this transparency rule kicking and screaming, weren't they?

Leon Wisniewski:

Oh my God, they were. They were.

Leon Wisniewski:

Actually, it was funny because I'm a little bit of a policy wonk, a policy nerd, so I've been following the hearings in 2020. The district judge in June and then the appellate court in October.

The AAJ lawyers got steamrolled. It's an indefensible argument to say why people shouldn't have prices. So I knew the judges were going to rule in the affirmative that the law should go forward.

Leon Wisniewski:

So what I started doing even before January 1st was that I started mapping every hospital to a health system, because I knew from my own contracting experience that the health system is going to be compliant or noncompliant. So if a health system has five hospitals or 50 hospitals, you're going to find all the files by looking at one place. So I spent several months going through each state, going through each of hospital, saying, "Oh, this hospital belongs to Methodist. This hospital owns a Dignity, Banner, Northern Lights." I had the whole thing mapped out.

Leon Wisniewski:

So when January 1st arrived, I started hitting one hospital and one health system to make my research more efficient. And I was correct in my approach, and I believe that that's how this thing would play out. And that's kind of how I got this thing up so fast. It was because I laid it out so that when January 1st came, I could just roll through it.

Ron Barshop:

Now, the fine to not participate in this transparency rule is \$109,500 a year or \$300 a day, which is chump change for most of these big hospitals.

Leon Wisniewski:

Right. It's true. It's true, but I think that the public shaming is more punitive than \$109,000. So what I'm seeing is that when January 1st came, I think the compliance rate was maybe like 15%, 18%. But then as February rolled into March, and then April, and into May, more and more started coming online, and I don't think it was the financial penalty. I think it was a public shaming penalty. Nobody wanted to be in front of not being compliant and trying to withhold information from people.

Leon Wisniewski:

But what they did was they sabotaged the files. They say, "Okay, fine. I'm going to give you my file, but I'm going to make it so ugly nobody can reuse it." Which is why I had to work so hard in programming to clean these files up. And it's really hard work. I'm not going to lie to you. But since I understand fee schedules and claims data, I can read the data presentation and figure out how to extrapolate it into a clean format.

Ron Barshop:

Well, you spent 20 years inside the beast. You know all the tricks because you are the beast. You were the beast for 20 years. What kind of stuff happened when you would present low cost pathways to your bosses, and what happened to them when you present them ideas on how to take out high cost doctors and high cost providers? What happened when you presented that?

Leon Wisniewski:

Yeah. This still leaves me speechless, because the data talks. There's no denying that data talks. And when I would show them ... I'll give you an example. There was a doctor, who's sitting in jail right now for fraud, and maybe he should be there, but maybe he shouldn't be there because the Blue Cross knew he was a bad biller because I told him six years before he was convicted. And I had this one director, who I liked a lot. He was a director of contracting. He would say, "It's my network. I don't need an indictment to terminate. I want to terminate him," which is what you should do when you're confronted with abusive billing.

Leon Wisniewski:

But the legal department said no. They says, "Well, you've got a termination with cause and without cause." And if it's with cause, then you have to go through all these hoops to go forward with that, and it stopped. Nobody took it up. But this guy continued to bill bad, this podiatrist, and I'm looking at the data, and you see it. It's not even close. It's not even a close call. And you just know he's printing money. And I would show the management, and they ignored it. And I'm like, you can't ignore it. That's your responsibility. When you work in this building, you're supposed to manage the cost. And they didn't.

Ron Barshop:

It's not fair to ask you this, but do you think it's any different at Cigna or Aetna or United or the Humanas of the world?

Leon Wisniewski:

Oh boy. I don't think it is any different. I think that once you're a a director and a vice president of these big companies, you're getting a big salary on the status quo, and you're not looking piss anybody off. You're looking to keep your head down and keep that check coming in every two weeks.

Ron Barshop:

They're called chief preservationists, not chief executive officers.

Leon Wisniewski:

Right. I go on a rant about compliance. They give you this compliance training where they're supposed to teach you the right decision making when you are confronted with a situation. This is a joke. I said, "You say this, but you're doing that." And you get shamed if you try and ask the tough questions, which is what I did. And then I was pretty much blackballed. Nobody wanted to talk to me.

Ron Barshop:

The stuff you were finding was obvious math, but there's also ... Marty Macquarie brings up in his book in chapter 11, there's a whole list of things like spinal fusions that don't have any advocacy and no proof they work, yet people are doing them like crazy, and tons of other procedures that are basically unnecessary tests, unnecessary procedures. You didn't even get into that in your job. You were just looking for people that were billing super high for their zip code.

Leon Wisniewski:

Yeah, exactly. For the diagnosis code in the MSA. And I'll share with you another angle of this, please.

Leon Wisniewski:

When I was in a fraud division, which is the biggest joke there is, there was one doctor who was a bad biller, and they sent him an email letter, "We're auditing you." The doctor hits the roof because he thought what he was doing was legit, and so he demanded a benchmark. He wanted to see evidence that he was an outlier. So they come to me, I get the data, I make the benchmark. I give the report to the medical director. He sends it to this doctor. The next month, this doctor changes billing patterns.

Leon Wisniewski:

So it came down. You saw on the data. One month, he's up, and then all of a sudden he got the information, and he changed. And that was very satisfying to me.

Ron Barshop:

That's a good thing, yeah. Exactly.

Leon Wisniewski:

I'm like, wow, no lawyers, no investigators, no auditors, no justice department, no recoveries. Just harmony. Just data harmony. Just share the information and people will respond favorably.

Ron Barshop:

You're talking about benchmarks. I look at the Surgery Center of Oklahoma, which has hundreds of published prices on ... I don't know if it's the same 300 the government's requiring, but it's definitely that plus, and you can see what an arthroscopic knee is going to cost. It's \$3,600 bucks. It's pretty plain, but the hospitals were screaming and moaning that the average consumer can't understand their data and read it.

Leon Wisniewski:

That's bologna.

Ron Barshop:

It's bologna. You can go on the Oklahoma Surgery Center and now you can go on Cost Labs and find the answers to those questions.

Leon Wisniewski:

Absolutely. And I kind of laugh at myself. I kind of laugh when I look at these files because I see how they present the data to obfuscate. And it's a few extra clicks on my part to string it out, but they didn't deceive it. All I did was put more programming hours into my day, but they didn't stop. They're not going to stop consumerism. This is simple stuff. Just like the Oklahoma City Center.

Ron Barshop:

What is your hope for the insurers when they have to do the transparency game in January of next year? Do you expect to take a look at them?

Leon Wisniewski:

That's my intention, but I used to work making fee schedules, and that's a nasty ask. You have thousands of MPIs, and every MPI has a fee schedule, and there are 16,000 codes in a fee schedule. You're going to have data from Earth to Pluto because it's so much data. So I'm really curious how they're going to get this off the ground, because that is a lot of data to put out there. It should be put out there.

Ron Barshop:

Yeah. Whether you like Trump or don't like Trump, he certainly did a lot for transparency during his four years. Didn't he?

Leon Wisniewski:

He actually did, and I roll my eyes when people bash the ACA, when they blame the ACA for the cost of healthcare. And that is 100% false. There are cost containment statutes in the ACA that were never stood up. So the problem is not the ACA. The problem is the middlemen who are blocking compliance rules so they can loot. The legal justification Trump used to stand up transparency comes from the ACA.

Ron Barshop:

Leon, does anybody that came from the inside written a book, a tell all book about all the games that are played at these big insurers?

Leon Wisniewski:

I don't know. I don't know.

Ron Barshop:

I'm not aware of any, but you'd be a good candidate.

Leon Wisniewski:

Maybe I would. I had somebody tell me the Blue Cross mafia is going to come after me, so I think that if I did that, certainly a blue Cadillac would roll up with tinted windows to my front door.

Ron Barshop:

Well, I'm going to describe to you briefly a new economy that's building that's called the direct contracting or subscription model. There's 25 to 30 million Americans that are now buying their care without the help of an insurance company, without a PBM, and they're buying their meds directly through the doctors, through the surgeons, through the imaging and the labs. And they no longer have to involve these giant bigs that are profiteering in the middle, off the juicy middle.

Leon Wisniewski:

I agree with that.

Ron Barshop:

Yeah, I really like this model because it's clean. Everybody's winning. The doctor, the patient, the employer. You don't really need ICD 10 codes if you just want to give good care and just want to take good care of people.

Leon Wisniewski:

No, you don't. Yes.

Ron Barshop:

You don't really need this regime. I call it a fur coat in July. Do we really need to wear that hot coat? It's pretty hot out there.

Leon Wisniewski:

No. And I'll take your comment there a step further in that you don't need contracts in a price transparency world. You don't need a contract to buy services from a vendor.

Ron Barshop:

Wait a minute. You don't need a contract to go buy an apple pie at the grocery store?

Leon Wisniewski:

No, I don't. Really, I don't.

Ron Barshop:

Are you sure?

Leon Wisniewski:

I'm positive.

Ron Barshop:

Do you need a contract to go buy a car?

Leon Wisniewski:

Nope. Nope.

Ron Barshop:

Wow, that's interesting.

Leon Wisniewski:

So if I have a clinician's rates for treatment, why do I need a claim? Why do I need a contract? Can't I just go in, lay down on my credit card or take a loan out from the bank at 5% interest, if



it's an expensive treatment, surgery, and pay that back? Because it's going to be a hell of a lot cheaper than paying \$26,000 a year in premiums before you buy one dime of care.

Ron Barshop:

The Americans' number one fear of hospitals is the surprise bill. You don't have surprise bills either when you pay for care that way.

Leon Wisniewski:

No, no. I saw it in the claims data. In fraud division, we would take money back, say, call it June 30th. Let's say we took this money back June 30th. And then you look at the claims data in September, and you see July 1st, more units were billed over there. They just cost shifted. Managed care and audits, it doesn't lower cost. It just causes doctors to bill more units somewhere else. They're not making less money. The only way they're going to make less money is with provider competition. You need to take market share away from them. And the only way they're going to get market share back is by lowering their prices. That's it.

Ron Barshop:

Something interesting is happening in Australia right now that's not making the news here for some reason, but the insurance giants there that are private are all going down what's called a death spiral. So we've seen eagles, they try to make love, and they separate just before they hit the ground, or you'll see in the Olympics where a man spins a woman right near the ice, and her ponytail is ... That's called a death spiral. But there's a death spiral also when healthy insurers that are young leave the insurance pool, and then the prices go up naturally. And then the next bunch leaves, and then the next bunch until all that's left are the old and sick, which completely goes against the idea of insurance pooling, right? Now, you've got nothing but high risk left, and so the insurance companies, when they say a death spiral, they're literally die ... They have to have nothing but that in their pool.

Leon Wisniewski:

Right. And here's another angle of my philosophy here is that the United States does not need 500 different claim processors when hospitals and doctors can set their own rate, okay? We only need one claim processor. Now, you call it a public option light. I think I heard somebody say it's a public option light where you're just a claim processor. You're not fixing rates, and you're going to let doctors set their own rates. We're just going to process the claims, charge the administration costs, and I agree with that. I'm not a government guy, but when there's price transparency, you do not need 500 different claim processors. You need one.

Ron Barshop:

Well, another way to say that is in the clinic itself ... So this is a primary care show. When you go to a clinic, and you see all these people that are wearing scrubs, you've got the intake and outtake. Those are both claims processors. You've got the copay, whoever is collecting the copay. You've got the person that's billing and collecting. You've got someone that's doing pre-authorizations pretty much non-stop. You've got someone who's doing referral coordination. And all of those are money transaction people, yet they went to medical assistant school to learn how

to do phlebotomy, and how to learn medical terms that they'll never use. So eight out of nine people that work in a primary care clinic don't actually do care. They're doing money transaction.

Leon Wisniewski:

Right. And I just feel that all that is wasted. It is unneeded. 100%. If I know price for treatment is this, I don't even know if you need a claim. I'm becoming more of a believer in the health sharing ministries, where you bring them in for a catastrophic care. God forbid you should need something very expensive, but under like \$30,000 a year or \$20,000 a year, you do not need a third party paying a claim. [crosstalk 00:23:48]

Ron Barshop:

I've done the math under 65 for employed Americans, less than one and a half percent are going to have a cancer scare, a heart scare, cardio scare, or a car accident or any kind of accident that's going to require a major medical outlay. So 98.5% of us are going to be okay year to year, so, yes, that's what those health ministries do is they take over where the direct primary care leaves off.

Leon Wisniewski:

And I think it's wonderful. I think that's wonderful. But the current health insurance industry, you're just funding the beast. You're funding the CEO's salaries, Vice President's salaries who don't do jack squat.

Ron Barshop:

Well, here's what employers are doing today that are enlightened, and there are, as I said, 25 million patients that there's no association, there's no name for this, there's no academic studies. There's no book written about this, but 25 million Americans through their employer are getting direct primary care, direct specialist care, direct imaging and direct labs contracted with them, all at their cash pay rates. They're doing the same thing with meds buying through the local pharmacy or the local grocery. And as a result, costs are going down 60%, 50%. And now employers have a true retention tool, a true attraction, a true engagement tool that they never had before because people don't want to give up free health care. And I have been doing this with my small company now for four years. So I couldn't chase my employees away if I had to because they [crosstalk 00:25:16] They got everything free. It's great.

Leon Wisniewski:

I believe it. The current insurance industry is done. You just look at the price variations. You look at a knee surgery. I forget what hospital was in Massachusetts, Aetna. They had three different reimbursement rates for commercial now, so depending if you were in this pool, you paid \$30,000, but if you were in this other pool, you paid \$80,000, and if you were in the last pool, you're paying \$100,000 for a knee surgery.

Ron Barshop:

Is that an algorithm or is that some guy sitting behind a desk with thick glasses?

Leon Wisniewski:

I don't know how they chunk up membership into pools on reimbursement rates. This is criminal because these carriers have one contract with the hospital to reimburse them at whatever code it was at this rate. If you're taking that to the next step, and you're putting people into a higher bucket because you can charge more money just because you can get away with it, I'm going to put handcuffs on you. That's how I feel about that.

Ron Barshop:

I'm going to tell you, Leon, you defy the definition of an actuary who is basically their own prophylactic by their personality. So you are interesting. You have a lot of charisma and you've got a passion for this, and I want to thank you for sharing on this show. Health Costs labs is the way you find you, but how do people find you individually? I found you on LinkedIn.

Leon Wisniewski:

LinkedIn is the best way to reach me. So if you want to send me a private note, I can respond to you quickly if it's a quick question. But I'm not on Twitter. I'm not on Facebook. I don't have time for anything other than LinkedIn. If I'm on social media, it's on LinkedIn. I don't have time for anything else.

Ron Barshop:

Okay. And if you could fly a banner over America with one simple message, what would that message be?

Leon Wisniewski:

Economic freedom.

Ron Barshop:

Yeah.

Leon Wisniewski:

I would just fly that word around, economic freedom. And then make people ask, what does he mean by that? And when they were to read my posts on LinkedIn, they could understand this is how you can achieve economic freedom.

Ron Barshop:

Healthcostlabs.com. All right. Well, Leon, thanks again for your time. And I will follow up with you in a year to see how people are using this site. I hope a lot.

Leon Wisniewski:

Yeah, me too. We'll see or I put all this time in for nothing.

Ron Barshop:

Thanks again, man.

Leon Wisniewski:

All right, bye.

**Ron Barshop:**

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