

# The Business of Healthcare: Common Thoughts by Leaders of Disparate Healthcare Organizations

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## Abstract

### **What is the message?**

Leaders of the major US healthcare professional associations agree on key policy areas

### **What is the evidence?**

Panelists at the University of Miami's 8th annual "The Business of Health Care" conference found common ground on universal health care, electronic medical records and pharmaceutical pricing

Submitted: May 15, 2019; accepted after review: May 17 20, 2019.

Cite as: Steven G. Ullmann, Richard Westlund. 2019. The Business of Health Care: Common Thoughts by Leaders of Disparate Health Care Organizations. *Health Management Policy and Innovation*, Volume 4, Issue 1.

The University of Miami recently held its 8<sup>th</sup> annual conference on “The Business of Health Care.” Attended by over 900 people, this year’s theme was “Technology and People, The U.S. and Beyond”. Over the last few years, one of the keynote panels has been made up of members of the C-suite of the major health care professional associations representing the wide array of the healthcare sector. This year’s panel included Matt Eyles, President and CEO of America’s Health Insurance Plans; Joseph Fifer, President and CEO of the Health Care Financial Management Association; Halee Fischer-Wright, M.D., President and CEO of the Medical Group Management Association; Ernest Grant, Ph.D., President of the American Nurses Association; Barbara L. McAneny, M.D., President of the American Medical Association; and Maryjane A. Wurth, Executive Vice President and COO of the American Hospital Association.

The panel was moderated by Patrick J. Geraghty, President and CEO of Florida Blue and its parent company, Guidewell. Many insights were garnered from this panel. Perhaps, most surprisingly, especially given the disparate organizations represented by the panelists, was the level of agreement on a number of significant issues affecting the healthcare industry at large.

## **Electronic medical records: Clinical benefits**

One of the areas of agreement is, perhaps, not that surprising. It relates to the additional work that Electronic Medical Records have produced for healthcare providers. Dr. McAneny, the President of the American Medical Association, indicated that this was an issue not because of the lack of acceptance of technology; as technology is used throughout the medical sector, robotics being an example. But Dr. McAneny argued that Electronic Medical Records are nothing but a copy of paper files with “a typewriter attached” and provide little in the way of clinical benefits. Physicians would welcome such technology if it would enhance clinical benefits. Dr. Ernest Grant, reflecting the nurses’ perspective, indicated the appropriate use of electronic communication could serve to strengthen education and compliance associated with chronic healthcare conditions and addressing aspects of the social determinants of health. Discussion centered on the prospect of moving away from the established Electronic Medical Record systems that most healthcare systems have bought into in favor of systems that focus on what essentially is the “Triple Aim” i.e. patient cost, patient quality, and population health. Perhaps there will be a transition in this direction.

## **Universal health care coverage: Strengthen the ACA**

There were a number of policy areas where one would have expected little agreement and yet, there was. One of those areas relates to “Medicare for all.” The participants were in unanimous agreement and, relatively adamant, that Medicare for all should not be a direction for the country. They also were unanimously against the idea of supporting the call for the Justice Department to sue in the federal courts to find the Patient Protection and Affordable Care Act (ACA) unconstitutional following the repeal of the Individual Mandate by the President and Congress. Panelists agreed that universal health care coverage should be the goal but that the way to attain it, is to work on and strengthen the Affordable Care Act, which allow would physicians a significant opportunity to develop alternative payment plans. Further, as discussed by Dr. Grant of the American Nurses Association, the social determinants of health need to be considered in the development of payment and incentive systems. Mental health was also brought up and discussed as a significantly important area. Given that the Affordable Care Act has been the law of the land for over nine years, there was concern about the lack of stability in healthcare policy and with that instability, the inability to undertake strategic planning crucial to the efficient provision of quality care in the United States.

### **Pharma costs: Transparency**

Another area of concern was the cost of pharmaceuticals, which one of the panelists characterized as a “Tsunami” of drug costs. Drug prices were discussed as the fastest growing line item in the U.S. healthcare system, making up more than 23¢ on the dollar of healthcare costs, excluding pharmaceutical costs included in DRGs. The question arose how people can manage their chronic conditions and be drug compliant when they are working to pay rent and food only to find, for example, that the cost of insulin costs \$500 per month. Transparency was seen as essential. Panelists reflected on a Nobel Prize-winning economic concept associated with asymmetric information, the so-called “Lemon’s Principle”, developed by George Akerlof. The Lemon’s Principle suggests that when one side has information and the other side does not, markets break down. Thus, without transparency and complete information, people tend to believe that if there are two equivalent drugs, one priced at \$100 and one priced at \$150, the \$150 drug is superior to the \$100 drug. Drug information is critical, as per the panelists, to bring about the higher quality, more efficient provision of health care. As the panel discussed, we do have an issue when among 29 industrialized countries, the United States is ranked 27th in patient satisfaction.

## Moving forward

Ultimately, the message from the panelists was that they can coalesce around many areas of policy, even though they hail from rather diverse segments of the healthcare industry. Prior to this interactive conversation, it would have probably been assumed that there would be much disagreement within a panel representing seemingly disparate interests. It was truly enlightening to hear that that was not the case.