
Guest Column: What's wrong with healthcare, Part 3

March 14, 2023

Where things become almost comical is drug pricing. New drugs are introduced with nosebleed level prices, while old drugs are often relabeled, re-dosed and then remarketed with hugely inflated prices. Drug companies price drugs at, “whatever the market will bear” levels. Medications at times have their prices change exponentially. I’ll use examples from within my medical specialty.

Bear in mind here that during these pricing follies the supplied product never changes. A standard neomycin/polymyxin ear drop perhaps 20 years ago sold for maybe \$20 per bottle. There is nothing fancy here. It is effective but contains a combination of very old medications. Due to an unfavorable study on this medication a few years back prices dropped to \$6 whereas the “safer” competing drop was suddenly over \$100. When the next study arrived showing the replacement drops to be even more dangerous, the price of original drops suddenly jumped to over \$100 per bottle. Another example would be nasal steroid sprays. Medications such as Flonase and Nasacort would average \$120 per bottle until many went over the counter.

All of a sudden you could buy these on sale at Costco for \$12 in bulk. At that price point, you know there was still a profit or Costco wouldn’t carry it. There are still a few steroid nasal sprays which require a prescription and pricing reflects that, one utilizes an old drug but with a novel new application device. The cost of this new piece of fancy plastic? It’s over \$500 a bottle.

An area where prices have totally reset the needle are the newer monoclonal antibody bio-drugs. Now don’t get me wrong here, many of these are true miracles of modern medicine, allowing for control of diseases and cancers which were not previously treatable. But prices for these medications average over \$30,000 per year. Miracle or not, that’s pretty stiff. Could the prices be half that, one third? Probably, and the companies would still do just fine.

What wouldn’t be fine would be the executive bonuses. One glaring example of this being the drug Humira. By gaming U.S. patent laws (common in the pharmaceutical industry) the company AbbVie has made \$114 Billion on Humira. Another example in the headlines was the story of the clearly soulless Martin Shkreli. During his tenure at Turing Pharmaceuticals Mr. Shkreli raised the price of their flagship drug Daraprim, used to treat AIDS and cancer, by 5000%. He’s now serving a 7-year sentence for fraud charges.

Last month another headline was the salary of Pfizer’s CEO Albert Bourla. I guess Pfizer’s profits had tripled for the year allowing him to pocket \$50 million in each of the past two years. Does all this make you feel just a bit sick as you stand in line with your credit card at the local Walgreens?

And it's not just the pharmaceutical companies. Exorbitant salaries permeate all corporate healthcare. Fat profits come out of the pockets of the patients and into the pockets of the corporate executives.

These dollars are not going to pay for your healthcare. In the U.S., of the 10 highest paid CEO's in 2022, 3 were from the medical conglomerate Oak Street Health. Here the CEO, in salary and benefits, pocketed \$568 million dollars. Do you think anyone on the planet is worth that kind of money, maybe not even entertainers or sports figures (but then that's another subject). Greed is rampant in healthcare and is the primary reason cost are bordering on insane.

Raging healthcare kleptocapitalism has led to 58% of all debt in the US being medical. One in 8 U.S. citizens have medical bills over \$10,000. Health insurance premiums are up over 200% in the last 2 decades. Costs have entered an out of control spiral that is really not sustainable. Something here has to change.

Another breakdown has been in the harmony of the doctor/hospital relationships. Hospitals used to work in cooperation with doctors with the common goal of providing quality patient care. Now more than ever hospitals have become businesses first, care centers second. And these days every business requires the ubiquitous "mission statement".

This has to be one of my biggest pet peeves for any entity, and certainly in healthcare. A mission statement is a short paragraph which supposedly defines an entity's purpose or "mission". In reality though, they are nothing more than a sequence of motivational words, which when linked, represent nothing more than meaningless business jargon. I don't know about you, but after I finish reading most mission statements (and they all are pretty much the same) I'm usually left wondering what the goals really are.

In medicine, a mission statement (if you really must have one) is easy, supplying the highest quality care possible for people in the community while providing secure employment for their staff. Anything beyond that is meaningless. And regardless, actions speak louder than words. We'd be better off to skip the statements and just do what's right.

Additionally, hospitals need to work with area doctors, perhaps with compromise from time to time to achieve their goals, supplying the best care while offering the most services. At the end of the day in a perfect scenario, everyone gets along and everyone does just fine. On the surface that seems so simple, yet there is much discord in the ranks.

It's unfortunate, because there are so many fine people in the competing groups, doctors, nurses and administrators. Hospitals need doctors and nurses to survive. They are the ones who bring in the patients and provide care. You'd expect to see receptiveness and flexibility regarding common issues. Yet instead, heels are dug in, divides to grow deeper, ties are severed, services are lost, and the healthcare of the community suffers. Eventually, this affects finances.

Hospitals are governed by a set of guidelines called By-Laws. These regulate every facet of patient care and outline a physician's responsibilities within the hospital. They are designed to ensure patient safety with fair,

equitable treatment, and are by-in-large well-intended and needed.

However, as with any 50+ page aging document, there are sections which are completely out of touch with modern society and the way medicine is evolving. Our society is constantly changing with technology advancing, yet medical thinking is frequently slow to adapt, always somehow being a few steps behind. Bylaws, while designed to protect the patient first, by necessity contain sections which can be hugely and unnecessarily restrictive to a physician's life.

What might have been necessary a decade ago may not be required in the current age to provide the same level of care. If there's one thing the pandemic has changed in society, it's the way people view work. People have become more protective of their personal time than at any other time in recent memory. We are seeing that newer physicians are less willing to make the same sacrifice of their personal life for their careers than their predecessors did. To them, it's just a job. The same rewards aren't there anymore. In society, they have just become "providers", only one of the many employed health care workers.

The old pedestal they once enjoyed is gone. They now control so very little of what was entirely their domain. So, when antiquated By-Laws are strictly enforced, doctors leave. What was once written to improve a patient's access to care in emergencies and keep them safe often work against these goals, making care actually less accessible. Hospitals have the immense responsibility of caring for the sick. Still, there needs to a total re-work of a physician's responsibilities, taking into account how these can be redefined utilizing technology now available to us in the modern age. Without compromise, we'll be seeing a lot less doctors where doctors are needed.

Another issue is the overinterpretation of the HIPAA laws. What is the Health Insurance Portability and Accountability Act and why was it mandated? HIPAA was created to ensure that employees wouldn't automatically lose their health insurance between jobs and to allow equal access to care regardless of insurance status. With the advent of the electronic transmission of medical information it also protects patient privacy, and this is the law's greatest albatross. As is the case with many well-intentioned laws, this segment morphed into a monster which often restricts access to critical information and at times can be downright frustrating or even dangerous when trying to just care for a patient.

Every medical entity now needs a HIPAA policy, meaning that all patients must sign a multi-page form stating they have read and understand the office's privacy policy. The last thing the patient needed to begin with was more paperwork. So now, even less of your extensive pre-visit paperwork is actually medically helpful for the appointment. Most has become necessary because of either the legal profession or government regulation.

Even before COVID, HIPAA laws forced medical institutions and pharmacies to create "privacy" spacing between patients. This mandate always seemed so comical, since first of all, none of us were eavesdropping on other people's problems and then publishing what we'd just heard on Facebook. Secondly, you could always hear anyway, "privacy separation" or not. Regardless, medical establishments had to comply with

these ridiculous rules or risk being fined or worse. Another great example of protecting patient privacy is trying to locate the family of a five-year-old child who has just undergone tonsillectomy.

Parents normally would like to know how the surgery went. Under HIPAA privacy regulations, a hospital operator is not allowed to use a name to help locate a family who may have stepped out of the waiting area. Paging something like, “will the family of Amanda Jones please return to the surgical waiting area” creates a privacy issue which will haunt her the rest of her living days, leading to eventual job loss, emotional anguish and general rejection from society once the world knows about the tonsillectomy.

Instead, the surgeon often has to go on to his next surgery without ever finding the family. Sorry parents, you’re left in the dark, but at least your child’s privacy has been honored. HIPAA added additional frustrations your medical team has to deal with when trying to properly take care of you.

Doc H