The Powers Report Podcast

Episode 22

All for One and One for All in the Time of a Pandemic

Welcome to The Powers Report Podcast. I am your host, Janis Powers. The show brings you candid, unique and data-driven perspectives on the health care industry. I believe that any solution that is going to positively impact the American health care system has to satisfy two major criteria: financial viability and behavioral incentive alignment. In other words, access to high quality care can only be achieved if we can afford it, and if we behave in ways that optimize our health. Please subscribe to our show on iTunes or on your preferred podcasting platform and connect with us on social media. Again, this is Janis Powers, and welcome to The Powers Report Podcast.

I hope, in the shelter-at-home world where many of us live, that you've been able to realize the completion of some of your wish-list projects. Like cleaning out the garage. Or organizing your digital photos. Maybe you finally tried that recipe for spinach lasagna. Good for you.

Then there are other activities that, despite the online availability of many products, still require repeat trips to the store. I'm talking about things like scrapbooking or jewelry making or ironing decals onto shirts. Store closings, limited hours and just the pressure of getting in and out of craft destinations like JoAnn Fabrics or Michael's have put a damper on pursuing these treasured stay-at-home activities.

Well, here in Austin, Texas, where I live, we're getting a reprieve. As of this week, there's a mandatory face mask order in place for Travis County. We can't leave the house without a mask if we think we're going to get within six feet of anyone. We've got to get face masks, and if we can't buy them, we have to make them. Which means… fabric stores have been deemed essential businesses.

Do I think this new face mask order is ridiculous? Yes, I do. Am I going to abide by it? Yes, I am. What's ironic is that we're going to have people flocking to JoAnn's because now, they can. They're going to go under the pretense that they're buying fabric to make face masks when their real goal is to get supplies so they can bedazzle their jeans. These people will enter a closed-in space with a bunch of other people and probably undo any of the good that staying at home was supposed to do in the first place.

As we move towards re-opening the economy – whatever that means – more and more people are getting anxious to both blaze ahead and to stay behind. Where you reside on the spectrum of opening up the economy depends on your:

- Health status and the health status of your loved ones

- Fear about the deadliness of the coronavirus
- Concern about your financial situation
- Concern about the economy
- Trust in the government and leaders to make good choices
- Trust in your fellow citizens to do the right thing
- Trust in the accuracy of the data that's being reported
- Fear of a major encroachment on civil liberties

As this process of "getting back to normal" moves ahead, we are going to see more of a push and pull between the individual and society. So far, hundreds of millions of Americans have done a fantastic job of sheltering in place. Sheltering in place and social distancing require the individual to make sacrifices for the greater good of society. The idea is that reducing transmission enables the health care system to be better positioned to treat the sick and allows us to learn more about treatment and prevention of the virus.

It is remarkable how well people seem to have tolerated such an anti-individualistic concept. We're Americans. We like to do what we want. And we're starting to show signs of more and more people wanting to reclaim their individualism.

In this show, I will discuss a few examples of how big societal issues and individual choice have created crises that have been amplified in this pandemic. And of course I'll discuss some ways that we can address these problems.

First is the subject of rationing. One of my favorites. I've been a fan of rationing care in the health care system since before this coronavirus thing hit. I've always wanted the U.S. health care system to get on a budget as a means to eliminate wasteful spending and to incent people to be healthier.

But the rationing we're dealing with now relates to capacity, supplies and equipment to treat coronavirus victims. Of particular concern is the need for ventilators. Early treatment of the virus relied heavily on these breathing assistance apparatuses. While recommendations are shifting about the effectiveness of the ventilators in treatment of certain patients, we still need a lot of them.

Some hospitals are enacting criteria about how to ration the ventilators they do have (1). In fact, some hospital systems already had emergency rationing guidelines in place, and they're now dusting them off and seeing how to apply them to the pandemic. The rationing guidelines focus mostly on treating those with the best chance of getting better. It is an imperfect system. But hard choices must be made.

Well, maybe not, if you're AARP or any of the other advocacy groups fighting the rationing guidelines. The concern is that if there's an age cut-off for access to a ventilator, some people will unilaterally be denied care. Same thing for any of the other criteria that may be considered for rationing, like patients with severe dementia or those with multiple comorbidities (like

obesity, cardiovascular disease and high blood pressure all at the same time). Federal law prohibits denying people care based on these attributes. Therefore, the advocates claim that using the aforementioned criteria to ration ventilators is discriminatory.

It's time to take a fresh look at these discrimination laws. First, there's no war-time, pandemic-related clause in the laws that allows for a loosening of the requirements. There should be.

More importantly, if age and poor health and a low chance of survivability are not to be used as criteria for the distribution of scarce resources, then what should be? First diagnosed, first to get a ventilator? A lottery? A lottery is certainly less fair than using survivability criteria because people who have a very good chance of surviving would wind up dead. Many of those people would die just so someone with a much lower chance of surviving would use a ventilator for a long time and then…die anyway.

I have to remind myself that I'm talking about this abstractly. I don't have to make these decisions and I have to imagine that anyone listening to this who could be on the non-ventilator end of the logic sequence is furious. It's terrible that there is no good alternative. No physician or administrator wants to make these decisions. However, as discussed in my last podcast, the ethical answer comes down to doing the best for the greater good. It is a tragic choice, but individual sacrifices must be made in the name of saving many others.

There are a lot of other issues about balancing individual needs and society's needs. One of the more complicated concerns is the fact the novel coronavirus is having a disproportionately negative effect on minority communities. In fact, there are two issues here. One is a financial factor and the other is a health factor. We'll talk financial first.

Poor and low-income people don't have the resources to just sit at home and do jigsaw puzzles all day. They have to get back to work. They're more likely to be employed in jobs that are in the service industry. They may have to take public transportation to get to work. They tend to be around more people, which increases their chance of contracting the virus.

The federal government passed the CARES Act in March and the legislation sent money to some low-income people, offered support for small businesses, funded health care needs etc. It is helpful, but it certainly isn't enough to help many low-income people get through this crisis.

I don't think we should pass another relief package to solve the problem (although I think that's going to happen anyway). These relief packages run in the trillions of dollars and that debt burden is something all of society – including low-income people – have to bear. Our country is already over-spending and creating more and more debt isn't the answer.

So where should we get the money? Well, it would be good if we could do something to address America's income inequity issue. Now anyone who's listened to this show knows I am not a socialist. I really like capitalism. And I think it's just AOK to be rich. I am especially AOK for people who have invented things and created things to be rich. They've earned it. Jeff Bezos is

the richest man in the world. Like him or not, this pandemic would be a whole lot harder to handle if the man hadn't pioneered online retail decades ago.

I am also AOK with corporations. I don't think they are evil. In fact, if you work for a big corporation right now, you are probably really happy because you've got much more of a cushion than those who don't.

Now, I don't want to sound terrifyingly like Elizabeth Warren but… My beef is with the CEOs and the C-suite who make millions and millions of dollars just to administer. Look, I understand that it takes some skill to run a multi-billion-dollar enterprise. It takes over your life. But tens of millions of dollars a year? That's ridiculous.

In fact, it's kind of insulting. Last month the CEO of HCA, the very well-run for-profit hospital chain, gave up two months of his salary to help fund employee payroll (2). Sounds like a good thing to do and makes for good PR. Until you actually look at what he made. HCA's CEO, Sam Hazen, made $26.7 million in 2019 (3). That is 478 times more than the average salary of an HCA employee. Note the figures I'm quoting are from 2019, not 2020, but this is meant to be illustrative.

$26.7 million was his compensation, mind you. Compensation was comprised of a salary, stocks, contributions to his pension and other totally awesome things. Mr. Hazen's 2019 salary was only! $1.4 million. So his contribution towards his employees' payroll was, theoretically, less than a quarter of a million dollars. The average employee at HCA makes about $50K a year. So Mr. Hazen's sacrifice is enough to cover the annual salary of, like, five people. Or two months' salary for 30 people. By the way, over 200,000 people work for HCA.

Yes, I am still talking about income inequality. It's not like this is a new issue. Remember in August when a bunch of CEOs of the Business Roundtable signed a pledge saying that it was time to put the needs of employees and their communities and vendors ahead of what was being done to enhance shareholder value (4)? Most of us found this pledge to be a repudiation of capitalism, which is a nice way of saying it was total BS. Nonetheless, 181 CEOs signed the pledge.

OK people! Now's your time to shine! What is the Business Roundtable going to do to follow through on its pledge now that we're in the midst of a generational health and financial crisis? Inquiring minds want to know. Please stop putting yourselves first so you can help the greater good – your employees and your communities.

OK. Let's discuss health disparities. The outcomes related to coronavirus are worse in minority groups. For example, in Illinois, 43% of the deaths due to coronavirus were in the black community (5). However, blacks only make up 15% of the state's population. I'm not going to quote any statistics on who's caught the coronavirus because we haven't tested everyone, so we're not counting all the people who actually have it, or had it, and we're not taking into account that some of the tests aren't accurate. But the death statistics are damning enough.

The biggest factor contributing to coronavirus problems in the minority community is the poor health than many individuals were in when they initially got sick. In fact, poor health and a low immune system make it easier to contract the virus. Worse yet, poor health conditions, like obesity, diabetes, cardiovascular disease, chronic obstructive pulmonary disease (COPD)…all of these conditions correlate to higher death rates for those infected with the coronavirus.

Addressing the health disparity in America has been a problem for decades. I've talked about this before. Some claim that a lack of health insurance coverage is a reason why the poor are less healthy than the rest of us. Wrong. Health insurance coverage doesn't make people healthier. (Please listen to my second podcast of the same name.) Poor people can qualify for Medicaid. There are those that are uninsured. But even so, people who have insurance – Medicaid or not – don't use it to get preventive care. Without proper education about good health habits, people have a hard time being healthy. We absolutely need local health authorities to do a better job engaging people in their communities to improve health literacy.

The bigger problem is a cultural one. 40% of health outcomes are a function of behavior. In other words, what we do, what we eat, if we exercise, all that stuff has a major impact on our well-being. When 70% of Americans are overweight or obese, we have a national emergency on our hands. One could argue that minorities, because they skew towards lower income and having a lower level of education have a harder time being healthy, assuming they had a proper understanding of what being healthy meant. There is truth to that. But that is not anywhere near the whole story.

We are a nation that celebrates the individual, even when that individual is unhealthy. We are hellbent on promoting "body positivity." We encourage people to accept their unhealthy state by denouncing anyone who offers a critique of it. That behavior is supremely arrogant and selfish. It puts the individual's preferences above those of the greater good. Why? Because when people are unhealthy, they use a disproportionately larger amount of health care to get better. They need more drugs. (Actually, they use more drugs. "Needing" drugs is a whole other topic…) Unhealthy people require more specialized care and they take longer to recover. As the cost of health care goes up, it's a financial burden shared by everyone else. And when the need for health care goes up, then limited resources become scarce. Limited resources like ventilators.

So what do we do about it? We need to incent people to get healthier by rationing elective procedures to those who achieve health goals. In other words, smokers need to quit smoking and obese individuals need to lose weight before they get a knee replacement or a pain injection. Let's get to the root cause of some of the problems that are requiring a need for the elective procedures so we can address them – and make people live healthier, better lives.

Of course people will object to this. They tried this in the U.K. and people freaked out (6). However, now that we've seen the effects of poor health on recovery during the pandemic, maybe folks will be more open to the incentivized rationing of elective care. Further, so much

elective care has been postponed as a result of the coronavirus. My hope is that the recent postponement of elective care will help people understand that rationing access to elective procedures is not the same as rationing access to open heart surgery. If people need medical care for legitimate reasons, they have to have it.

Then there are the hospitals. This is the last subject I'll address where individualism – or in this case, an individual entity – is putting its own needs above the community's. For years hospitals have been complaining that operationally they were losing money because most of their patients are on Medicare. Since Medicare underpays providers, hospitals have been operating at a loss to treat these patients. Further, more and more procedures can be done in the outpatient environment, outside of hospital walls. That's been putting pressure on hospitals to close or at least downsize. I've talked about the need for this downsizing to happen. Larger hospital campuses breed inefficiency, have high cost structures and are expensive to maintain. Those costs get shifted to us, the patients. So this "hospital first" mentality has been around a long time, despite the fact that the mission of almost every hospital in America is to serve the community.

Then along comes the pandemic. Hospitals are now really, really busy. Hospitals are treating people for the coronavirus and they aren't just Medicare patients. They're all kinds of patients with all kinds of insurance.

The upside for hospitals is that there are no formalized protocols to treat the coronavirus. There's no DRG code for COVID-19 that can get plugged into the electronic medical record for billing. Lord knows how the care is going to get billed, but you can be rest assured that the maximum amount that can be billed will get billed. There's a good chance that many hospitals are going to get shorted. But with so much clinical chaos going on, it's going to be nearly impossible to retroactively apply any procedural billing logic to the treatment of coronavirus victims, especially those who were infected early.

In addition, hospitals are going to get tons of equipment. They're getting ventilators and who knows what else. They're going to do everything they can to beef up their raison d'être despite the fact that they need to be shrinking in size. It may be inadvertent, but hospitals are continuing to put their survival over the needs of the greater community.

Here's what I think should happen. One hospital in every metropolitan area needs to be designated as the COVID-19 hospital. All cases need to be treated there. Any cases that show up in the ER of any other facility need to be transferred to the COVID facility. All special equipment and treatment protocols and studies and research need to be conducted centrally at this one facility. Segregating these patients reduces infection rates for not just the non-coronavirus hospital patients but also the caregivers at the other facilities. We need to staff these COVID-19 hospitals with survivors of the virus, those who are immune, so they can safely treat the sick.

That would be my plan, anyway!

We're going to get through this period of self-containment and enter a period of chaos and criticism. More people are going to want more for themselves. Let's not forget all the good we've done by sacrificing a little in the greater cause of public health. We need to remember that when we do the right thing, we as individuals aren't the only beneficiaries. Those around us benefit too. I wish you safety, sanity and hope you are continuing to be as healthy as you can be.

This is The Powers Report Podcast. Please subscribe to our show and please follow me, Janis Powers, on social media. Please see our website at powersreportpodcast.com to submit questions and ideas on the Contact page. I look forward to hearing from you. Thanks so much for listening!

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