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Testimony

I'd like to thank the US House of Representatives and the Committee on Ways and Means for allowing me the honor of speaking on behalf of Physicians and as an American interested in finding ways to improve and correct the cost and transparency crisis that we are currently facing within healthcare in this country.

To provide a bit of context, I am a board-certified practicing anesthesiologist in Indianapolis, IN. I personally have had the desire to practice medicine since childhood. I moved to Indiana in 2001 from Louisiana and completed my medical school and residency training within the IU health system and affiliated hospitals. I started clinical practice in 2010 well-prepared for providing clinical care for patients in my field and joined a private group practice. I became acutely aware that while my training had well-equipped me for the complexities of practicing medicine, it provided no preparation for the business of medicine. Training did not address patients' needs navigating the complex health system at large. Patients would routinely ask the morning of surgery, "Is your group in my network?" or "will my insurance pay the anesthesia fees for today's surgery?" I was not prepared with answers and did not know where to find them. I also realized if I did not understand the system as a physician, it was likely impossible for patients to navigate this issue. Furthermore, each patient was in a position of vulnerability and at the mercy of the health system for their immediate needs so had no leverage if the costs were beyond their means.

Because I felt complicit in this broken system, I began my personal journey to gain a better understanding of how the system works, what barriers were present and how could they be navigated to allow patients to have transparency, decision-making capability, and a level of autonomy and control over their health and in my case, their surgical needs. The end result of this was the creation of Wellbridge Surgical.

Fundamentally, the Wellbridge Surgical model of care delivery isn't novel or really that complex. Organizations such as the Free Market Medical Association and the Surgery Center of Oklahoma have been providing transparent-priced, value-based surgical care for years. The goal with Wellbridge, was to approach the delivery of care from the approach that has been utilized for decades across other fields and industries. First, determine the need: transparent priced surgical procedures that are all-inclusive with higher quality experience and outcomes and lower price. Second, provide that service to all patients without price discrimination based on the presence or absence of insurance or payment methods.

A common phrase that we throw around is that you would not purchase a car or home prior to knowing what it costs, and healthcare should be no different. In addition, using the car example, you also would expect a car to include all components needed to serve the purpose of a car, transportation. A car sold without wheels is useless and absurd and so is surgical care without to entire episode of care included in the services provided. So, that is what we did. We included surgeon pre-op consultation, facility fee, surgeon and anesthesia professional fees, and standard post-operative follow up in one up front price based on the procedure (CPT codes) provided.

The next step was to determine the ability to deliver. Starting with a basic proforma we determined what it would cost to build a state-of-the-facility, contract with the best surgeons locally across surgical specialties offered, and price the services provided factoring a small margin of profit. The initial

expectation was to save 10-20% over the current costs of care. After full analysis we determined we could actually provide surgical procedures at nearly 55% savings on average and approaching 70% savings on some of the more complex procedures performed. We started with 4 primary specialties and gradually built out the service lines and types of procedures performed once we had the surgeon commitments, necessary staff expertise, and processes and protocols to ensure safety from start to finish. Today, we currently have over 30 board certified surgical specialists operating representing more than 10 surgical groups.

This model of care delivery has solved multiple problems related to surgical care. The first is patient accessibility. Typically, specialist access is rationed and the ability to receive care is delayed due to out of pocket costs. With our approach, patients receive an assigned patient navigator and they are scheduled to be seen based on their surgical acuity with even routine consultations being seen within 2 weeks or less. In addition, because the average American has a significant out-of-pocket cost, patients often elect to defer surgical care until emergent. It is common for patients to have \$6000, \$8000, or more out of pocket deductibles in some cases. We perform surgical ear tube placement for \$2380 compared to the local health systems cost exceeding \$6000. On the far other extreme, a total joint replacement at our facility is \$23,500 vs \$80,000 or more locally.

The second problem solved is escalating costs passed on to employees and employers. In Indiana, approximately 70% of companies are self-insured and other states have similar numbers. In this scenario, the employee and employer are paying the claims. Ultimately this translates to year over year increased costs of doing business and increased premiums paid by employees. Because there are multiple health systems within our city and most others, it appears that there is competition, but because there is no transparency, the negotiated rates for any given procedure across the health systems are nearly the same. When savings of 50% or more are achieved, then out of pocket deductibles can often be waived and the employee and employer both save thousands for every episode of surgical care. This forces the hospitals to find ways be competitive and increase quality outcomes.

The third problem that is being solved is being an active consumer of your healthcare vs. a passive participant ushered through the system. If you can provide an alternative to the current elevated cost system, you are incentivizing individual Americans to be active decision-makers of their healthcare. The hospital referral call centers will always refer to their facility specialists to capture the very profitable surgery facility fees. Once patients have more choices and are educated that they have a choice, they begin to seek out high-quality, patient-focused centers of excellence with surgeons who have fantastic reviews and outcomes. Entities like Healthcare Bluebook focus on providing this information. Recent data provided by the RAND studies show where the highest cost centers are for routine outpatient procedures and recent data has not supported high cost with high quality.

The fourth problem that this model solves is the gross disparity across demographics regarding needed medical and surgical services. In this country, 2/3 of bankruptcies are due to medical bills. In many cases, the working-class American is functionally uninsured because their annual deductible far exceeds their emergency fund or cash on hand. Health sharing organizations like, CHM, Medishare, Samaritans, and Sedera need access to high quality services for their members and Wellbridge is contracted and actively caring for these patients. In the Midwest, the Amish and Hispanic communities often pay out of pocket for surgical services at rates higher than negotiated BUCAH payors and market competition and transparency has become critical. We have had the privilege to provide surgical services for Indiana municipalities and their employees, firefighters, teachers, maintenance workers as well as local unions. Those managing the healthcare of all these groups are working within annual budgets that require transparency and market competition.

Transparency means a lot of different things depending on the organization that you ask. For true transparency, we need the hospitals to take ownership of this problem by providing an actual, all-inclusive price for the service provided and make it easy to obtain. The intermediary entities like brokers and TPA's need to be transparent on their compensation model to weed out the bad actors like those with conflicts of interest being compensated based on a percentage of the claim. Finally, for physicians to understand their fee schedule and commit to cash pricing for services rendered when patients ask for one.

Prior to starting Wellbridge, I was a part of a 95 physician anesthesiology group. This group was contracted to provide all anesthesia services to a large local health system including 4 hospitals and many hospital-owned surgery centers in the city. When the hospital leadership learned of my plan to create a transparent-priced surgery center, the hospital president threatened the managing member of my group, demanding that I be fired. Because there were no clinical grounds for doing so, the hospital leadership threatened to terminate the contract for the entire group of physicians who provided all emergency operating room coverage, trauma surgery coverage, emergency obstetric coverage, as well as all nights and weekend anesthesia services. To wield patient lives callously over market needs and transparency demonstrates the importance of this topic and changes necessary to ensure American lives are not gambled with and Americans have the highest quality care as well as a choice.