



Podcast Transcript

Cruel and Stupid? - Take Two.

How Our Healthcare System Affects Doctors and Patients

Featuring Dr. Ron Birnbaum, Dr. Paul Song & Dr. James G. Kahn

Dispatcher: *911, what's your emergency?*

Caller: *America's healthcare system is broken and people are dying! (ambulance siren)*

Welcome to **Code WACK!**, where we shine a light on our callous healthcare system, how it hurts us and what we can do about it. I'm your host **Brenda Gazzar**.

This time on **Code WACK!** It's our 101st episode and in honor of this special occasion, we're revisiting one of our very first - *and most disturbing* - podcast episodes, **Cruel and Stupid**. It's about how our 'wack,' healthcare system, with its confusing mess of various insurance plans, treats patients very differently depending on who pays the claims. It's as relevant today as ever. You'll get to hear from **Dr. Ron Birnbaum**, a board-certified dermatologist, **Dr. Paul Song**, a radiation oncologist and president of Physicians for a National Health Program-California (PNHP) and **Dr. James G. Kahn**, professor emeritus at UC San Francisco and a health economist. Enjoy the story!

(MUSIC - 5-second stinger)

----- **FEATURE** -----

The Eisner Health Family Medicine Center at California Hospital in downtown Los Angeles is bustling this spring afternoon.

(Audio clip of sounds)

Patients at this nonprofit community health center near the Fashion District are mostly poor.

Birnbaum: It's a place that's dedicated to taking care of people for whom our current system would otherwise fail them.

That's Dr. Ron Birnbaum, a dermatologist who sees patients while teaching residents at the center. He's also among an increasing number of doctors who support single-payer health insurance. Often referred to as Medicare for All, the program would cover the essential medical needs of every U.S. resident, much like in Canada and Australia.

Birnbaum: We have a system of health care that is both cruel and stupid and it's cruel because we don't take care of everybody and it's stupid because we spend more than the rest of the world in not taking care of everybody.

Dr. Birnbaum is about to perform a biopsy of a growing mole on a patient's forehead.

(Audio clip of patient and the doctor)

The patient, Maria, has Medicare, a public health insurance program for senior and disabled Americans. But the clinic also sees a high percentage of those with various types of Medi-Cal, a public program for low-income families and individuals in the state. It also serves the uninsured, including some who get support through a county healthcare program called My Health LA. A smaller percentage of patients have insurance through Covered California – the state's health insurance marketplace -- and a few have workplace-sponsored commercial insurance.

All these options mean that our current healthcare system is a labyrinth to navigate, even for doctors – and one that's constantly changing.

Birnbaum: The totality of that means that every single person who comes through the door, what you can do and what you can't do, and how you do it, and who you have to ask for approval from them is different and that can change over time with the same person. They suddenly make too much money because they have a slightly better year and now they don't have Medi-Cal anymore, or they grew too old for one program and go to another program, or any of the other things that determine this idea called eligibility.

How does having patients with various health plans and insurance status affect Dr. Ron Birnbaum and other physicians? And just as important, how does it affect patients? He answered with this story.

The doctor saw three patients in October who all happened to have a squamous cell carcinoma. That's a potentially life-threatening skin cancer. Each patient had a different insurance plan or program and needed a procedure called Mohs surgery. That's a special surgery that effectively treats the skin cancer but takes extensive training to perform. The clinic doesn't offer so it has to be referred out. How long each patient had to wait depended on the type of coverage they had.

Birnbaum: And one had Medicare -- was homeless -- but had Medicare. One had Medi-Cal, and one was undocumented and on the My Health LA program. The Medicare patient got it done in a week. The My Health LA patient, I just found out now -- this week -- just got it done, so it was something like 6 , 7 months (that he) went with deadly skin cancer on his face. And the one with Medi-Cal, I still haven't been able to confirm that she got it done. As far as I can tell, she hasn't. She has not yet got that done. We've, I think, been trying to find somebody who will see her.

That's because hardly any Mohs surgeons take Medi-Cal. The situation cannot only be frustrating to patients but it requires "different acrobatics" on the part of the clinic's staff to try to find someone to treat patients on some of these plans.

Birnbaum: That set of encounters with these folks is really indicative of the challenges that we face, but also in each case, the sort of amount of time that goes into just trying to get people the thing, the basic thing that I think they need to get rid of their cancer, (is) completely different. And a completely different amount of sort of follow-up and checking and re-checking and emailing to make sure they get their problem taken care of.

Dr. Birnbaum says this story also illustrates how expanding Medi-Cal -- as some advocate for -- is not an ideal solution because the program doesn't cover all specialties and specialized services. The only real answer, he says, is to give everyone improved Medicare.

That sentiment is echoed by Dr. Paul Song, a board-certified radiation oncologist and president of the California chapter of Physicians for a National Health Program. He says that the burden on doctors in our multi-payer healthcare system is well documented.

A 2009 study published in Health Affairs found that physician practice staff reported spending 20 hours per week on average just dealing with pre-authorizations.

Song: Meaning before I can do anything to you, draw your blood, send you for a CT scan or do a procedure, say take a pap smear or something that I would need to get pre-authorization from your insurance company.

Twenty hours a week is a lot, right? So if I didn't have to do that, I could see far more patients, or spend more time with each patient versus feeling greatly rushed.

And that's just for pre-authorizations, Dr. Song says. Much of the Electronic Medical Records, those forms doctors fill out on their computer while you're in their office, is related to billing for insurers. That also takes significant time.

Then there's the cost. Dr. James G. Kahn, emeritus professor at UC San Francisco and a health economics expert, has studied this issue of cost to doctors.

Kahn: Yeah, so we did a couple of studies on private practice doctors and what we found is that they're spending about 13 cents out of every dollar of revenue on paperwork associated with billing in particular and most of that - about 10 to 11 cents - could be gotten rid of. So to put it in shorthand, ten cents out of every dollar is wasted on unnecessary paperwork.

Yikes. And what does Dr. Kahn have to say about the overall price tag of all this additional paperwork and billing resulting from our multi-payer healthcare system?

Kahn: We've studied how much this all costs in the aggregate and it's well over \$400 billion dollars a year in the United States. That's about 12% of all our healthcare spending goes to extra costs associated with juggling all of these different payers.

To give you a sense for what that translates to, that's about \$1,400 per person, per year. That means a family of four is spending close to \$6,000 on unnecessary paperwork every year. Think about what \$6,000 could buy.

Uh, a down payment on a car?

Kahn: You could do that. You could pay for part of college, you could go on vacation or you can get more health care that maybe you were having trouble getting. There are many ways to spend that money than on unnecessary paperwork.

Why does it cost so much? So we already know our medical providers have to deal with a plethora of public and private insurers – including consultants, lawyers and IT specialists. Then there's the costs on the insurers' side. This includes marketing to sell their products, staff to deal with negotiations and billing and of course, a profit – which often runs 10 to 15 percent, according to Dr. Kahn.

Just as frustrating as the added costs are doctors having to fight for authorizations for treatment and to overturn denials.

While I was at Eisner Health, Dr. Birnbaum explained that the patient on the My Health LA Program who eventually had the Mohs surgery for skin cancer on his face also had sun-induced precancers throughout his body. To prevent him from getting more, the doctor wanted to prescribe a topical cream that's been around for decades. But he was told that it's not on the My Health LA formulary.

Birnbaum: So I have to convince them that they should pay for this for him and you know ultimately, it comes from the same pot of money that pays for when he gets a skin cancer when he needs Mohs surgery, so maybe it would be good not just money-wise but morally speaking, to try to keep him from getting more skin cancers.

What's further a little aggravating about this is I've used this medicine with him before already and so for whatever reason and I don't remember being asked to do a prior authorization for this before but now - the same guy, the same program nothing has changed - now there's like this new paperwork thing.

Dr. Birnbaum has to fill out such forms in between seeing patients.

Birnbaum: Has the patient tried any other medicines for this condition? Well the answer is yes, not this, but he has used this one successfully.

The time that it takes for me to sort of fill out this paperwork is just a bite out of the time that's available to see other patients or you name anything else it's just in the way of doing any other better thing.

Denials of treatment are often the most troubling for doctors. Dr. Song says that in California alone, there have been more than 45 million denials in the last five years -- and many of those got overturned.

Song: What that tells you is the private insurance industry is purposely carrying out denials with the hope that it's just so painful that most patients or doctors won't take the

time to fight the denial, and if they do and they win, well, we'll pay it out but we will have kept the money for several months and have had the interest on that.

Dr. Birnbaum said the system is designed to get you to give up – a test of wills. He often faces long phone trees that ask you to repeat a patient's identifying information. Overturning a denial or getting a pre-authorization often takes 30 minutes on the phone, he said. It can take longer for doctors who don't have the kind of support he gets from his staff.

I asked him if he has ever given up because it was just too hard.

Birnbaum: I think the answer is yes and you know, if you hear me pause it's because it's shameful, right? But there are only 24 hours in a day and I do actually have a family and things like that. I actually, like, I have to see them. So, I don't give up on a lot of important fights -- I don't want to kind of misrepresent -- but every so often I might say to a family 'God, this is going to be really hard. Here's this other alternative' and if I don't think that that's super obnoxious, I think occasionally, I will have done that.

So how might his life as a doctor change under Medicare for All? While some of that is unclear, he said there would certainly be less time haggling with insurers and more time helping patients -- which is why he became a doctor in the first place.

Birnbaum: I would feel a lot better. (pause) ... Dermatology is a super like, it's a super happy field for most people because it's really interesting. You get to use your brain and your hands and historically it's had a very high doctor satisfaction rate among all the specialties. In the last few years, we've seen that completely disappear.

Why do you think that is?

Birnbaum: I think it's all the stuff you've just been watching me doing – so especially in places where people are just absolutely overwhelmed by it.

Dr. Birnbaum believes that Medicare for All would not only solve these unnecessary problems, but also what he calls the “nefarious” issue of eligibility.

Birnbaum: It's the way that offers the hope that we could cover everybody and not as a society be sort of doing what we do, which is essentially ration based on your luck or your ability to pay or what job somebody in your family has or some job you lost having nothing to do with you or all of the other unjust reasons that we don't take care of everybody and maybe we can actually get better results because the rest of the world generally does get better results.

(MUSIC - "Talk Back" 10 seconds, fade down)

Thank you Dr. Ron Birnbaum, Dr. Paul Song and Dr. James G. Kahn.

***Do you have a personal story you'd like to share about our 'wack' healthcare system?
Contact us through our website at heal-ca.org.***

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