Transcript / Transforming Healthcare: A Conversation with Rita E. Numerof

Chris Comeaux: 0:00
I'm getting a sense there might be a train wreck coming, but I feel like I'm seeing some evidence, like premium increases that are scary and are getting scarier, because I've talked to a lot of great brokers that are in the know. The Medicaid cuts haven't even hit yet. Those are going to happen next year. Home health just got some significant cuts. Health insurance the largest insurer in the world lost about 50% of their stock value. So, are we headed to a train wreck, do you think? 26, 27?

Rita E. Numerof: 0:27
Well, there's a strong likelihood that we could be there, but what I'm hoping is that you and I and other people who are seeing this are smart enough to be able to throw the switch, so that we avoid the collision that, if we stay on course, is going to happen. We've seen a steady increase in consolidation, with big systems getting bigger and more physicians becoming employees of these big systems, and we know, whenever there's a merger and a consolidation, costs go up, quality goes down, and so consolidation has dramatically undercut local competition in health care. It hasn't improved health care delivery, even though the hospital association would say it has. I don't think it has, and the evidence is there to underscore what I'm saying. It hasn't increased patient satisfaction, it hasn't increased physician satisfaction and, shall I say it again, the costs continue to go up.

Melody King: 1:25
And now here's our host, Chris Comeaux.

Chris Comeaux: 1:29
Hello and welcome to TCNtalks. I'm excited today. Very rarely do we have a guest come back twice in the same year, but I'm super excited because Rita Numerof, who's the co-founder and president of Numerof and Associates, is back with us. Welcome back, Rita.

Rita E. Numerof: 1:44
Thanks, Chris. It's a pleasure to see you again and a pleasure to be on the program.

Chris Comeaux: 1:48
I really appreciate you saying yes to come back and so let me read from Rita's bio and we're actually going to put a link to the first show because it would be a great pre-watch or even a post-watch after you listen to this one. So, Rita is an internationally recognized consultant and she's an author with over 30 years of experience in the field of strategy

development and execution, business model design and market analysis. Her work across the entire healthcare spectrum gives her a unique perspective. She's a bit of a unicorn on the challenges of pharmaceutical medical device manufacturers, healthcare delivery institutions, payer physicians and suppliers. She got the whole thing.

Chris Comeaux: 2:24
Dr Numerof has served as an advisor to Congress on issues related to healthcare reform and she wrote the Heritage Foundation's policy paper why ACOs Accountable Care Organizations Won't Deliver Better Healthcare and Market Innovation. Well, she's the author of six books, including Bringing Value to Healthcare Practical Steps for Getting to a Market-Based Model. She gave us a teaser. She might be thinking about a seventh book, and the book outlines a market-based model in healthcare focused on transparency and cost quality payment connected to outcomes that matter, and these themes are reflected in her biweekly column for Forbes, where she offers insights on the business of healthcare. Reed, anything left out you'd like to add?

Rita E. Numerof: 3:04
No, I think you've covered it really well. You know the one thing. Now that I said that, Chris, I'm known as an equal opportunity critic. I'm very proud of that.

Chris Comeaux: 3:14
Which is what I love that about you, because I think you're very pragmatic, you're not an ideologue beholden to, you're really a solutions-based person and you've got such great wisdom Again. You and I met many moons ago. We talked about it in the first podcast and I was thinking this year getting a sense of I'm getting a sense there might be a train wreck coming, and it was more of a weird sense in the beginning of the year. But now I keep. I don't know if it's like the reticular activating system and you got that thing and all of a sudden you're seeing all this evidence. But and you got that thing and all of a sudden you're seeing all this evidence.

Chris Comeaux: 3:44
But I feel like I'm seeing some evidence like premium increases that are scary and are getting scarier, because I've talked to a lot of great brokers that are in the know the Medicaid cuts haven't even hit yet. Those are going to happen next year. Home health just got some significant cuts. Health insurance the largest insurer in the world lost about 50% of their stock value. Seen some fascinating videos since then explaining some I'll say some holes in their fundamental business model, and so I kind of feel like I'm this guy on the platform reading going. Is anyone else seeing what I'm seeing? So, are we headed to a train wreck, do you think? 26, 27?

Rita E. Numerof: 4:21
Well, there's a strong likelihood that we could be there 26, 27? Well, there's a strong likelihood that we could be there, but what I'm hoping is that you and I and other people who are seeing this, are smart enough to be able to throw the switch so that we avoid the collision that, if we stay on course, is going to happen.

Chris Comeaux: 4:39
Oh, that is so incredibly well said, which, at the very end, I said OK, Rita, if you were queen for the day, RFK and Dr Oz. You pick up the phone, and they're like Rita, we need you to come down here and tell us how to fix this thing. And you said, do you have time for a part two? I said we're going to make that happen. And here we are.

Rita E. Numerof: 4:59
Thanks, Chris. I wonder if it would be okay for us to step back and amplify some of the things that you said by way of context, because I think understanding what the different elements are and why we are likely to potentially head for this train wreck and what we need to do to avoid fact. I had the honor of being able to directly advise the leaders of HHS and CMS that there are some specific things related to this, connecting the dots and painting a picture that I think would be really important. So, let's step back for a minute. The insurance payer segment, which you very correctly identified, has been under pressure once again, and it's not just about costs. There's been public outcry and a good thing about that public outcry with regard to prior authorization and there are changes that are happening because people have had it and they are concerned about it, and there is evidence that going through all of these hoops is dangerous to people. Forget about the frustration. It's dangerous. The inability for people to get their needed therapy in a timely way, or even to secure that therapy at all, is really problematic. There's also been pushback from employers who are concerned about their continuously increasing premiums. That hasn't gone away. We've seen legal challenges to the consolidation of payers and questions about any trust violations coming from Congress. And so more and more players are saying there is something fundamentally wrong and while they may be focused on specific aspects of this, when you step back and you look at the whole thing, it speaks to what's wrong with the business model.

Rita E. Numerof: 6:53
There's been heightened scrutiny about PBM practices the three mega insurers CVS, Cigna, united. They've been self-dealing. There's been a lack of transparency, but these concerns also aren't new, Chris. Independent pharmacies have been hurling these challenges and saying these are practices that are killing our business and creating problems for consumers, especially in rural and vulnerable areas. So, it's not new to them,

and we're seeing more tension there, which is a good thing, and Congress raising questions about some of these practices.

Rita E. Numerof: 7:37
Oh, and they are joined, ironically, by members of the pharmaceutical industry that have pushed back on these PBMs because of anti-competitive practices that essentially raise the cost of pharmaceuticals for patients through a very complex Byzantine rebate system.

Rita E. Numerof: 7:58
So I think the public really needs to understand how these practices cost them more money when they go to the pharmacy window, and they try to get coverage for the medications they need. But at a macro level, it costs the American taxpayer money that we just can't afford, or we could use those dollars to be able to ensure that people that don't have coverage for whatever reason, get the coverage and access that they need. Oh and speaking of access, particularly in rural communities, this has dramatically deteriorated at the same time that costs have gone up, and this deterioration also isn't new. It's only gotten worse. So, for the last 15 years and I think that construct 15 years ago is really important we've seen a steady increase in consolidation, with big systems getting bigger and more physicians becoming employees of these big systems, and we know, whenever there's a merger and a consolidation, costs go up, quality goes down, quality goes down.

Rita E. Numerof: 9:06
How many times do we need to be told something that we already have? Research to tell us is going on, and it was something ironic that I predicted was going to happen in 2010 with the passage of the ACA and unfortunately, I was right about that prediction. And so, consolidation has dramatically undercut local competition in healthcare. It hasn't improved healthcare delivery, even though the hospital association would say it has. I don't think it has. It hasn't increased physician satisfaction and, shall I say it again, the costs continue to go up. And at the same time, CMS has been trying to cut costs and improve outcomes unsuccessfully for more than 40 years.

Rita E. Numerof: 10:00
So, you might think that, with all this consolidation and problems in the insurance sector and with pharmacies and so forth, that healthcare delivery organizations would do well under all of this change. They also provide a service that people need, but they're not doing well. Not doing well. Healthcare delivery organizations generally operate on razor-thin margins assuming they even have a margin, Chris. A lot of them don't and, ironically, they're relying desperately on an outdated, broken business model that's been proven not to work. And for many of these organizations, one of the real sad stories is their biggest

revenue stream comes from a program that was established in 1992, called 340B, to provide prescription drugs at a discount. Originally it was for a very limited number of healthcare delivery organizations who treated the most vulnerable among us, people who didn't have insurance, who weren't on Medicaid, and this was way before ACA. So, the 340B program has ballooned out of control.

Rita E. Numerof: 11:15
So, your observation about are we headed for a train wreck, chris, I think is spot on. We could be, unless we flip the switch. And the good news is it's gotten so bad that more people across the country are aware that something needs to change. The bad news is there's always a good news. Bad news side of things. The bad news is that the system is extraordinarily complex. There are entrenched interests that are holding onto the status quo and there's going to be a lot of resistance to change, but I am optimistic.

Chris Comeaux: 11:52
I'm optimistic too, and I heard something last night. I won't get too far afield in this, I promise, but the whole crack a barrel fiasco that's going on right now. I did not realize, though, actually, that there were a lot of people on the left and the right, that both were vocal. Like Gavin Newsom said, I hate the new logo, and so did many people on the right as well, and when we agree on something these days in the country, I tend to take notice of it and, interesting, it got reversed, and so I think a lot of the things that you've enumerated there are a lot of people that agree with this. There were things I was seeing, as the new administration was coming in, that maybe probably start to shape my viewpoint of hey, they get this.

Chris Comeaux: 12:36
A lot of this stuff is broken. Like, for instance, I had some friends who started to say last year well, you know, we're about ready to go into Trump 2.0 related to healthcare, and I said not so fast, mister, they're seeing some things about PBMs and things about the insurance companies. They're not going to double down and just say, yeah, we're on the MA train and that's the solution to the future, and I start to see that to prove out this year. So I feel like there's a lot of agreement that some of these things are just broken, and you've got the historical reference to go. It's been broken for a long time.

Rita E. Numerof: 13:06
But nobody fixes things unless and until it's gotten so bad that they recognize that it's not sustainable. And at the same time, there are green shoots of alternatives that are cropping up that suggest that there are some pretty fundamental opportunities. But you got to be

bold, you got to be willing to be able to establish. This is the vision of where things need to be.

Chris Comeaux: 13:38
Well, let's go there, Rita, let's be bold.

Rita E. Numerof: 13:56
Okay. So if I had the honor of being called in by RFK Jr and Dr Oz, I do have a prescription about what I think we should do as a nation to be able to right this ship and get it back on the right track. We have incredible ingenuity in this country. We have incredible resources and once upon a time we had the healthcare system that was the envy of the whole world. We're not there now, but we can get back on track. So, the first thing that I'd start with is that vision of an alternative model. You can't fix things unless you know what it is you're working towards and what's broken. So, the vision of an alternative model has to be one, from my perspective, that's grounded in a really good understanding of what's wrong, not the micro level, not individual little pieces, but understanding that whole tapestry and how things fit together.

Rita E. Numerof: 14:54
And it was the mid-1980s when a lot of this began going really off track. Well-intended, but it was something I had predicted was going to lead to a problem. So, CMS introduced DRGs to bend the proverbial cost curve. It was a bad policy. It was a bad policy then, it's a bad policy today, and we've spent a ton of time and effort trying to fix it, as well as a lot of money adding new things to it, but if the fundamentals are wrong, it's going to go down under its own weight, and I think that's where we are.

Rita E. Numerof: 15:34
At the time, I said that it's going to fail because we don't have transparency in either cost or quality. We fail, then, to require accountability for outcomes across the continuum of care and we didn't link payment to outcomes that matter to the patient, consumer or to payers, Chris. And then the third failure back then was we didn't enable the basis for competition. So, anything we do going forward has to fix those wrongs. These are core elements that I think are still fundamental to an alternative model, and it's possible for us to get there. So, the vision of a different future has to start with this big picture that connects the pieces. It can't be piecemeal, and we can unpack those elements that I just mentioned those three if that would be helpful. Yes't be piecemeal, and we can unpack those elements that I just mentioned those three if that would be helpful.

Chris Comeaux: 16:28
Yes, let's do it Okay cool.

Rita E. Numerof: 16:30
So the first is let's talk about transparency and cost, and that's probably the easiest thing to talk about. But the American Hospital Association has successfully resisted having its members be public and transparent about the cost of core services, even though there was a Supreme Court ruling mandating it. That's pretty telling that you have an entire industry saying this is not good, we don't want to do it, we're going to find ways of not being compliant. But it's not just about the cost of care and having that be transparent. It's also about the quality of care. Not all care is created equal, even though some people may think it is. It's the same in one institution versus another. You and I have discussed this before. We are on the same page with regards to. It's not the same before. We are on the same page with regards to. It's not the same. It isn't the same across institutions and it's not the same even within an institution. So the quality of care has to be transparent in an accessible manner at both the physician as well as other providers and the hospital level. As an example, how many hip or knee replacements did Dr Jones do at ABC institution and how does that compare to others? We have access to information you mentioned, crabba. We have access to information about everything we buy in the economy. Why don't we have this kind of easy access to information about healthcare, which is so incredibly important to each of us, to the minutiae, but managed to entirely miss the big picture? Think about that.

Rita E. Numerof: 18:21
So, the second element that I think is really critical in this vision is accountability across the continuum, not just accountability for a specific episode of care. And while we're at it, we need to link payment to outcomes that matter to the patient consumer, and I'm not talking here about star ratings, which are esoteric and don't really have any meaning to individual patient consumers. Imagine Chris paying a physician, a surgeon, more because that surgeon gets better outcomes. Why should payment be the same based on the procedure or where it was performed? And how long does it take those patients that report to Dr Jones for care? How long does it take them to get back to their activities of daily living? Post-procedure controlling, of course, for patient condition and risk, and so forth. Again, we have this kind of information. We do these comparisons in every other part of our lives. Why not in healthcare?

Rita E. Numerof: 19:23
And while we're on the subject of across the continuum one of my favorite subjects. This applies to managing chronic disease, something that's critical to patients. This applies to managing chronic disease, something that's critical to patients, it's critical to our society,

it's essential to making America healthy again, and it's critical to managing healthcare costs, but internists who focus on chronic disease are at the very bottom of the healthcare salary totem pole. Why is that? And so, these kinds of changes require data. The data is there, but the fact that EHRs were put in place to facilitate payment, not improve outcomes, underscores the point that I'm making. All of this needs to change. All of this is part of the vision for change Transparency in question, quality, accountability for care across the continuum, payment connected to outcomes that matter, and establishing the basis for competition.

Rita E. Numerof: 20:24
And that, Chris, is just the starting point. We've made changes at the margins for decades. We take a haircut here, another slice there. You've heard the expression death by a thousand cuts, but we've never been bold. We take a haircut here, another slice there. You've heard the expression death by a thousand cuts, but we've never been bold. We've never redefined the model itself and the context for how we got here and what needs to be different going forward. Both of those things are going to be critical. People need to understand the tapestry of healthcare today and how everything fits together. It is an exceedingly complex, bureaucratic and Byzantine patchwork that doesn't work for anybody, which then brings me to point number two.

Rita E. Numerof: 21:07
The second thing that I think is going to be critical in our bold focus for the future is, once we're clear on what we're solving for and why, and what it means for all stakeholders across the entire ecosystem of healthcare, then we can define the specific programs, the communications, the timelines, a specific pathway to get there. And this is not going to be a flip the light switch, but I think it is absolutely doable, and we have to do it. I don't think government's role is to prescribe healthcare for you and me or anybody else, or to get in the way of patients and conversations with their doctors, with minutiae reporting and lots of prior authorization, but if we focus on outcomes and ensure that there is evidence-based practice that is in place, we need to enable these professionals to work with us to help us change our behavior and create better outcomes. So, I think establishing a framework that does require evidence-based practice and it will be supported by transparency and cost and quality and accountability is going to be really critical. It also requires that we align incentives across the ecosystem, and the centerpiece for everything is going to be the patient-consumer. The ecosystem and the centerpiece for everything is going to be the patient-consumer. Multidimensional communication focused on our core goals, with key messages that are going to resonate with different stakeholders, is going to be important.

Rita E. Numerof: 22:44

Again, a one-size-fits-all will never fit anybody, and all stakeholders are going to need to be accountable for change.

Rita E. Numerof: 22:52
It isn't about we're going to change the insurance sector but we're not going to need to be accountable for change.

Rita E. Numerof: 22:54
It isn't about we're going to change the insurance sector but we're not going to change healthcare delivery, or we're going to change some aspect of healthcare delivery but not pharma we're talking about. All of these parts of the ecosystem are going to have to do something different, and I think that putting the problem and the solution set in proper context so that people can participate in charting a new course, will lead us down a path of different solutions and much better outcomes. And then my third point, which I think we talked about a little bit already, is that we need to understand the elements for lasting change, and we're talking about complex systemic change. But the first thing is that recognition that nothing changes fundamentally without massive dissatisfaction. So, the good news we have massive dissatisfaction with the status quo. We're all aware of it. We're all aware of it, and if we have a vision of what's possible and a pathway for each of us to participate in that, and the cost of doing all this is less than what we're doing today, then we will have sustainable change.

Dragonfly Health: 24:09
Thank you to our TCNtalk sponsor, Dragonfly Health. Dragonfly Health is also the title sponsor for Leadership Immersion Courses. Dragonfly Health is a leading care-at-home data technology and service platform with a 20-year history. Dragonfly Health uses advanced technology and robust analytics to manage durable medical equipment and pharmaceutical services as part of a single, efficient solution for caregivers, patients, and their families. The company serves millions of patients annually across all 50 states. Thank you, Dragonfly Health, for all the great work that you do.

Chris Comeaux: 24:58
Wow, there's a lot there. Can I ask you some questions, of course? Well, maybe I'll ask you the most practical question first. Do you get a sense that, yes, everyone's dissatisfied, but obviously there has to be a palette at the administration level? Is this the right administration to take on this beautiful vision that you're painting?

Rita E. Numerof: 25:20
So, it's a great question and I have been public with my answer affirmatively absolutely, yes, I have written on Forbes that I think that this administration has an appetite to take

on bold, innovative ways and isn't afraid what's really core and fundamental and at the heart of what needs to change, and it's not about bowing to certain influence groups.

Rita E. Numerof: 26:08
Yeah, certain interests Because we've been doing that, and my example of healthcare delivery and the association basically thumbing its nose at the Supreme Court and having all kinds of excuses from my perspective about why it is they could do that is an example of how doing these trade-offs is not going to get us to where we need to be. It is broken, and behind closed doors, some of these same executives that support the resistance to cost transparency and are overwhelmed when I introduce the notion of clinical and quality transparency, they will tell me behind closed doors really, you are absolutely right, but I can't imagine how this is all going to change. And if we change in healthcare delivery, then those bad insurers over there are going to pocket all the money. And the list goes on and on and on.

Chris Comeaux: 27:08
It's like you just looked inside my head and read my mind because I'm sitting there. I'm like processing Principle-wise, I get it. It makes so much sense. You know I've lamented many years that like, even like some certificate of need arguments that you know well, free market. Well, healthcare is not a free market because I actually don't actually control my revenue today. So, my mind starts because I'm a doer, and so I started thinking how could you implement what you're talking about? Because I'm a doer, and so I started thinking how could you implement what you're talking about? So, can I start kind of throwing some immediate questions? There are probably some of the barriers. I love the concept of competition, but yet hospitals, as an example, they're so resource. You know this takes so much capital and so would you actually say you know what, let free market determine. If Chris and Rita want to go build a hospital across the street and if they can make it work because they've got a great model, you would say Go for it.

Rita E. Numerof: 28:00
I don't think building a hospital across the street is a particularly wise use of resources, Chris. We have too many hospitals, but I had written in the last book that you referenced. I had a vision thereof and it was Vision 2025, ironically that we would repurpose a lot of these hospital beds. And if we want to talk about being bold and controversial, in this country we have a lot of private rooms. A lot of the healthcare institutions are absolutely magnificent. Some of them look like resorts, koi fish in the small ponds in the lobbies and beautiful music being played, and that's lovely. It's all very expensive, a lot of glass and steel and so forth, but that doesn't necessarily mean better health care, better health care

delivery, better health care services, and there are a lot of things that can be delivered very well on wards.

Rita E. Numerof: 29:05
In Germany, as an interesting point of contrast, there are very wealthy individuals who have purchased private insurance and one of my colleagues about a year or two ago, he and his wife just had their fourth child, and he was so excited that she was able to use her private insurance to get a special room. Her special room was not a private room on a high floor with beautiful views of their city. It was a semi-private room, so part of this is the expectations that Americans have gotten accustomed to, and part of that private room was also an enticement by healthcare delivery organizations to get us to go to their institution because of these bells and whistles, but it had nothing to do with better care, it didn't have anything to do with lowering costs, and the list goes on. So, we're going to have to reimagine a different model and it's going to be painful for a lot of people.

Chris Comeaux: 30:17
Yeah, yeah, because I was sitting there. It says about 20% of our total economy as far as from a spin today, and you and I would agree quickly are we really getting value for that spin? But still, there's a lot of people, me included, that my livelihood is in that system. And so how do you design, how do you fly the airplane and kind of build this new one at the same time?

Rita E. Numerof: 30:41
The first thing is you've got to have a vision of what's our destination.

Chris Comeaux: 30:44
Good point

Rita E. Numerof: 30:44
when are we going? What does it

Rita E. Numerof: 30:46
look like? And I am going to be the last person that wants to jeopardize or shut down healthcare delivery services in this country. We need them. It's a security issue. The point is it's not working and if we stay on the trajectory we have now, it's just going to get worse. Chris.

Rita E. Numerof: 31:05
We have an opportunity to imagine something different and to put in place accountability for change. Not a gee would you like to. It would be really nice if you did. We're going to

have some carrots for you. It's about it will change and fix the problems that were introduced in part in the 1980s.

Chris Comeaux: 31:30
Yeah, I think I can't remember what movie it was, but there were, it was a Denzel Washington, and they're on this train and the train is actually going to a collision. Medicare has gone bankrupt by 2033-ish, and so there is an end of the tracks plus all the confluence of what we're seeing. So, yeah, the timing does feel right. But let me think about this part. The government is one of the largest purchasers of healthcare. I think you and I said about 50% last time, and so what's the role of government? So are you saying, blow up Medicare, you've got VA. What about those major payers?

Rita E. Numerof: 32:07
So, let's unpack this. So, the government has potentially a lot of clout. Don't forget the government instituted DRGs. I contention back then it was well-intended and bad design and a bad policy Predictable, and I saw this, you know, over four years ago. So, we need to fix the things that were broken back then that have continued to be fundamentally wrong as we look at designing a different system. I think there is going to have to be a runway.

Rita E. Numerof: 32:44
I think there are opportunities today for consumers to look at how they shop the shoppable, non-emergent kinds of services and you and I have talked about this for primary care, population health, diabetes management, hip and knee replacement, whatever that might be. There's an opportunity for them to define an economic and clinical value model using data that is accessible to the patient consumer. You can put it together in a way that could be a billboard ad. It would be that easy to get your arms around and use the quality outcomes transparently within that institution to be able to drive revenue to the institution today. But they don't do it because they haven't been able to envision it and they don't think they need to. And if there is no need to do it, they're not going to spend the few resources that they do have to do it.

Rita E. Numerof: 34:04
And speaking of which, imagine all of the innovations that are coming through medical device and diagnostics companies that would make treatment more effective, more efficient, easier access in settings like the home or less intensive care settings. And hospitals resist that because they make more money if that same procedure is done in the wharf of the institution, and they want to get as much revenue as they can. So, the place of care becomes driven by the reimbursement, and it shouldn't be based on where I get my care. It should be based on the outcomes and so forth. So, there are a lot of things

short-term, Chris, that can be done as we're getting to this different model, but these elements that we put in place today, I believe, need to be seen in the context of where we're going.

Chris Comeaux: 35:06
Do you as I sit here and try to just war game this in my mind, I don't know how to ask this any other way than just ask it Do you have faith in the consumer that they could be an informed enough consumer? Because that's usually part of the process, right, and that healthcare is so complex. Part of it is, it's self-imposed because of the labyrinth that we create. But ultimately in any market, the consumer's ability to navigate the market and know that they're getting good quality. And when it comes to healthcare and our bodies and although, as I sit here and I'm listening to myself, there is some interesting the windsock's going in a better direction I'm in my own personal health journey. I am much more informed, but still, overall, that's part of the thing about the mass population is the mass population? Can they be a good enough consumer?

Rita E. Numerof: 35:58
So, it's a great question, and so it depends. Most consumers have been socialized to be passive recipients of whatever their doctor in the healthcare system tells them to do of whatever their doctor in the healthcare system tells them to do.

Rita E. Numerof: 36:20
Okay. As you know, I have historically asked tons of questions, and I have probably irritated more than my fair share of physicians that I've seen over the years. But most of them really enjoy talking with me because I ask informed questions and then we talk about the business and healthcare. So, it creates some interesting dynamics there. I think there are tools that are available to consumers that have put together publications on health. As one great example and I remember a number of years ago there was one where the front cover of One Health was a picture of a surgery room and the operating tray with all of the glorious instruments being shown in that picture, and the headline was how to Know if you Really Need Surgery and if you do, where should you get it, which is a very enticing way to get that magazine and begin reading about it, so that there are databases.

Rita E. Numerof: 37:32
There are national independent organizations that have tried to put information together. But think about how much easier it would be if we had a mechanism kind of like when we go to pick a restaurant or a hotel or we look at what city do I want to take my vacation. All that information is literally at our fingertips. The technology exists, and I think the biggest stumbling block have been the entrenched players that have wanted to hold on to the

status quo and keep the information hidden, said. There are going to be individual consumers that don't make good choices and shop doctors for getting the kind of prescription that number one they shouldn't have, don't need and may in fact cause them harm. So, there are always going to be exceptions, but I think in general, we can do a lot better and I'm going to put my faith in an informed consumer.

Chris Comeaux: 38:38
The entrepreneurial side of me is kicking in because I'm like I'm going to put my faith in an informed consumer. The entrepreneurial side of me is kicking in because I'm like I'm thinking of five different businesses right now that would basically take along the lines of what you're talking about me all these interesting ways to Sherpa people to meet their needs and what's most important to them. Well, I want to ask you one more question. Then I want to give you the floor again, and so then the in-between is going to be the messiest part. So, Rita's vision that we're going towards, but how you reconfigure the system, I'll throw something out and you may just tear it up completely, but there's something you said when we were prepping for the first show, and it's the analogy of automobile.

Chris Comeaux: 39:15
Insurance is an analogy. So, what if we did this and said okay, employers, give all your employees a raise by 25%. It's going to be required that everybody purchases health insurance. What that basic level health insurance will be a big debate, what's in that package? But then the employees can then take part of that 25% raise and they go and purchase their insurance. Employers could bring all these supplemental things and then, on top of whatever that base level is and, of course, the market will be involved in the base level, plus all these other innovations and other healthcare on top of that. Could that be a way that we can take what is as a step to go in the direction that is? Vision you're painting, sure.

Rita E. Numerof: 39:58
There are going to be new models of health insurance. I mean, think about the bureaucracy that the health insurance side of this equation has had to invest in, maintain, and some would argue that their IT systems are not up to the task of managing a lot of these things in an informed, predictable way. I mean, amazon is, oracle is, Microsoft is, NVidia certainly has the kind of intelligence and technology sophistication that hasn't been part of either the payer or the healthcare delivery side of the equation. So, I think new models for insurance are possible. What about taking the employer out of the insurance business altogether? Healthcare, my employer doesn't pay for my homeowner's insurance, doesn't pay for my automobile insurance, and so that could be another angle in which we go. But the more the consumer has the so-called skin in the game but has

support to be able to make good decisions, I think we're going to be in a much better position and as a society at large, Chris, we can take a look at what do we want to do with genetic diseases that are extraordinarily rare and very expensive to treat, and why should that burden fall on one insurer or one family? Is that something, for example, that we have a pool where we syphilize?

Rita E. Numerof: 41:38
That I have a personal philosophical orientation, that a great society is in part great because of how it takes care of the most vulnerable in its community. What that really means operationally we can debate. Operationally we can debate. But I think philosophically there are lots of ways in which we do this without running roughshod over fellow Americans. And we do find a way to take care of well. We have enough money. We're spending it so badly and we're not looking at housing issues, nutrition issues, basic education and personal responsibility in ways that would really prevent a lot of the illnesses or at least mitigate against some of these things that we're experiencing. And it is all part of an orientation that I think so resonates with me that Secretary Kennedy has established publicly make America healthy again. How could anybody be against that construct? The issue is how you get there.

Chris Comeaux: 42:55
That's so interesting. I'm sitting here processing it, remember, I gave you this quote the first time, I guess, as you're going to use it because your last point about the part you had socialized, Tolstoy, research, every civilization, history, man, and what's the common element of those that survived? It's what do they do for those that can't take care of themselves. And so, it's interesting, I'm processing. Like you know, I live in hospice-impelled care and so you could take that pool that you're talking about maybe hospice-impelled care, because death and dying is so unique that it is part of that pool and say this is that part that's socialized and this is the standards within that and it actually honors that piece of wisdom that Tolstoy uncovered. And then do the free market from what you're talking about. I don't know if you have a reaction to that. I'm processing quickly because you have blown my mind a little bit. I haven't had a sense of what you're going to say, but I've totally tried it on listening to you and I'm in awe, enthused, scared, all at the same time.

Rita E. Numerof: 43:55
Well, that's going to be set up for another conversation, maybe next year.

Chris Comeaux: 43:59

Maybe so exactly, but any reaction to that, Rita, as far as that socialization portion, I think that that is a very legitimate thing to put on the table and to explore.

Rita E. Numerof: 44:08
I think for too many years, Chris, people in this country haven't wanted to talk about death and dying. It scared them, death and dying. It scared them. Our medical establishment has focused on maintaining life literally at any cost. And then there's a question about what's the quality of it If I'm not enjoying myself and I don't feel fulfilled, what is there? And that isn't something that somebody else can decide for me. We each need to decide that alone. I have great admiration for what you and your colleagues in your part of the business do, and I think it's part of the life cycle birth and death. I'll tell a personal aside. And death. I'll tell a personal aside.

Rita E. Numerof: 45:05
My mother was diagnosed with a terminal liver cancer six weeks before I was supposed to get married, and she'd not been sick. The only time she'd ever been in a hospital was when she had me and had my brother, and so it was a shock, and she was a fairly young woman when this happened, and so the issue was okay, what do I do? Do we get married on the date we were planning to get married? Do we move? So, we wound up moving the wedding up, and we got married in the day room of the hospital where my mother was being cared for, and so it was a very poignant and very moving experience for me. Obviously very traumatic for me going through this, but my mother is dying and I'm getting married Like within a week of each other, and so it just, I think, highlights that this is part of life.

Chris Comeaux: 46:03
It is yeah.

Rita E. Numerof: 46:04
And what you do is really important, wow.

Chris Comeaux: 46:07
Well, first off, my heart goes out to you. My son's actually getting married next week, so to think about you going through that during that time. But we do see those stories all the time in what we do, Rita, and as you know, there's so many perverse incentives today, one more line of chemo that's not efficacious and I hate to say there's a financial decision there, but there's a financial incentive for that. One more line, and within healthcare above all, do no harm. So, thinking about again this beautiful vision you're painting, having this safety net model, it's your choice. And we have beautiful data that people live longer on hospice, all this sort of stuff that I can see how it could fit into your model in the

socialization side. And then you also stay away from some of the icky stuff that's happened in the past death panels, your acquired kind of thing.

Chris Comeaux: 46:57
Choice is part of any market. Let the consumer make the choice. I want to go aggressive, curative, to the end. Then it's your choice. Here's what the data says. But there's also this other beautiful pathway. Well, I'll get off my hospice shtick because I want you to go back to, and so I'll give you the final words. What have I not asked you that would be important to get this vision out there, or maybe the flight path of how it could occur.

Rita E. Numerof: 47:21
I think the flight path is having more and more conversations. Your podcast, your conversations, I think, help to have a conversation, focus it and helping people understand it's an ecosystem. It's not just pick on pharma, pick on insurers, pick on healthcare delivery, any aspect of it. It's about looking at how all this fits. And if we start with a patient consumer and we start in the healthcare delivery ecosystem, every other part of the industry either supports it, sells into it or benefits from it, and I think we need to look at that. We also can't burden healthcare delivery for all of the ills of our society. We have issues with regard to nutrition and housing the list goes on and as a country, we have been so incredibly remiss, Chris, in dealing with mental health from day one, and that's got to be part of the equation. The physical and mental health are connected.

Chris Comeaux: 48:32
That's very well said. In fact, Rita, we did the research. We came to the conclusion there are eight challenges facing all the hospice palliative care programs we're working with. We broke those eight challenges into eight future councils, which have been awesome this past year. Well, guess what one of those future councils was? It was mental health. And so we've done a lot of unpacking, and one of the beautiful things that's come out of each of these groups is a visual, Because you know, we communicate in words but quite often we think in pictures, and each of the groups have had these beautiful visuals that paint the picture of the challenge but also start to allude to the solution. But one of the pictures for the mental health group is a quilt with a bunch of holes in it the fact that there is no real mental health care system today. It's a patch quilt with a lot of holes, and then we're seeing the my son's in federal law enforcement, Rita, and so you see them show up in jails. The court system is backed up. There's all these implications and all over our society because we're not dealing with that actual issue. So, I'm a hundred percent with you on that one and the other interesting thing I want to share with you.

Chris Comeaux: 49:36

We encountered this incredible guy. You live near Asheville, so we have all this interesting woo-woo stuff in Asheville. Well, this guy was doing this fascinating kind of consulting, and we did it once and I was so hooked We've used it several times. It's called a constellation exercise. You basically name what are the elements of the constellation. He's the facilitator. People will take a card. That's the different roles of the constellation, and so quite often we've done a constellation around the healthcare constellation, and you ask questions of the constellation, and it rearranges itself and I always ask them I'm like, are people like doing what's in their brains or is this like prophecy? Is it unlocking the wisdom of the group? And of course he always says the answer is yes.

Chris Comeaux: 50:19
It's a bit of all of those things, but the most fascinating one that literally came to mind as you were talking about it, we had the patient in the family, potentially in the middle of the constellation. We had healthcare systems, hospice, home health. We had the payers. Many parts of the constellation literally had their back to the patient and by the end of our constellation it arranged itself around the patient and there was almost silence at the end of it, like we just witnessed something holy, but we knew it wasn't true today, but could we be part of something that may? And I want to leave with that because I'm hopeful, listening to you, that maybe we're living at the time where the constellation will rearrange itself back around the patient I shouldn't say back, because I'm not quite sure if we've ever quite been there, but that would certainly be the ideal that I think you're after. So, again, I'll give you the last word. I don't know if that provokes anything.

Rita E. Numerof: 51:12
I think the plan I've said this before I think the planets are aligned today to have fundamental change across the healthcare ecosystem and it does have to be centered around the patient consumer.

Rita E. Numerof: 51:26
We'll all win.

Chris Comeaux: 51:29
Well, Rita, we're going to trumpet this from the rooftops. I pray you do get the opportunity to be there with Dr Oz and RFK Anything we can help with that. We're going to push this show and anytime you want to come back, you tweak me, and I have a feeling I'll be tweaking you as well. So, I think we're going to go into an interesting 26 and 27. Sounds good. Thanks so much, Chris. Yep, you're a joy. Entire listeners. We appreciate you. Please subscribe, pay this forward. I really think this is an important show to get in a lot of different people's hands, especially if you know legislators, people of influence, people in healthcare. And, as we always do, we always want to leave you with a quote. I

didn't clear this one with Rita, but I have a feeling she's going to smile at this one. It's actually a Walter Cronkite quote that later was also attributed to Don Berwick and I have re-engineered it. America's healthcare system is neither healthy, caring nor a system, and here's my part. Let's make it so. Thanks for listening to TCNtalks.