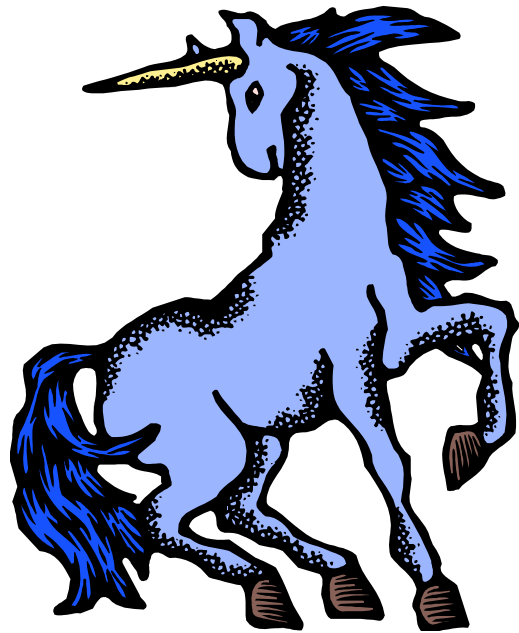


# Urology in 2013: Unicorns and Barbarians at the Gate!



# Disclosures

- 1) Regrettably for my grandchild's college fund, I have none.
- 2) Regrettably for you, I must disclose this may be a depressing talk.

# Objectives - Understanding

- 1) Understand the problems – **easy**
- 2) Understand the government's solutions – **challenging**
- 3) Understand the impact on your practice – **good luck!**

Problem #1  
The Jones Family

# The financial picture of the Jones Family (husband/wife and 2 kids)

• Income		\$24,220
• Expenses		<u>\$35,520</u>
	>>Shortfall	\$11,290
• Credit Card Balance		\$163,917
<b>But wait there is more....</b>		
• Needed for Retirement		\$540,000

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**Now multiple by \$100 million and you have our Federal Budget.**



# US Debt Clock.org

State Debt Clocks

World Debt Clocks

Debt Clock Time Machine

### US NATIONAL DEBT

**\$16,933,566,760,275**

### DEBT PER CITIZEN

**\$53,479**

### DEBT PER TAXPAYER

**\$148,145**

### US FEDERAL SPENDING

**\$3,540,853,036,969**

### US FEDERAL BUDGET DEFICIT

**\$770,010,093,366**

### US FEDERAL TAX REVENUE

**\$2,770,842,802,955**

### INCOME TAX

**\$1,297,611,311,513**

### PAYROLL TAX

**\$941,920,318,024**

### CORPORATE TAX

**\$254,797,240,590**

### STATE REVENUE

**\$1,538,025,647,854**

### STATE DEBT

**\$1,186,728,256,407**

### LOCAL REVENUE

**\$1,054,014,847,491**

### LOCAL DEBT

**\$1,785,613,124,268**

### Largest Budget Items

#### MEDICARE/MEDICAID

**\$853,753,829,097**

#### SOCIAL SECURITY

**\$807,521,101,305**

#### DEFENSE/WARS

**\$614,168,896,448**

#### INCOME SECURITY

**\$349,295,108,487**

#### NET INTEREST ON DEBT

**\$256,875,038,413**

#### FEDERAL PENSIONS

**\$226,996,621,167**

### US GROSS DOMESTIC PRODUCT

**\$15,885,783,002,171**

### TOTAL FEDERAL/STATE/LOCAL SPENDING

**\$6,390,993,179,455**

### GROSS DEBT TO GDP RATIO

**106.5957311%**

### REVENUE TO GDP RATIO

**33.7590783%**

### SPENDING TO GDP RATIO

**40.2308776%**

### US POPULATION

**316,646,423**

### US INCOME TAXPAYERS

**114,303,975**

### US WORK FORCE

**144,227,462**

### NOT IN LABOR FORCE

**90,517,514**

### US TOTAL INTEREST - 2013

**\$2,835,183,372,434**

### INTEREST PER CITIZEN

**\$8,954**

### US TOTAL DEBT

**\$59,773,236,986,408**

### TOTAL DEBT PER CITIZEN

**\$188,775**

### TOTAL DEBT PER FAMILY

**\$749,076**

### SAVINGS PER FAMILY

**\$3,156**

### TOTAL PERSONAL DEBT

**\$15,819,087,231,167**

### MORTGAGE DEBT

**\$12,937,856,168,655**

### STUDENT LOAN DEBT

**\$1,021,924,597,289**

### CREDIT CARD DEBT

**\$847,079,014,079**

### PERSONAL DEBT PER CIT.

**\$49,960**

### Money Creation

#### FEDERAL RESERVE MONETARY BASE

**\$3,222,687,604,595**

#### M2 MONEY SUPPLY

**\$10,706,380,712,375**

#### TREASURY SECURITIES

**\$1,094,300,732,405**

#### CURRENCY AND CREDIT DERIVATIVES

**\$629,476,260,216,688**

### Trade Numbers

#### US DEBT HELD BY FOREIGN COUNTRIES

**\$5,464,142,599,479**

#### US TRADE DEFICIT

**\$693,971,529,696**

#### US TRADE DEFICIT - CHINA

**\$318,789,662,064**

#### US IMPORTED OIL

**\$397,090,472,680**

#### IMPORTED OIL - OPEC

**\$154,601,137,371**

### SMALL BUSINESS ASSETS

**\$8,275,084,315,509**

### CORPORATION ASSETS

**\$18,195,892,247,302**

### HOUSEHOLD ASSETS

**\$75,762,342,032,240**

### TOTAL NATIONAL ASSETS

**\$102,233,318,259,267**

### ASSETS PER CITIZEN

**\$322,872**

### SOCIAL SECURITY LIABILITY

**\$16,564,116,476,039**

### PRESCRIPTION DRUG LIABILITY

**\$21,915,600,248,837**

### MEDICARE LIABILITY

**\$87,152,735,888,356**

### US UNFUNDED LIABILITIES

**\$125,632,452,678,767**

### LIABILITY PER TAXPAYER

**\$1,099,110**

### OFFICIAL UNEMPLOYED

**11,282,570**

### ACTUAL UNEMPLOYED

**21,259,110**

### US RETIREES

**46,692,202**

### DISABLED (SSI)

**14,227,282**

### LIVING IN POVERTY

**50,504,428**

### FOOD STAMP RECIPIENTS

**47,976,649**

### STATE/LOCAL EMPLOYEES

**19,325,004**

### FEDERAL EMPLOYEES

**4,376,638**

# How much is a trillion?

Assume \$1 = 1 second

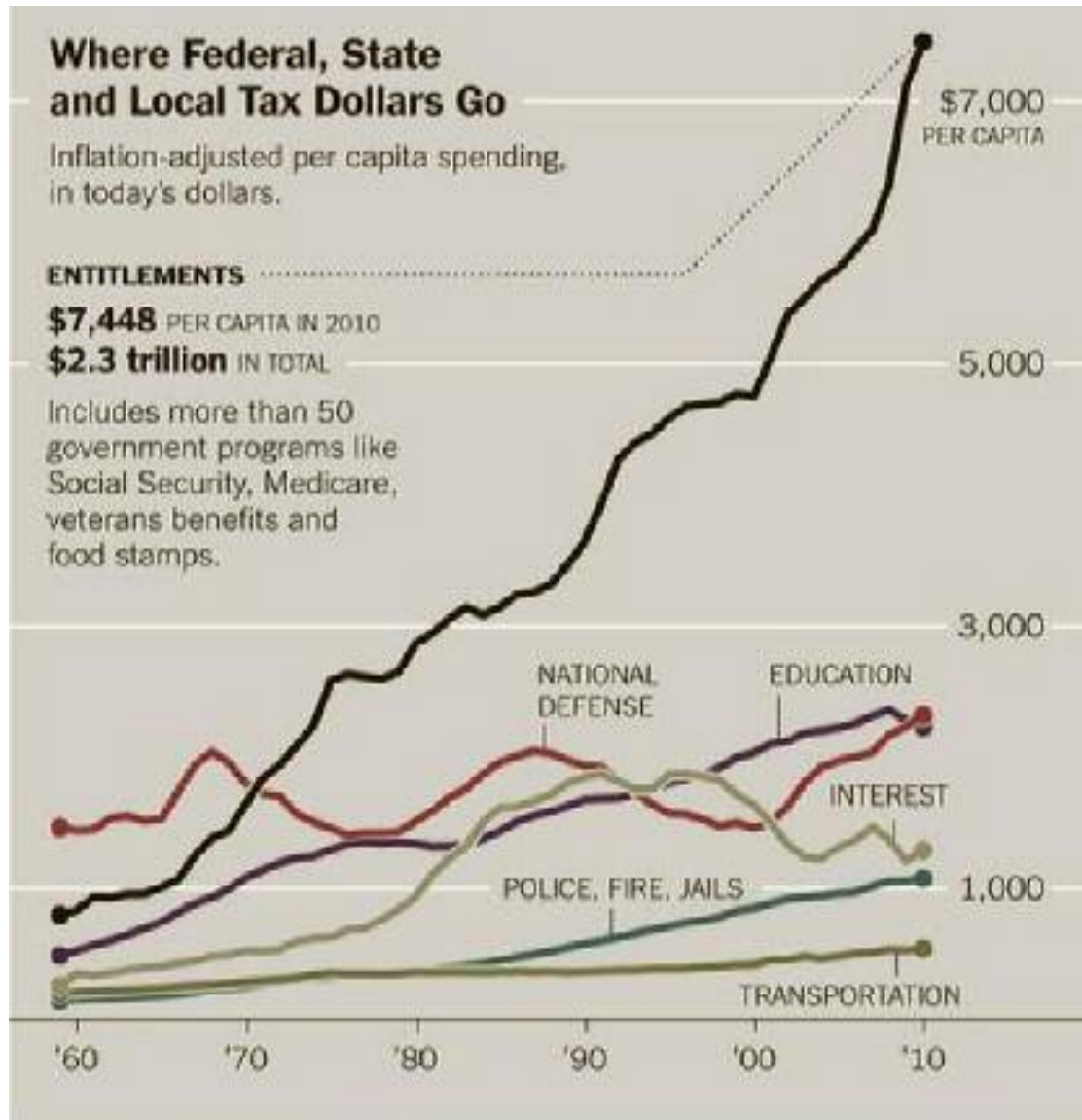
\$1 Million = 12 days

\$1 Trillion = 31,709 years

\$16.9 Trillion = 535,895 years

\$53,479/capita





Source: New York Times January 2012

# The Problem: My Mom's knees



- Look ugly
- TKR
- Cost \$20,000
- Medicare cost to Mom = \$147 deductible, \$104/month (Part B)
- 20 median workers Medicare payroll deduction/TKR
- 10 million workers payroll tax covers all U.S. TKRs for 1 year
- 1960's – 6 workers support a Granny
- 2012 – 2.4 workers support a Granny

## The Sink Hole of Health Care



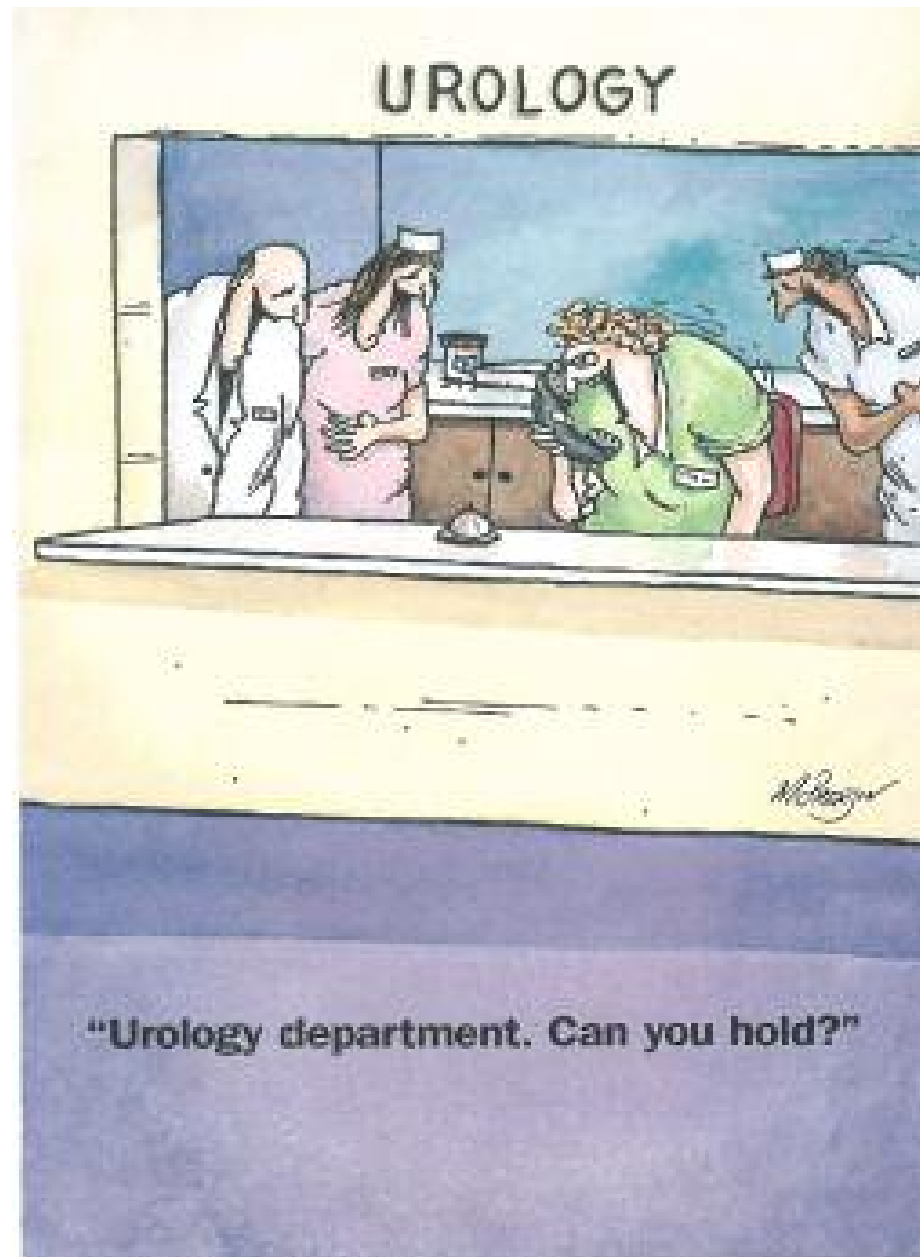
**2008 - \$2.4 Trillion**  
**2018 - \$4.4 Trillion**  
**20.3% GDP**

# Problem #2

Outcomes and Quality

	<u>Life Expectancy</u>	<u>% GDP</u>
Australia	81.4	8.5
Canada	81.4	10.0
France	81.0	11.0
Germany	79.8	10.4
Italy	80.5	8.7
Japan	82.6	8.2
Norway	80.0	8.9
Sweden	81.0	8.9
UK	80.1	8.4
USA	78.1	16.0

## Problem #3 - Patient Experience



# Patient Experience of Care Dimensions Report – FY2014

## “Achievement Threshold” for Value Based Purchasing

Communication with RN	75.79%
Communication with MD	79.57%
Communication about Medicine	59.85%
Pain Management	68.99%



I cannot say whether things will get better  
if we change; what I can say is they must  
change if they are to get better.

George C. Lichtenberg 1742 - 1799



# The Triple Aim

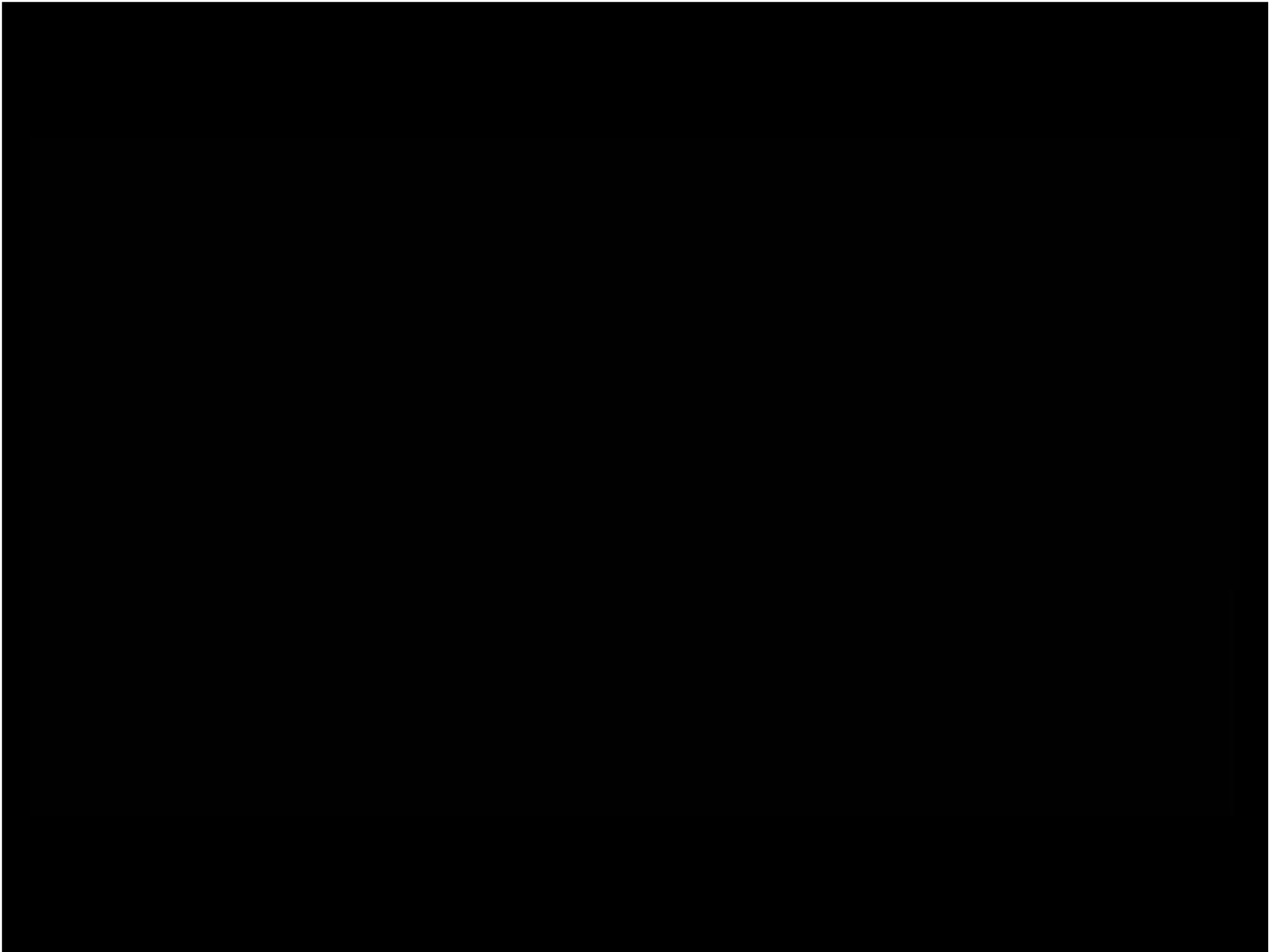
1. Improve Patient Experience
2. Reduce costs of caring for a population
3. Improve quality – individual & population health



# Three Phases of Federal Health Policy (Building an airplane while flying)

- Shared Savings (MSSP)
- Value Based Purchasing (VBP)
- Meaningful Use





# The Unicorn



- **An extremely wild beast**
- **Can only be captured by a virgin**
- **An animal with mythological properties that no one has ever seen**

# Accountable Care Organizations (The Unicorn)

- Goal: Achieve the “triple aim” in an attributed population
- Focus on Population Health
- Maintain quality – 33 metrics
- Share in savings that exceed a threshold (2-3%)
- No Risk Arm – Shared Savings Program (MSSP)
- Risk Arm - Pioneer

# Challenges in Chasing the ACO Unicorn

- Patient has “no skin in the game”
- No restriction on choice or site of care
- Fee-for-service for providers
- Cut revenue \$1.00 get \$.48 back
- Gain Sharing Program – transitory
- Bundled payment pilots - 2013
- Capitation-?
- No one has really done it “Building an airplane while flying.”



# ACO and Urologists

- Data will rule! - it will be about the Triple Aim
  - 1) outcomes
  - 2) patient satisfaction
  - 3) minimizing cost in a FFS world
- Participation vs. Joining
  - many ACOs vs. one ACO
  - FFS vs. risk sharing
  - commodity vs. protection

## The Barbarians at the Gate



- Value Based Purchasing
- Meaningful Use
- HIE
- SGR
- RAC Audits
- OIG - \$60 Billion
- IPAB
- ICD-10
- Promoting Integrity in Medicare Act 2013
- False Claims Act



# Danger Barbarians!

## Value Based Purchasing

- Established by PPACA 2010
- Hospitals 2012, Providers & Groups 2014
- Patient Experience (CG-HCAHPS)
- Clinical Process of Care (PQRS)
  - Self-select from 200 measures
  - Core measures in future
- VBM: Quality & Resource Use Reports (QRURs) – 2014
- 2014 non-ACO practices > 100 physicians
- 2017 All physicians



Value Based Purchasing  
Patient Experience: CG-HCAHPS  
n = 263,737

		<u>Always</u>
Q6	Got appointment for urgent care as soon as needed	65%
Q10	Got answer to phone question during regular office hours on same day	60%
Q13	Wait time to be seen within 15 minutes of appointment time	46%
Q18	Doctor explained things clearly	91%
Q28	Office staff was helpful	88%

2015: Incentive payment or 2% reduction in Medicare reimbursement

# More Barbarians!

## Meaningful Use (MU)

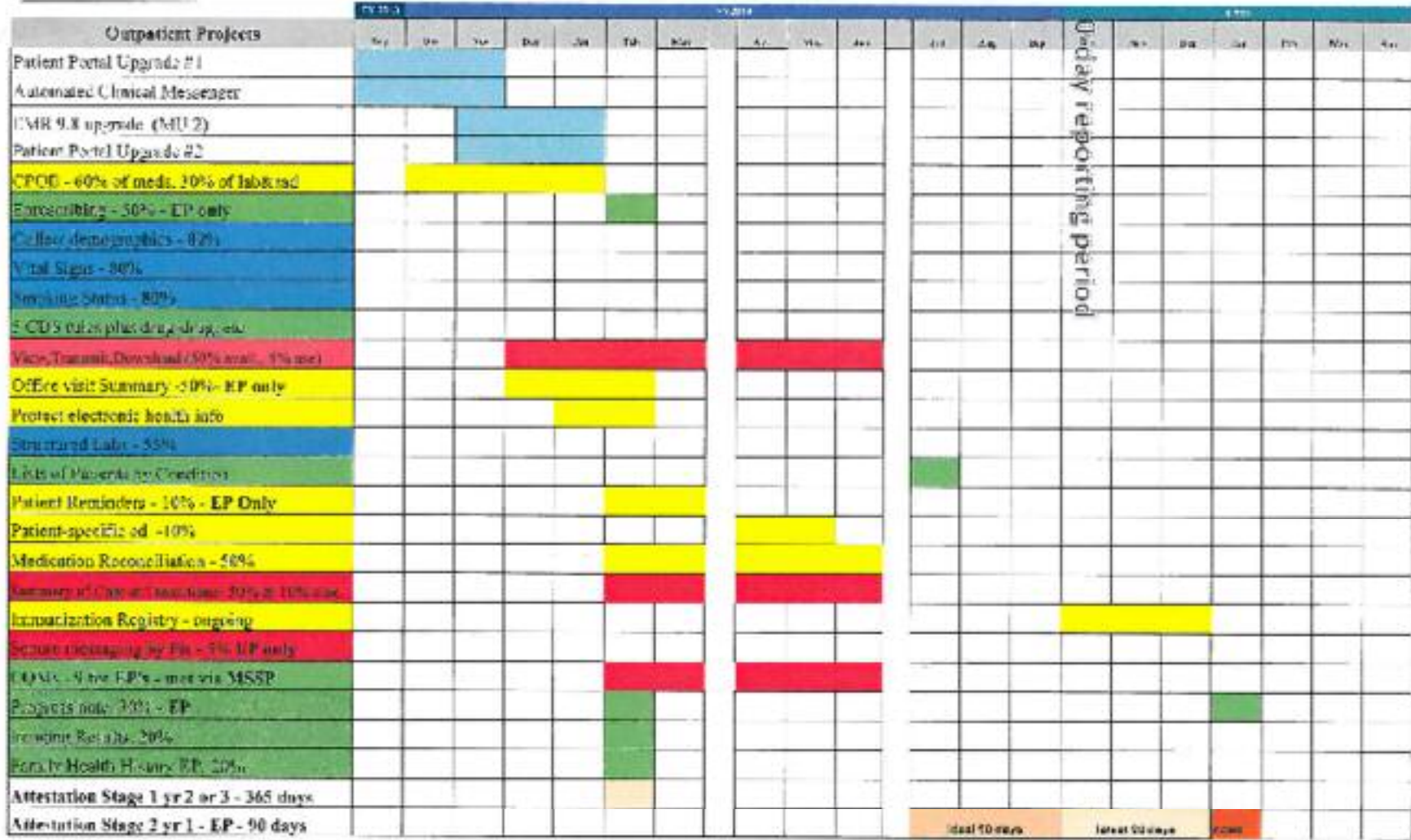
- ARRA – HITECH 2009
- \$41,000 bonus over 5 years
- Penalties 2015 1%, 2017 3%
- Stage 1 (2011) Data Captive & Sharing
- Stage 2 (2013) Advanced Clinical Process
- Stage 3 (2015) Improved Outcomes



# Meaningful Use

- Certified EMR products only
- Achieve 15 “core” objectives
- 5/10 “menu” objectives
- EVS, Patient Portal, CPOE, etc.
- Integration of different systems (\$)
- Talent and time to manage

ARRA Project Timeline



Waterfalling projects  
EMR/CD/CRM  
Care/Alert Messages  
Specialty Applications  
Some Other Meaningful Measure  
Specialty/Other Meaningful Measure  
Specialty/Other Meaningful Measure  
Specialty/Other Meaningful Measure

# Still More Barbarians!

## Health Insurance Exchanges

- PPACA 2010
- Sign up October 1, 2013
- Start January, 2014
- Employer Mandate – delayed
- Personal Mandate – “Pay or Play”
  - \$95 to 1% AGI penalty (only if audited)
- Platinum, Gold, Silver, and Bronze Plans
- Subsidized up to 300% FPL (tax credit)
  - \$34,470 individual, \$70,650 family of 4



# Health Insurance Exchange - NH

40 y.o. with no subsidy

	<u>Premium</u>	<u>Deductible/Co-Pays</u>
Individual	\$227/month	\$ 5,750 / 10%
Family	\$679/month	\$11,500 / 10%

# Health Insurance Exchange

- Lower reimbursement to providers
- Shift from employer-based to HIE?
- How to collect the deductibles?
- Tiered networks, narrow networks
- No insurance, no appointment?
- Small groups (<50) – no penalties
- Estimate: 36% shift (17-63%) (Kaufman Hall)



# ICD – 10

(A barbarian that won't go away)

**1979: ICD-9 (14K codes)**

**1990: Int. approval ICD-10 (68K codes)**

**1999: US adopts ICD-10**

**2009: HIPAA Mandates**

**Oct., 2013: Delayed**

**Oct., 2014: Barbarians will swarm over the wall!**

**ICD-10 goes live!**





# TOP 8 ZANIEST ICD-10 CODES

A Collection of the Craziest Codes You Hope Never to Encounter  
|| especially after Oct. 1, 2014 ||



Problems with the  
**in-laws**  
Z63.1

1

Asphyxiation due to being  
trapped in a **discarded**  
refrigerator, accidental  
T71.231D



2

Sucked into  
**jet engine**  
V97.33XD

3

Fall into **bucket of**  
**water**, causing  
drowning &  
submersion  
W16.221



4

Burn due to  
**water-skis**  
**on fire**  
V91.07XD

5

Animal-rider injured in  
collision with **trolley**  
V80.730A

8



Walked into  
**lamppost**  
W22.02XD

6



Hair causing  
external  
**constriction**  
W49.01XA

7



# ICD-10

- Prostate ICD-9 (600.x)      21 codes  
   ICD-10      26 codes
- Fractured Finger ICD-9      8 codes  
   ICD-10      64 codes
- Implementation Costs:
  - Small Practice \$83,290
  - Medium Practice \$285,195
  - Large Practice \$2,728,780

# Urology in 2013: Unicorns and Barbarians at the Gate!

- Debt is the burning platform
- We are building an airplane while flying
- Embrace change – docs included
- Size will matter – align, affiliate, join
- Data will rule
- Compliance can't be ignored
- Eliminate cost & waste (supplies & time)
- APs, RNs, MAs practice to full scope
- True patient centeredness is critical
- Pressure on in-office ancillaries
- Negotiating skills/understanding risk score of patients

# A Transformative Time

“We can always count on the Americans to do the right thing, after they have exhausted all the other possibilities.”



**W. Churchill**



Nothing is over until we decide it is!  
Was it over when the Germans  
bombed Pearl Harbor? Hell, no!  
"Bluto" Blutarsky



	<u>W</u>	<u>L</u>	<u>GB</u>
BOS	95	62	--
NYN	82	74	12.5

