



High Cost DFW Medical Care Move Over...  
The 'New Kids' Are Coming to Town  
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Dallas Fort Worth Chapter, ISCEBS  
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# Eric Bricker, MD



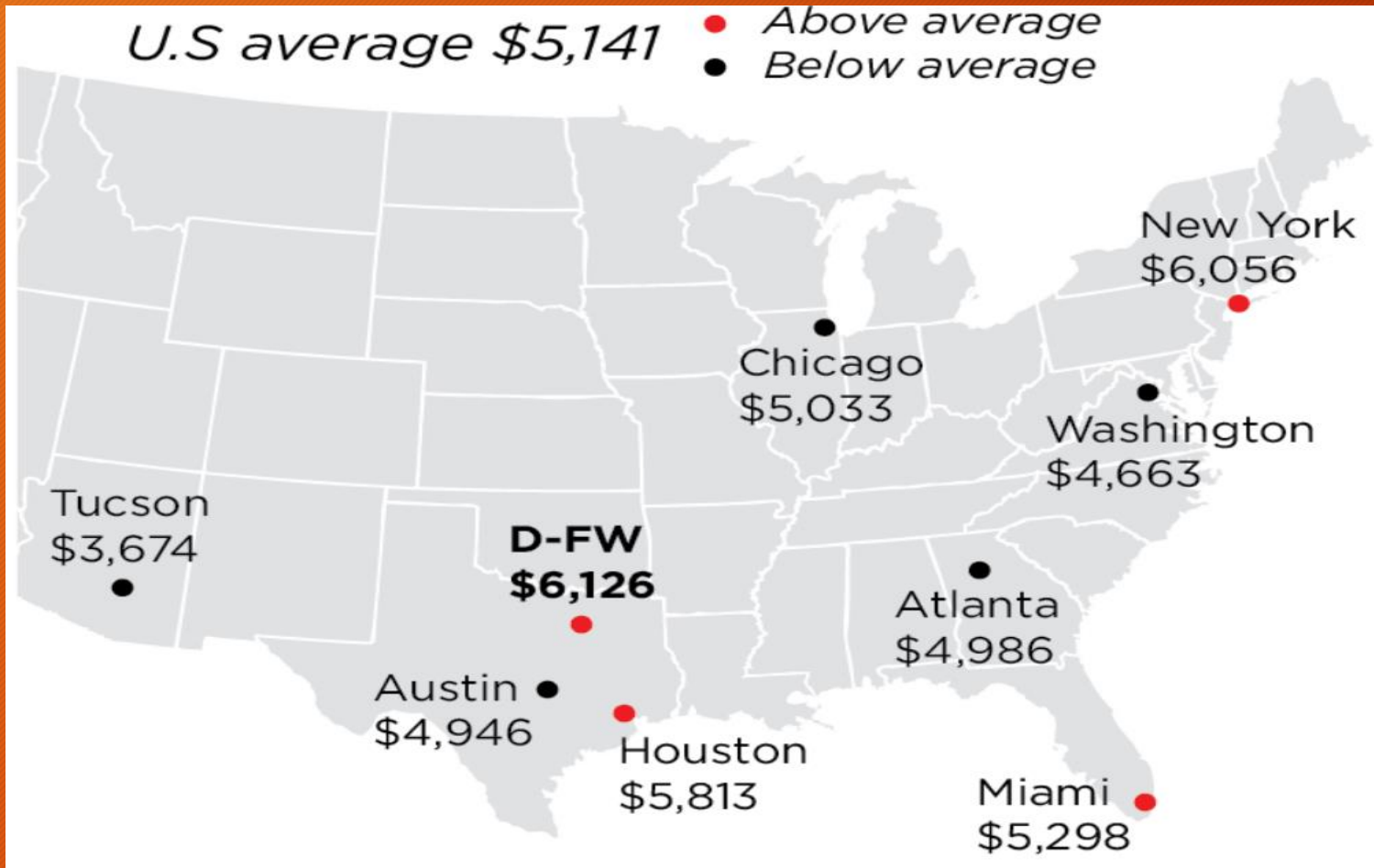
1. Hosp. Finance Consultant - U. Kansas, Cleveland Clinic, Yale
2. MD - University of Illinois College of Medicine
3. Internal Medicine Residency - Johns Hopkins School of Medicine
4. Hospital Physician - Baylor Plano, TX
5. Co-Founder, Chief Medical Officer - Compass Professional Health Svcs.
  - 2,000 employer clients including SWA, T-Mobile, Chili's and Maggiano's Restaurants
6. Acquired by Alight Solutions - 10,000 employee benefits administration co.
7. AHealthcareZ.com - 200+ Healthcare Finance Training Videos, 90K Views/Mo
8. Texas Family Insurance - Selling Oscar ACA Health Insurance to Texas Individuals and Families

“It [Healthcare] is Out of Control...

And Incentives are Wrong.”

--Charlie Munger, Vice Chairman Berkshire Hathaway

# DFW Healthcare Costs Per Capita: ~20% > Avg



Dallas Morning News  
Feb. 19, 2019

# Employee Health Plan Innovation = Incentive Alignment Innovation



- Old Model = Misalignment
- Employee Health Plan Wants High Quality, Good \$\$ Stewardship; Bears Most Risk
- Insurance Carrier Wants More Revenue, Higher Margins; Bears Little Risk
- Doctor/Hospital System Want Mores Patient Volume, High Fee-for-Service Payment; Bears Little Risk

# Incentive Alignment Innovation



- ‘New-ish’ Model = Alignment
- Employee Health Plan Works with Others Who Also Want High Quality, \$\$ Stewardship, Bear More Risk
- Organizations that Bear Risk AND Provide Care
- Capitation 2.0 = Providers on Salary (Mostly?)
  - Mayo, Cleveland Clinic, Academic Medical Centers
- NOT Tech, Telemedicine, AI, Machine Learning, Big Data

# Medical Care Quality



- Patient Data: History, Physical Exam, Labs, Studies:
  - Requires TIME
- Medical Knowledge:
  - Requires Memorization, Information/Decision Support Tools, Constant Learning
- Rational Interaction of the Two
  - Minimize Bias from Money, Fear, Stress, Fatigue

# DFW Examples

- Amazon Employee Health Plan Clinics
- UHC Harmony Network
- CVS Health Hubs
- Walmart Centers of Excellence
- BCBSTX Sanitas Clinics
- ChenMed



# “Amazon’s First Neighborhood Health Center Will Be in DFW” -D Magazine Aug. 3, 2020



- Crossover Health Nearsite Clinic in Irving
  - Primary Care, MSK, Behavioral Health, Coaching
  - Telemedicine
  - 7 AM - 11 PM M - Sat
  - 6 Sites Planned for DFW
- ‘3<sup>rd</sup> Generation Medical Home’ -Dr. Brent James of Intermountain Health
  - 1<sup>st</sup> - Disease Mgmt, 2<sup>nd</sup> - Mental Health, 3<sup>rd</sup> - Health System Navigation
  - Sells Health Insurance in Utah: Hospitalizations Down 22%, ER Visits Down 11%, Imaging Down 11%

# UHC Harmony Network



- Optum Employs 6,500 Doctors in Southern California
  - Bought Existing Multispecialty Practices
- Offered as HMO Product
- 35,000 Members, Premiums 20% Lower than Competition
- Texas is Next Market for Expansion

# CVS Aetna Health Hubs



- Direct Primary Care at CVS Locations
  - Acute Illnesses + Chronic Conditions
- Plan for 1,500 Locations by 2021
  - DFW, Boston, MD, NC, OH, VA
- 40 DFW Locations... Converted Minute Clinics?
- Unclear Incentives Related to PBM and Pharmacy Lines of Business

# Walmart Centers of Excellence / 2<sup>nd</sup> Opinion



- Walmart Employee Health Plan
  - 1 Million Members, \$5B Annual Spend
- Centers of Excellence for:
  - Spine: 50% Don't Need Surgery, Readmissions Down 95%
  - Joint Replacement: 20% Don't Need Surgery, Readmissions Down 70%
  - Bariatric Surgery: 70% Decrease in Drug Costs
  - Cancer: 55% Change in Treatment Plan, 10% Change in Diagnosis

# BCBSTX Sanitas Clinics



- 4 Primary Care Clinics in DFW, 6 in Houston
  - Richardson, Las Colinas, Mesquite, Irving
  - Primary Care, Urgent Care, Telemedicine
- Sanitas is a Columbian Healthcare Company that Entered the US Market in 2017
  - Florida Blue Clinics, NJ CT too
- Blue Cross Plans Frequently Use Vendors Used By Other Blue Cross Plans
  - E.g. AIM Specialty Health for Prior Authorizations

# ChenMed: Medicare Advantage, Employers Next?



- Full Risk Contracting with Medicare Advantage Plans
- 30 Yr History, 60 Locations
  - FL, GA, IL, KY, OH, LA, PA, Etc.
  - Hiring in Houston
- Patient Ratio... 450:1 vs 2,300:1
- Monthly Visit REGARDLESS
- New Doctors + Dedicated Training Program to Teach How to Do Primary Care
- Growing 35% Per Year

# Back to Quality



- Incentive Alignment Addresses Rational Decisions

BUT...

- Still Need Proper Patient Data and Medical Knowledge
- The ‘Right’ Incentives in the Setting of Rushing and Incompetence Will NOT WORK.

# Take Home Points

- DFW Seen as Painful Locale for Medical Costs... If We Don't Do Something, Someone Else Will
- Vendors Moving to Directly Delivering Patient Care...Must Evaluate in Terms of Incentive Alignment, Time with Members, Medical Skill:
  - Insurance Carrier, TPA, Bolt-On Solutions
  - Evaluate Actions/Results Over Words
- Brokers/Consultants/Employers Must Learn How to Vet Care Delivery Services and Perform Integrations
  - Plan Design: Free vs. Copay
  - Communication Strategies



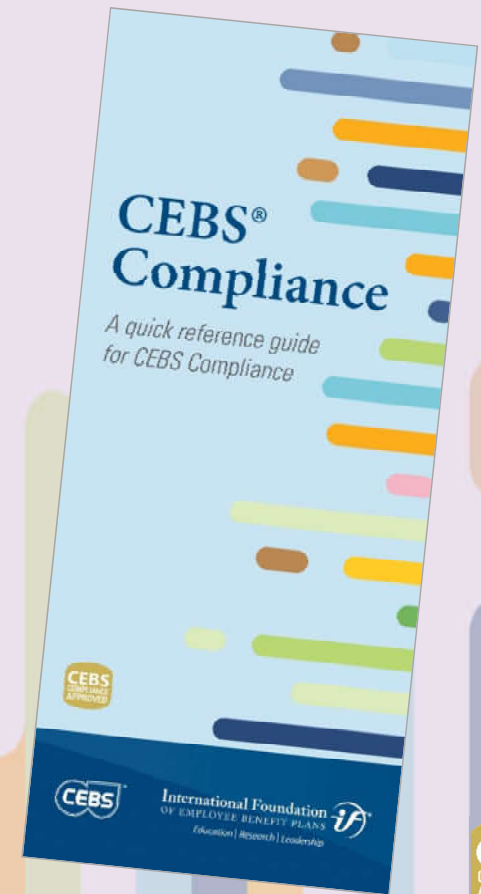
# THANK YOU ALL!!



- Questions?
- Connect with Eric Bricker on LinkedIn
- Visit [AHealthcareZ.com](https://AHealthcareZ.com) to Subscribe to Healthcare Finance Video Newsletter
  - 90,000 Views Per Month
- [EricB@AHealthcareZ.com](mailto:EricB@AHealthcareZ.com)

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- Most credits are self-reported



# Self-Report Your Credits

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- Select the orange box
- Follow the prompts to self report your credits
- Questions? See brochure or contact Customer Service

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THANK YOU!

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