

## Notes for Health Care presentation December 1

Slide number and title	Notes
1 when, what, and who pays questions on health care	<p>This is to get you in the mood of thinking about your health care</p> <p>My opinion of health care is that it is very fragile and very complex. I think of it as a house of cards where one card removed might collapse the whole house.</p>
2. Health Care in America	This is what I will show you today. The intermission will be a little <b>surprise with prizes</b> .
3. Health Care, Healthcare, and Health-care	<p>This is a little warm up on how I personally learned about health care.</p> <p>Also I have lots of old friends with back problems, heart ailments, knee replacements, and hip replacements.</p> <p>Plus you get a tiny grammar lesson on our topic.</p>
4 Dale Basham	This is more than you will ever need or want to know about me. I show this to entertain you and maybe you have questions that I can answer.
5. Pictures of B61, B83, and W78	These are some of our main American nuclear weapons. I worked on all of these and many more.
6. What is the big deal about health care? Why we should spend time learning about it?	<p>This young person displays the spirit of good health. A happy disposition with no worries on a sunny day.</p> <p>We should all want to be that healthy looking. Here are some potential underlying reasons that helped produce her health.</p>
7. What is the big deal about health care? Why we should spend time learning about it?	<p>Now let's explore some of the more controversial notions about health care.</p> <ul style="list-style-type: none"> <li>• If you recall over the past summer there were lots of news stories about whether our government was going to pass a new law to replace the <b>Affordable Care Act or Obama Care</b>.</li> <li>• Health care is pretty expensive and people think it is important.</li> <li>• You might add "note to self" for your job hunting future. Remember to ask questions about insurance when you talk with potential employers.</li> <li>• If you learn something from me today, you can be a more attentive listener and reader of news.</li> <li>• <b>My opinion</b> is that we are all pretty uneducated about health care. When people have insurance they usually do not negotiate prices with doctors and hospitals. We <b>do negotiate</b> over other big costs like cars and houses.</li> </ul>
8. Health Care in America Chapter 1 Topics	<p>Now this may start to look more like a school lesson. It is hard for me to think about learning without talking about chapters. So this is chapter 1's outline.</p> <ul style="list-style-type: none"> <li>• <b>Changes over history</b></li> <li>• <b>Evaluate or judge how good it is?</b> <ul style="list-style-type: none"> <li>– Spending or costs</li> <li>– Number of doctors &amp; hospitals</li> <li>– Health of citizens</li> <li>– Availability to patients</li> </ul> </li> <li>• <b>What forces influence health care</b></li> </ul>

	<p>Of course it is difficult to learn anything without giving credit to the old Greek civilization. So here it is. <b>Asclepius</b> is the reason the American Medical Association (sort of a labor union for doctors) uses a snake wrapped around a stick.</p>
<p><b>9. Changes over History</b></p>	<p>No school learning experience occurs without asking questions. So this is our first test. Here is the first question.</p> <p><b>When did the government first want mandatory health insurance?</b>  Work at your tables to come up with a good answer.  Answer It was over 100 years ago in 1912.</p> <p><b>Why did employers start health insurance way back in 1942?</b>  Get help with the answer by working with the person next to you. <b>It was caused by war time rules to freeze wages and keep labor costs down.</b></p> <p>Now look at all these major changes through 1965. Remember it took 4 government tries to get health care going and</p> <p><b>President Johnson</b> oversaw the biggest change. And <b>employer provided insurance</b> was sort of a sneak play around government rules.</p>
<p><b>10. Changes over History pg 2</b></p>	<p>The rest of medical care history is really punctuated by the <b>Affordable Care Act</b> law that made insurance mandatory for everyone.</p> <p>Notice the question on the right side of the slide about cost increases. Let's hear what you think might be the cause.</p> <p><b>One thought is whenever people have health insurance they get more medical treatment, and spend more on that service. When more people spend more money to buy something like health care or designer basketball shoes, the price goes up.</b></p>
<p><b>11. How can we evaluate or judge American health care?</b></p>	<p>We just discussed rising prices of health care. Let's go deeper into costs.</p>
<p><b>12. US spends 2.5 times what the other developed countries spend.</b></p>	<p>These costs are per person, and do not change because of total populations.</p>
<p><b>13. Health care spending as a percent of Gross Domestic Product</b></p>	<p>Again America rates the highest in how much we spend compared to how much our economy produces in total.</p>
<p><b>14. How can we evaluate or judge American health care?</b></p>	<p>Now let's look at the sources of health care --- our doctors and our hospitals.</p>
<p><b>15. Number of practicing</b></p>	<p>I was surprised when I saw this evidence. At least we not number one anymore like in costs. But who would have thought <b>we are number 27?</b></p>

physicians per 1000 people	
16. Number of hospitals in US	Notice this evidence is also different than we might expect. With total spending going up because more people are insured, we might think that hospitals were also increasing.
17. How good are the results	Now that we know we spend a lot of money, have not that many doctors, and hospitals are actually fewer in number – let's see <b>how healthy we are</b> .
18. Cost of Health Care and Life Expectancy	Here we see again we spend the most for health care. But for that money we do not live long. In fact we have the shortest life expectancy. But of course Americans have excuses. <b>It is cars, guns, and drugs</b> . We are really lucky that <b>rock music</b> did not get blamed too.
19. Drug Induced Deaths	Here is a bit of numerical evidence about drugs and deaths.
20. Another Health Indicator	We also die under age 75 more than other countries. The source of this information implied we did not go to the doctor enough. <b>Wonder how high our medical costs would be if we got better care?</b>
21. What we eat is important to health	Remember I said early on that I ate too much junk food. Maybe that is what is wrong with Americans in general. I am not certain, but here is evidence that more fruits and vegetables may cause longer life. Thanks to Hungary we are not the worst country here.
22. US is improving but not as fast as others	Men and women all over the world are showing longer life expectancy. But again we are not the leader.
23. Health Care in America rates last among wealthy countries	One of the main reasons for our low rating is the fact that we do not offer socialized health care that is equal for everyone. Also individuals here have multiple diseases. But beware we do not believe everything we find on the Internet. How many of our people are moving to the United Kingdom, because they have the best health care?
24. Availability of health care to patients	Let's see who has health insurance and how they get it.
25. Citizens with health insurance	Here we see the sources of health care insurance. Remember back a while ago we saw that about 8% of our citizens do not have insurance. That 8% is better than this 14% a few years ago. Recall what I said that it is important for you to think about your career in terms of whether you get health insurance from your employer. Almost half of people get insurance at their job.
26. It costs a lot to have insured health care	\$16,000 is a lot of money for health insurance. Remember that your employer will pay for most of that cost in the current situation.

<b>27. Cost of Hospitalization for People without Insurance nor Money</b>	However if you have no insurance at all or you cannot pay for health care, there may still be hope. I think this cost increase is slowing and may be declining with Affordable Care Act. But heck it is like we are having a pizza party for everyone that has no health insurance.
<b>28. Forces at Work to Determine What Kind of Health Care We Have</b>	I have shown a galaxy here. It is Pin Wheel galaxy and is about 21 million light years from earth. Think of the of the <b>forces that shape galaxies. What are they mostly?</b> Notice the little ambulance is being pushed from 4 directions. Pressures come from several sources to create what we have – <b>expensive health care that does not make us very healthy.</b>
<b>29. What Do Patients and Voters Want?</b>	I will go through the general pressures of some of the groups driving or riding on bull dozers pushing the health care “ambulance.” <ul style="list-style-type: none"> <li>• <b>Young, healthy folks don’t want to buy health insurance Why?</b></li> <li>• <b>Employees want to keep good health insurance</b></li> <li>• <b>Unemployed folks and the poor want/need help</b></li> <li>• <b>Voters resist paying for other people’s health care</b></li> <li>• <b>Only one third of citizens want single payer system (comes up again later)</b></li> </ul>
<b>30. What Do Insurance Companies, Doctors, and Drug Suppliers Want?</b>	<ul style="list-style-type: none"> <li>• <b>Profits for selling drugs and insurance</b></li> <li>• <b>Little or no competition</b></li> <li>• <b>Stable working conditions, fair incomes for doctors</b></li> <li>• <b>Better public health outcomes</b></li> <li>• <b>Limited damage awards for malpractice lawsuit claims</b></li> </ul> <p>Notice the snake on the stick again. I am not too fond of snakes. Sort of a double scary notion if the snake is carrying an injection needle in its fangs. YIKES</p>
<b>31. Socialized Medicine Advocates (Single Payer System)</b>	<ul style="list-style-type: none"> <li>• <b>The government pays for almost all needs</b></li> <li>• <b>All services are almost equal for everyone</b></li> <li>• <b>Consumers pay almost nothing for care</b></li> <li>• <b>Avoids risk of financial devastation to patients</b></li> <li>• <b>May improve overall health of population</b></li> </ul> <p>Euro symbol is to refer to socialized medicine that occurs in much of Europe.</p>
<b>32. Capitalist and Socialist Countries</b>	<ul style="list-style-type: none"> <li>• The idea of medical service being a trade is that it is sold by suppliers who are experts like plumbers.</li> <li>• We can get health services in several ways.</li> <li>• Socialized medicine looks a lot like education in America.</li> <li>• A central body like a school district determines what kind of education we receive</li> </ul> <p>To leave an image of a capitalist country there is the first billionaire rapper Dr Dre. For a socialist country here is the green monster of big government taking all the money from citizens and telling us what to do.</p>

<b>33. Free Enterprise Advocates</b>	<p>Some of these ideas are mine and some are found from the Internet. We have not had a free enterprise system that involves folks shopping for best prices.</p> <p>The main point is how competition has reduced the cost of some medical services like Lasik eye surgery. Lasik improves vision without wearing glasses.</p>
<b>34. Intermission</b>	<p>Congratulations we are done with chapter 1. Stand and cheer.</p> <p>Now we are going to play a health care game with prizes to the winner.</p>
<b>35. Game rules</b>	<p>Keep standing</p> <ol style="list-style-type: none"> <li>1. <b>I will suggest a cost for medical services – it is the wrong cost, according to local averages.</b></li> <li>2. <b>7 examples</b></li> <li>3. <b>Hands up if you think the real cost is higher, Hands down if you think the cost is lower.</b></li> <li>4. <b>I will give correct cost - sit down if you were wrong.</b></li> <li>5. <b>Everyone standing after 7 examples wins a prize</b></li> </ol>
<b>36. One day stay in hospital</b>	<p>\$1000 ---Hands up if you think real cost is higher. Hands down if you think real cost is lower. If you believe you will pay more – hands up. This is for 24 hours in hospital.</p> <p><b>\$1745</b> <b>Hands up was right, the real cost is almost twice my suggestion.</b></p>
<b>37. Treat a broken leg here in St. Louis area</b>	<p>\$1000 Hands down if this is too much to pay.</p> <p><b>2041</b> <b>Hands up was right</b></p>
<b>38. Have a baby delivered in a hospital</b>	<p>\$2,500 Hands up if this is too little to pay. This is the most common reason for going to the hospital. The price is for a delivery with no complications.</p> <p><b>\$3500</b> <b>Hands up was right, the real cost is over twice my suggestion</b></p>
<b>39. Heart bypass surgery</b>	<p>\$50,000 Hands down if you think the cost is less.</p> <p><b>\$117,000</b> <b>Hands up was right</b></p>
<b>40. Physical exam</b>	<p>\$400 Hands down if you think the cost is lower.</p> <p><b>\$150</b> <b>Hands down was right</b></p>
<b>41. Antibiotic capsules</b>	<p>\$40 Hands down if you think the real cost is lower.</p> <p><b>\$4</b> <b>Hands down was right</b></p>
<b>42. Chemotherapy for cancer</b>	<p>\$10,000 for chemotherapy is that high or low?</p> <p><b>\$20,000</b></p>

	Hands <b>up</b> was right
<b>43. Health Care in America Chapter 2</b>	<p>We have 4 more topics I want to cover (moan and whine)</p> <ul style="list-style-type: none"> <li>• <b>Revisit spending – especially trends over time</b></li> <li>• <b>Drug manufacturers</b></li> <li>• <b>Doctors and their happiness</b></li> <li>• <b>Insurance companies and their success</b></li> </ul> <p>You will notice the <b>big brain</b> on every slide I show in chapter 2. When the brain is gone the fun starts. That is when I predict the future of health care in 2 slides.</p>
<b>44. Health care spending as a percent of GDP</b>	What does GDP mean? This is a really steep growth pattern. Here are my reasons for this steep incline.
<b>45. Health care spending has grown much faster than other parts of the economy</b>	Just imagine if movie tickets went up at 50 times your income. A 10 dollar per week allowance would be paying for a 500 dollar ticket.
<b>46. Affordable Health Care Act (ACA) Comes to the Rescue</b>	<p><b>DELETED SLIDE</b></p> <p>Affordable Care Act cost increases average about 60% for insurance premiums over all types of health insurance that is not paid by employers.</p>
<b>46. Medicare spending with age</b>	<p>I said earlier that Medicare pays for my insurance. As a retiree from a large corporation, I received insurance paid for by that employer until I was 65. Then that corporation stopped paying and said use Medicare.</p> <p>Now nearly \$10,000 sounds like a lot for Medicare. About \$900/month. If you remember an earlier slide I said we spend about \$8200 per person for health care back in 2010; so old people cost only about 15% more.</p> <p>The problem is old people (age 96 is when they cost the most) are not a good investment. We are really close to dying already. You are a good investment for health care. You will live a long time to make the investment pay off.</p>
<b>47. How Americans spend their money in the last 75 years</b>	I want to draw your attention to how little we spend on reading material—really really low cost. Housing is the real run away expense. Maybe we needed the Affordable Housing Act.
<b>48. Drug Manufacturers</b>	Next topic

49. <b>Top pharma markets in the world, 2014</b>	\$450 billion is a very large cost for drugs. It is close to the amount we spend in all restaurants. Once again in comparison we spend almost 10 times as much as any other nation.
50. <b>R&amp;D in pharma</b>	12 times the money invested per employee compared to all other manufacturing. Making better drugs by research and development is a big business and it makes lots of profit . We got to the moon and won the cold war by relying on Aerospace R&D which is quite small in comparison to drugs.
51. <b>Profitability of Pharma</b>	Four times the profit of other industries means that R&D is paying off very well.
52. <b>Gross profit of some drug companies</b>	99% is a lot of profit
53. <b>what do drug sales people earn?</b>	Does not seem too high, so we do not know where all the profit goes. Actually grow profit is before sales people are paid.
54. <b>How happy are doctors</b>	Title slide
55. <b>Physician satisfaction with practicing medicine</b>	<p>Thank goodness for Australia and Germany or our doctors would be dead last in satisfaction. Sort of saved us like Hungary saved us because they eat less natural fruits and vegetables. <b>But hey we are number 9.</b></p> <p><b>Check out this happy doctor.</b></p>
56. <b>Doctors median starting salary 2013</b>	<p>Not too bad or much more than drug sales. I am not sure yet if I believe the drug sales salaries.</p> <p>But hey look how good doctors do compared to engineers and nurses. And nurses are paid quite well, because of a current shortage.</p>
57. <b>Why are doctors not happier?</b>	<b>What do you think?</b>
58. <b>Insurance companies and their success</b>	<p>Last topic We are nearly done.</p> <p>We have seen how drug companies make a lot of money. Lets look at Insurance companies after all those premium cost increases.</p>
59. <b>Annual Health Insurance Company Profit</b>	Looks like a lot of money but only about \$20 per every US citizen. Or about 10% of the total US defense budget (600 billion) goes into profit for one company. Or twice the ticket sales for the movie <b>star wars</b> for all the years it has played.

60. Profit Margins by Sector	Actually the insurance companies make about average profits. I was trying to scare you on the prior information.
61. Where are we going? (Under 9 feet of horse manure?)	<p>The dire situation for health care.</p> <p>So we <b>spend money</b> than any country, our citizens are the <b>least healthy of any developed nation</b>, people <b>are buying drugs at almost the same rate as eating out</b>, and our <b>doctors are not happy</b>.</p> <p>Gonna get worse? Notice the brain is now gone.</p> <p>Well let's compare ourselves to about 125 years ago. This was a really sad story. It looked much worse back in 1894 for city transportation. You see the usage of horse-drawn carriages in London and New York City was growing rapidly. The newspaper folks were predicting that horse droppings (you know horse manure) would be at least 9 feet deep on every street in 50 years. <b>So what happened to solve that dire prediction?</b></p> <p><b>Maybe we look to Congress?</b>  <b>Nope they are afraid to move a card. Their whole world of getting elected might cave in. I mentioned the house of cards for health care at the beginning and I think congress is worried about that.</b></p> <p>So let's think like smart and optimistic people or maybe like scientists and engineers.</p>
62. Technology lightens the load as history (Moore's Law) demonstrates (Every living organism has a blue print or genome)	<p>Do you know about Moore's Law. Gordon Moore is a scientist that predicted in 1965 that semiconductor devices would <b>double in output every year</b>. Meaning that twice as many transistors and integrated circuits could be produced from the same surface area on a silicon wafer about 4 or more inches in diameter.</p> <p>He was about right and over 50 years later almost everyone has a computer in their hand –the cell phone.</p> <p>So we have merged microelectronics and genetics to treat diseases now. So in 15 years we have made great progress from \$100 million to map a living organism genome to \$1 thousand today. Costs going down radically and actually much faster than Moore's law predicted.</p> <p>Not at all like health care so far.</p>
63. I predict a breakthrough in	<a href="#">Symptoms</a> (a pollen cell SEM image) <a href="#">Search</a>



<p><b>the year 2030:</b> <b>Simple as</b> <b>Click and Cure</b></p>	<p><b>Cured</b> Back to that healthy person we saw earlier. That will be like all of us with breakthroughs in new methods, like self-driving cars.</p>
---	--