

## Empowerment through transparency.

How to save  
ourselves from  
healthcare as  
we know it.

Presented by Nick Vailas

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## Introduction – Nick Vailas

- Chairman of the Board, Compass Healthcare Advisers
- CEO, Bedford Ambulatory Surgical Center
- Former Commissioner of Health & Human Services, State of New Hampshire
- Chairman of Health Planning & Review Board, State of New Hampshire
- <http://abcnews.go.com/WNT/video/healthcare-cost-shock-23000-appendectomy-16198878>

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## The train is off the tracks.



In New Hampshire, we see some of the highest healthcare premiums in the country.

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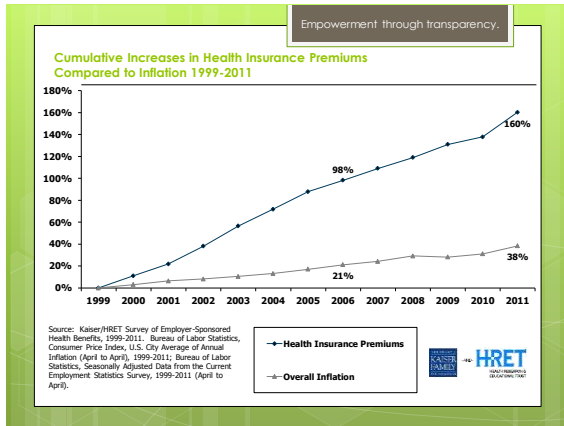
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### Ingredients of chaos in healthcare economics:

- What you pay is not a reflection of cost
- No ability for shopping
- Little skin in the game for the consumer
- Lack of personal accountability
- Lower cost providers cannot gain market share over higher cost providers

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### Allowed to persist because:

- No cost transparency
- Lack of personal responsibility regardless of lifestyle

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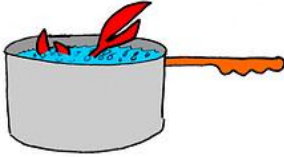
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## How did we get here?



**Insidious** - Proceeding in a gradual, subtle way, but with harmful effects.

Like a lobster in a pot, we are cooked.

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## Where do we go now?




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## Variation in pricing is immense.

Colonoscopy			MRI (lower extremity)		
Location	Variation (%)	Cost (\$)	Location	Variation (%)	Cost (\$)
A	0.0%	\$1,449.74	A	0.0%	\$710.67
B	25.9%	\$1,825.00	B	49.0%	\$1,058.30
C	105.1%	\$2,973.08	C	149.0%	\$1,772.93
D	213.0%	\$4,538.34	D	245.0%	\$2,451.15

Based on actual cost tables in New Hampshire.

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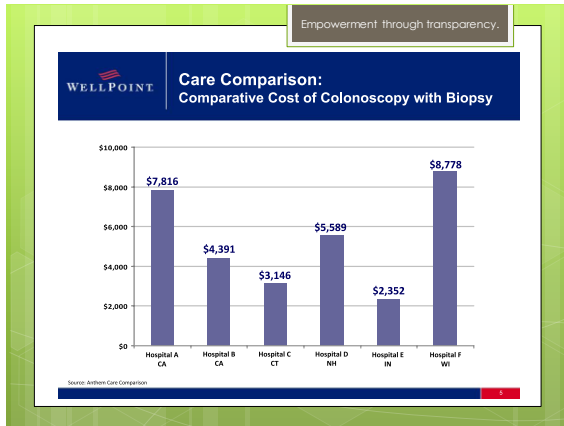
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**Solution:**

- Encourage people to take responsibility
  - Individuals must have "skin in the game"
  - Consumers must be given the tools to take responsibility
- It is unreasonable to ask people to take responsibility without giving them the means
  - Empowerment by shopping tools

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### What is transparent pricing?

- Need to globally package all components of a service so one can accurately compare apples to apples.
- When that happens and consumers can compare, the economics change
- Lower cost providers will be able to gain market share on higher cost providers.

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### Do global fees exist?

- Retail medicine has existed in plastic surgery for many years.
  - Because it is not a covered benefit, consumers have skin in the game
- Plastic surgeons have created global fees for their services giving consumers the ability to shop.

In order for us to change the dynamics of consumer behavior, global fees are essential.

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### Times are changing.

- The climate has changed in such a way that more and more employees and consumers have skin in the game
  - Self-insurance is not uncommon
- What is needed now to complete the recipe for change is healthcare price transparency

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### About Compass Healthcare Advisers

- Compass Healthcare Advisers, founded in 2009, provides healthcare cost transparency shopping tools for fully-insured and self-insured clients across the country.
- Innovative, consumer-centric program designed to promote personal responsibility, choice, transparency and competition.
- Began serving clients in 2010 – longest running client sees \$900 savings per shopping occurrence.

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