

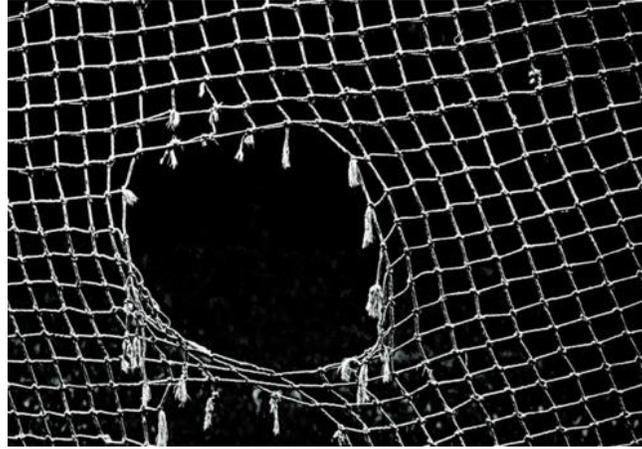
The “Bruce/Caitlyn Jennerization” of your health care dollar

By now most of us have seen the “interesting” Vanity Fair cover that features a transgender Bruce Jenner. I realize I am considered old and out of sync with modern culture (just ask my daughter). But what you may not have realized is that you will be paying for quite a few of these transgender procedures in the days, weeks, and years to come either through your insurance premiums or your tax dollars.



More than two dozen major insurance carriers provide plans for transgender related health care. Regulators in nine states as well as Washington, DC have introduced laws banning insurance discrimination against treatments for “gender reassignment”. As of May 2014, the administration lifted the ban on Medicare coverage for reassignment surgery. So when your Aunt Martha decides she always wanted to be Uncle Max, you will be on the line. Most individuals spend \$30,000-40,000 on gender reassignment surgery. However, costs may run as high as \$100,000. Just talkin’ dollars and cents here, folks.

- In 2014 and 2015, insurers set rates with the expectation that the government would absorb the risk from the assumptions made about costs. This government safety net ends in 2016.



- As of the second open-enrollment period ending this February, just 28% of those who signed up for insurance came from the crucial age 18 to 34 demographic. Prior to the launch of the program, administration officials had indicated that 40% needed to be from this age group in order for the exchanges to be viable.



Even more Obamacare news

You know that spare \$3 billion dollars you had, well it's gone! According to the inspector General Audit, \$3 billion dollars of tax payer money that was supposed to subsidize other people's healthcare went to the wrong people and were paid in the wrong amounts. Let's not forget that the total cost of the healthcare reform is \$2 trillion.



Hack Attack – Use medical devices at your own risk

I know I have raised this issue several times, but medical devices are not secure and can lead hackers to critical personal information stored on hospital computers. Trapx labs, a cybersecurity firm, has found several instances of such cyber attacks.

- Hospital researchers discovered that three blood gas analyzers in their laboratory contained backdoors into the hospital network. Records were retrieved and sent to an unknown location in Europe.
- In one hospital, hackers infected a Picture Archive and Communications System (PACS) in the radiology department and then, using the PACS system, were able to move through that network collecting information and sending it Guiyang, China.
- In another hospital, hackers installed a back door in X-ray equipment. From the compromised system, hackers were able to move through that network extracting information.



I'm from the Government and I'm here to tell you what to eat!

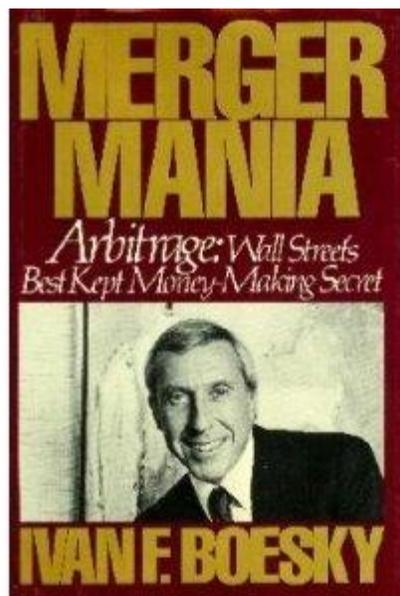
On March 18, 2014, the Annals of Internal Medicine published a review on saturated fats. This was a comprehensive review that included multiple studies from Europe and the US.

Interestingly, the conclusions were that “evidence did not clearly support guidelines that encouraged high consumption of polyunsaturated fatty acids and low consumption of saturated fats”. Therefore, what just happened? The US Food and Drug Administration announced Tuesday that it will implement a new near-zero tolerance ban of partially hydrogenated oils, the main source of trans fats. Sound reasonable to you?

Even if you agree with the supposition that saturated fats are a no-no, is it the government's business to determine what you eat? If you believe the statistics, this will result in 5,000 less deaths a year in the United States. To put this in perspective, 130,000 people die of accidents and 41,000 die of suicide. Where should be place our healthcare dollars? Maybe we should outlaw cars and pills.

Watch out for merger mania

The major healthcare companies that you have come to “know and love” are consolidating the industry. If you don't think the Big 5 publicly traded insurers have everything going their way now, how about when their numbers dwindle? Aetna is in the market to buy Cigna or Humana. UnitedHealth is looking at Aetna. Anthem is also looking to buy Cigna. If you think this is good for you, the physician (or the hospitals), think again. This is just going to lead to more squeezes on physician payments. In the end, even more physicians will become employees or stop accepting insurance since they don't have the capacity to negotiate with these behemoths. On the consumer side, nothing but higher prices will result.



If you think this is not already happening, think again. There is already an anti-trust suit against Blue Cross and Blue Shield for conspiring to fix what they pay doctors. Oh, the Blue's deny the allegation. The health plans say they are driven to merge due to the administrative costs of Obamacare and the large populations needed to cover sick enrollees. Weren't we told that the new law would allow us more choices? Key statistic: in 40% of metropolitan areas and in 17 states, one health insurer already has >50% market share before these mergers even happen. Mmmmm, is this starting to sound like we are headed to a single payor system?

King vs. Burwell

If you expecting me to comment, it would be fruitless at this point. The decision is expected any day and hypothesizing on the outcome is a waste of time. The political jockeying and the subsequent congressional action should prove interesting if you are a political junkie, but for us everyday folks, let's just watch.



The basic argument is that federal subsidies according to the law, which was not read by anybody who voted for or against it, only apply to those individuals who get their healthcare through an exchange established by the state. The Obama administration enlarged this to any exchange, whether federal or state. Since most individuals who signed up for the plan get a subsidy, the implications are large. In my mind, the whole thing has been an unmitigated disaster. Almost all physicians who get this newsletter in private practice do not accept Obamacare. So its direct impact on you may be minimal, but its national implications for the Obamacare are quite immense.

PPD And the future

Private Practice Doctors is currently working very hard to reduce your overhead. Current areas we are working on are medical supplies, office supplies, and insurance for your staff. If you could use additional discounts in these areas, do not hesitate to contact me at reed.wilson@privatepracticedoctors.com.