

7 LIES

# We've Told Ourselves That Prevent Us From Fixing Healthcare





## INTRODUCTION

Healthcare. It's now the biggest industry in the United States, and yet it doesn't work. The United States is the sickest wealthy country in the world. The United States spends twice as much per capita on healthcare than other wealthy countries. As a reward we live three years shorter.

### So what gives?

We're not being honest with ourselves about the problem. We constantly talk about fixing healthcare, but we lie to ourselves about what's driving our system's flaws. The result is that our self-deception prevents us from seeing what's really going on, and guarantees we'll keep making the same mistakes.

In this white paper, we take on seven of those mistakes, and the lies that are driving them. Our hope is that by unmasking the lies with facts, we can create an honest environment and instead discuss real solutions to the astronomical costs and inferior results driven by the US healthcare system.

## Here are the lies we're exposing.

**Lie 1:** Risky Patients Only Raise Rates

**Lie 2:** Access Drives Overuse

**Lie 3:** Wellness Programs Only Reduce Costs  
For Those Who Are Involved In Them

**Lie 4:** Up-Front Costs Matter Most

**Lie 5:** Traditional Managed Care Works

**Lie 6:** Doctors Should Focus On Production

**Lie 7:** Preventive Care Solves Everything

## LIE 1:

# Risky Patients Only Raise Rates

If you've been paying attention to the healthcare debate at all, you've heard a lot about high-risk patients. Insurance companies say they're the ones that make health insurance coverage unaffordable for everyone else.

Some propose creating high-risk pools that will move the riskiest patients into alternative buying groups so they won't impact everyone else's premiums. But such a move does nothing to solve the underlying problem that is driving costs higher every day: high-risk patients are unhealthy and need help!

Even worse, our system creates more high-risk patients every day. With more and more people forced into high deductible insurance plans, the more people there are who wait until they have a major issue to visit the doctor. They're not getting the routine care they need to stay healthy, and therefore become riskier patients every day.

Vera offers primary care at a fixed cost to employers and health insurers. When a Vera clinic is installed by an employer, there's a specific type of person that typically comes to the clinic first. You guessed it: high-risk patients.

Here's the secret: when primary care is provided as a capitated cost, high-risk patients can come to the clinic as much as they want without the employer or insurer incurring any more costs.

The results are stunning. In a recent analysis of five Vera clients, annual medical cost trends prior to hiring Vera were increasing at an average of 15.20%. After Vera, they saw those trends decrease to an average of just 5.35%. The client with the biggest drop saw their trend go from 26.42% to 1.07%.

The conclusion is clear. Rather than marginalizing high-risk patients, we should focus on providing them more primary care in a fixed-cost environment — especially when that environment allows providers to manage their care and reduce wasteful specialty care.



“Under the current US system, rich, insured patients visit doctors more than they need, running up costs, while poor patients cannot afford even simple, inexpensive treatments and die younger than they should. Doctors spend time that could be used to save lives or treat illness by providing unnecessary, meaningless care. What a tragic waste of physician care.”

HANS ROSLING

## LIE 2:

# Access Drives Overuse

If you don't read closely here, it appears that Rosling is making the case against overuse. He in fact is making the case against a system that encourages superfluous and unnecessary care.

Our experience (and data) backs up this assertion. Usage isn't the problem. Our data shows that there is a demonstrable reduction in costs when patients come to a Vera clinic, whether it's just once or multiple times. In fact, our analysis of a client with 4,066 employees showed that the total medical costs of those who used the clinic were \$1,488 less per member per year than patients who didn't utilize the clinic. And, the more time they spent with providers, the more costs dropped.

But, there's a key to why increased frequency drives lower costs at Vera. It's called a comprehensive care plan inside of a fixed-cost environment. Vera's care teams develop this plan based on a patient's health goals and then use it to guide all of their future care. So when a patient comes into the clinic more, it isn't for superfluous reasons, but it's to move toward their health goals. The result: reduced costs and healthier patients.



### LIE 3:

# Wellness Programs Only Reduce Costs For Those Who Are Involved In Them

What if we told you that the entire population sees a cost decrease when only a portion of them use their benefits?

In our most recent analysis of client cost savings, we found that when a Vera clinic was installed by an employer, the cost trend for the non engaged population — the people who never used their Vera clinic once — dropped as well. We call this the halo effect. Sometimes, these drops reversed a trend increase more than five years long. The largest drop we saw was from a trend increase of 39.76% to a 5.91% *decrease*. The smallest was from a 1.51% increase to a 9.36% decrease. Both drops are impressive.

The data doesn't allow us to claim cause and effect, but it does show an undeniable correlation between a Vera clinic and the decrease in costs across the entire population, regardless of whether people used the clinic or not. And it showed this across all our clients. This finding is powerful because it demonstrates that a whole community is changed when barriers to effective primary care are removed.



## LIE 4:

# Up-Front Costs Matter Most

Most of our decisions about both healthcare costs and outcomes are driven by the up-front costs, even if we give lip service to outcomes.

- Employers push their employees to even higher deductibles year after year.
- Up-front premium costs are a key factor when measuring health plans.
- Employers add “affordable” but ineffective wellness programs to their benefit plans when they realize a high deductible health plan isn’t working. It’s cheaper than a better plan, but it won’t stop their ever-increasing cost trend.
- When employers actually consider a more radical solution like a primary care clinic, they choose the lowest bidder because of the up-front investment. But often a provider is cheaper because they have cut out the things that are essential to outcomes.

All of these short-sighted decisions are based on the simple fact that everyone looks at this year’s budget or balance sheet rather than the long-term cumulative costs. But if you can make that shift in thinking, the entire decision-making process changes.

It’s not uncommon for Vera to be among the most expensive proposals when we bid for an on-site clinic at an employer. However, it’s also not uncommon for Vera to be the only on-site clinic provider who guarantees their results. That’s right, we put 100% of our fees at risk to guarantee a client’s first-year results.

We can guarantee our fees because we’ve done work to understand what will actually drive positive outcomes in patient health. These items require up-front investments in things like a fully dedicated clinic staff and health coaches, but on the back end they result in dramatically decreased insurance claims. In our recently completed analysis of five clients with at least three years experience, all five clients saw their trend flip to the negative.

In summary, we would argue that up-front costs are one of the last things that you should look at when trying to reduce healthcare costs and improve outcomes, because the most costly things will happen in the years to come, not in the next 12 months.





## LIE 5:

# Traditional Managed Care Works

Traditional managed care's only real outcome is that it controls access to care. Patients are incentivized to use in-network providers and specialists, regardless of provider cost or quality. And they're punished financially for getting care outside their network, whether it's a wide PPO or narrow HMO.

But constraining patients to a network, no matter how large or small, doesn't mean they get better health outcomes. Especially if the network is based in a reactive sick care system where symptom control and disease management are nothing more than Band-Aids to underlying health problems. In a sick care system, no one gives a patient a plan that will help them live better or overcome their health issues, much less guide them through that plan.

Vera delivers on the promise of managed care by managing a patient's care. It's that simple. Each patient works with their provider and health coach to develop a personalized care plan. Once a plan is in place, the patient's care team guides them through the plan and coordinates their care from start to finish.

Patients get most of the care they need at the clinic, reducing costly urgent care, pharmacy expenses, and emergency room visits. When a patient's needs extend beyond the clinic, Vera coordinates their path to specialty care that makes the most sense for their situation. Once their specialty care is complete, patients return to the clinic for follow-up.



## LIE 6:

# Doctors Should Focus On Production

In today's medical world, providers are expected to see up to 21 patients per day. This works out to just over 7 minutes spent with each patient. The reasoning is that if a provider can care for more patients, you'll need less providers overall. Costs will drop, right? Wrong.

This lie is again an egregious oversimplification of a complicated problem, because it doesn't matter how many patients a provider can see if they can't give them the care they need.

Not every appointment needs to be long, but the right ones must be. When a provider is constrained to just 7 minutes, they hardly have time to do a quick exam and make the necessary notes in a patient's chart, much less figure out what is actually going on. In the best cases, the provider will write a prescription and tell the patient to come back if things haven't cleared up. This is symptom control and nothing more. They won't even start looking at underlying issues until the patient has come back two or three times.

At Vera we choose to take a different approach because we know that behavior change, not symptom management, is the key to true health. Our providers are trained in a coaching methodology that emphasizes empathetic listening that allows them to dig deep into a patient's mind and uncover root causes before prescribing a treatment approach. In addition, we structure the day of our providers in such a way that they can actually spend 30 or 60 minutes with a patient, depending on each patient's need.

In order to change patient outcomes, providers need to build deeper connections with patients.



## LIE 7:

# Preventive Care Solves Everything

Over the last decade, the recommended frequency for a physical has decreased. Only the most diligent are coming in for an annual physical. Even then, we shouldn't mistake it for preventive care.

Here's how the typical annual physical goes. First your provider comes in and looks at your visit history over the last year. Next, the provider asks you how things are going. Finally, the provider likely asks you to take some steps to lose weight or eat healthier. Then, the visit is over and you're left to create a plan for something you clearly haven't been very good at doing on your own.

This isn't preventive care.

At Vera we approach this differently. Providers spend an hour with patients during their Annual Whole Health Evaluation and this visit is paired with a biometric screening and health assessment to get the most up-to-date info about a patient's health. This data, combined with the extra time, allows the provider to get deep into real health issues.

After the visit, the provider will update the patient's comprehensive care plan to ensure that all future visits focus in on the issues and goals that were discussed during the evaluation. This ensures that future care is focused on the highest priorities, not just the issues of the moment.

In all this, the patient is also equipped and empowered to do what they need to do. Because, after all, the ability to live healthy is already in them. They just need to unlock it. Patients aren't left to themselves to execute any recommendations from a provider. The provider will typically walk them across the hall to meet with a health coach who will help them establish S.M.A.R.T. goals to make sure they can make progress.

This process works. Coaching is the key to preventive care because it taps into the psyche of the patient. Without behavior change, prevention isn't possible. You can't expect to do the same thing over and over again and achieve a different result.





# What Happens When We Stop Lying To Ourselves

Vera's clients are living proof of what happens when we stop lying to ourselves about how to fix healthcare. Costs go down, patients get healthier, and everyone is better for it.

No one wants to admit the simple truth: our current healthcare system is broken with little hope of repair. Let's shift our thinking, it's the only way we'll drive down the cost growth curve.

But, you don't need to wait for the entire healthcare system to turn around in order to start making an impact for your business or insurance network. Vera offers primary care clinic solutions to employer and also partners with insurance providers to offer primary care solutions to their members. We'd love to discuss how you can become part of the healthcare solution, and revolution, today.

**To learn more about a Vera clinic, call us at 206-395-7870.**



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