



TexasFreeMarket
S U R G E R Y



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MEDICAL ASSOCIATION

**FREE MARKET MEDICAL ASSOCIATION
2017 ANNUAL CONFERENCE
OKLAHOMA CITY, OK**

AGENDA

1

PROBLEM

2

SOLUTION

3

PRICE TRANSPARENCY

4

QUALITY

5

KEY TAKEAWAYS

THE PROBLEM

PHYSICIAN PERSPECTIVE

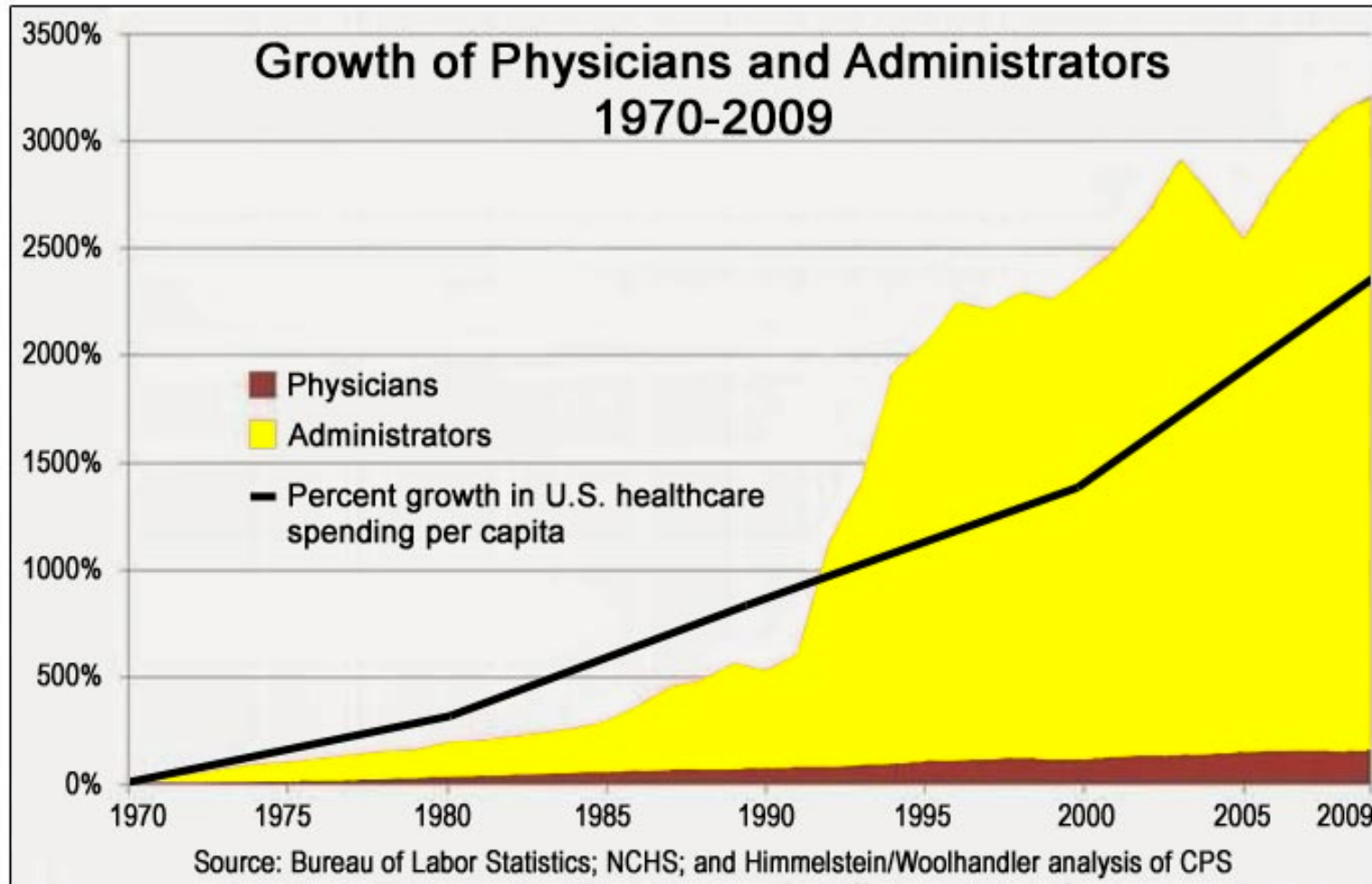


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COMPLEXITY, VARIATION AND FRICTION



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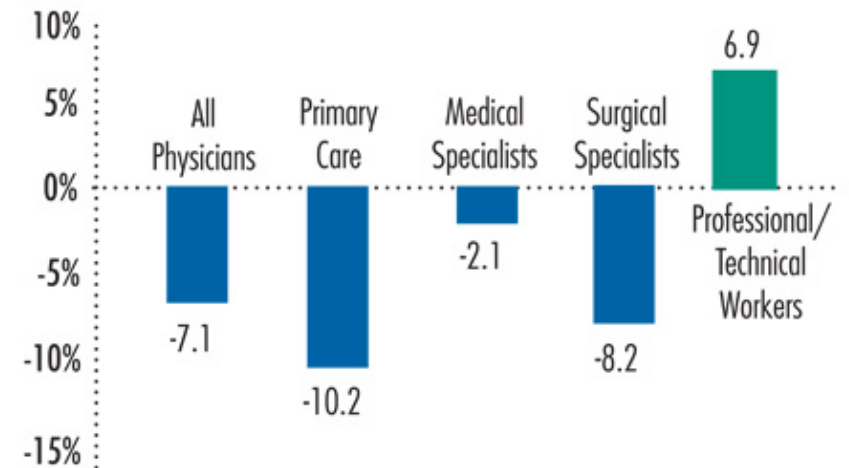
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PHYSICIAN REIMBURSEMENT

HAS DECLINED SINCE THE 1980'S.

ADJUSTED FOR INFLATION AND THE COST OF
MEDICAL PRACTICE

Figure 1: **Percent Change in Average Physician Income, Adjusted for Inflation, 1995-2003**



Note: Physician income data are based on reported net income from the practice of medicine (after expenses and before taxes). The Bureau of Labor Statistics (BLS) Employment Cost Index of wages and salaries for private sector "professional, technical and specialty" workers was used to calculate estimates for these workers. All inflation-adjusted estimates were calculated using the BLS online inflation calculator (<http://146.142.4.24/cgi-bin/cpicalc.pl>).

Source: Community Tracking Study Physician Survey



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BURNOUT

is a syndrome
emotional
low person



lization, a sense of nt.



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THE PROBLEM

BUSINESS PERSPECTIVE



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BUSINESS MODEL

SMALL AND SILOED

SMALL BUSINESS

- QUALITY VARIABLE
- WEAK BUS LEADERSHIP
- ONLY 5% PRACTICE IN 50+ GROUPS

SILOED

- POOR CONTROL OF QUALITY
- ANEMIC CONTRACTING
- ONE-OFF INTERFACES



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COST STRUCTURES

COSTLY

UNSCALABLE

- BIR IN EXCESS \$70K/MD
- FIXED OVERHEAD
- ~5 FTEs/MD

ISLANDS

- COSTLY INTERFACES
- HIGH CAP COSTS
- LATE ADOPTER OF TECH



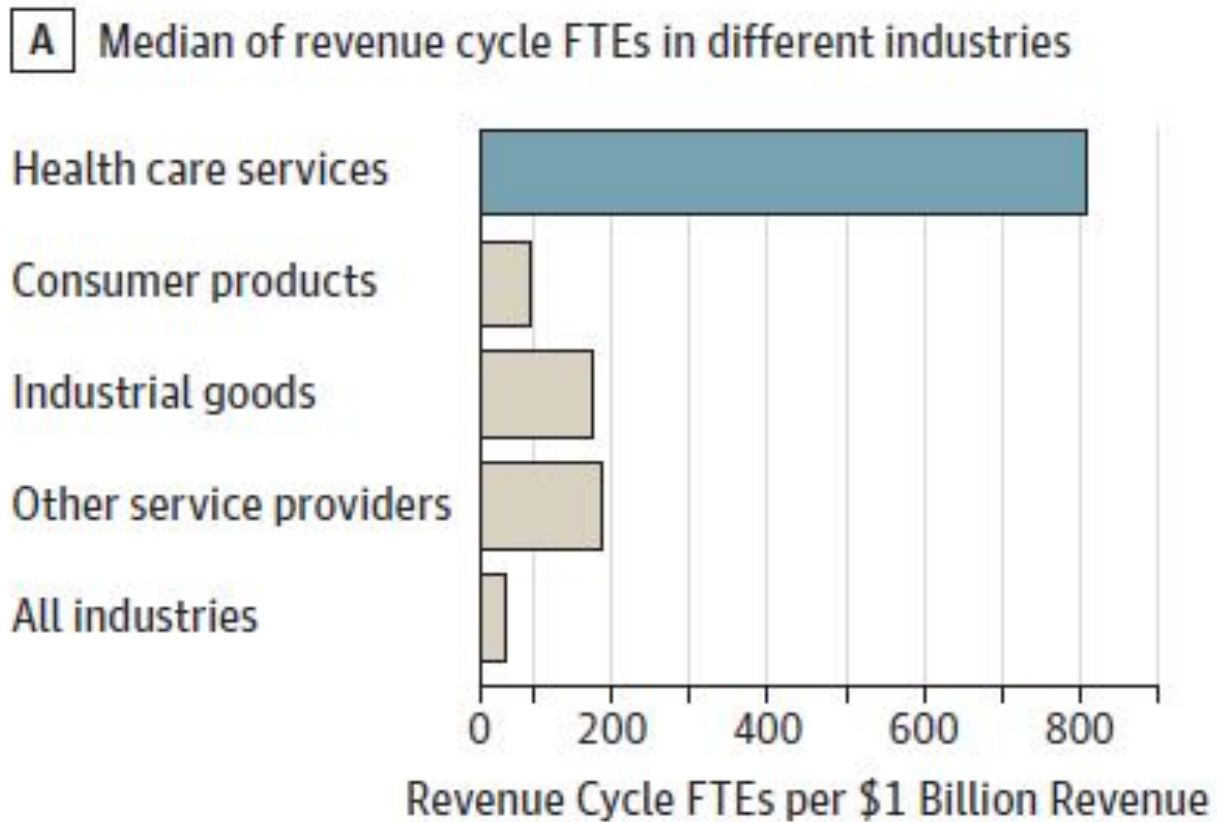
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FEE-FOR-SERVICE TAX

COMPARING COST BURDEN TO BILL & COLLECT REVENUE



FUNDAMENTALS

NEW THINKING TO FIX THE SYSTEM



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YOU HAVE TO UNDERSTAND, MOST
OF THESE PEOPLE ARE NOT READY
TO BE UNPLUGGED. AND MANY OF
THEM ARE SO INURED, SO
HOPELESSLY DEPENDENT ON THE
SYSTEM, THAT THEY WILL FIGHT TO
PROTECT IT.

MORPHEUS, THE MATRIX



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Source: -- Morpheus, The Matrix, 1999

LARGEST GENERATION IN HISTORY (**MILLENNIALS**) OVER HALF OF LIFETIME EARNINGS SLATED FOR HC

MEDICARE TAXES & PREMIUMS
DEDUCTIBLES & OUT-OF-POCKET EXPENSES
INSURANCE PREMIUMS

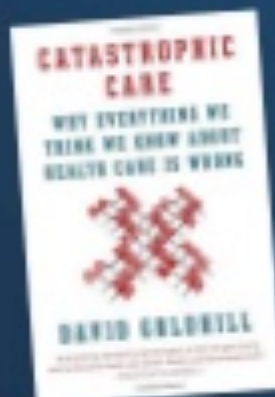
VISIBLE
PAYMENTS \$0.6M

EMPLOYER PREMIUMS
EMPLOYER MEDICAID TAXES
FEDERAL & STATE TAXES

HIDDEN
PAYMENTS \$1.3M⁺

GRAND TOTAL **\$1.9M**

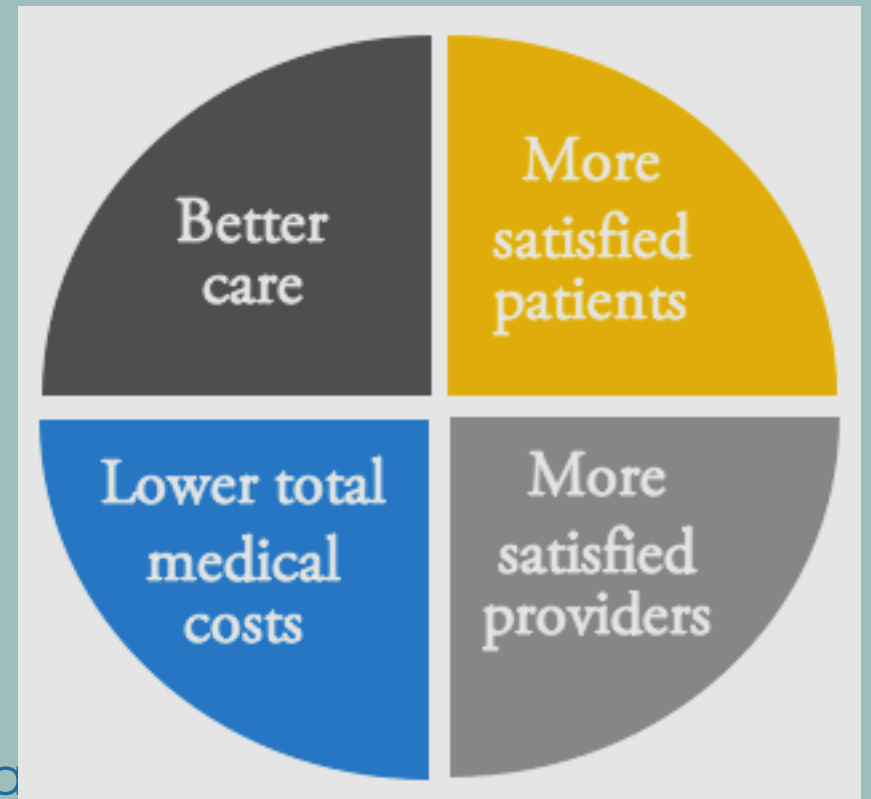
TOTAL LIFETIME EARNINGS **\$3.8M**



WASHINGTON CAN'T FIX HEALTHCARE.

WE HAVE TO FIX HEALTHCARE.

QUADRUPLE AIM



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REDEFINE COMPETITIVE STRATEGY

Patient Value is defined as achieving improved health outcomes for the money spent.



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THE SOLUTION

NEW MODEL WITH NEW RESULTS AND OPPORTUNITIES



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TEXAS FREE MARKET SURGERY

A SAFE HARBOR ALTERNATIVE FOR SURGEONS & FACILITIES.



Surgeon

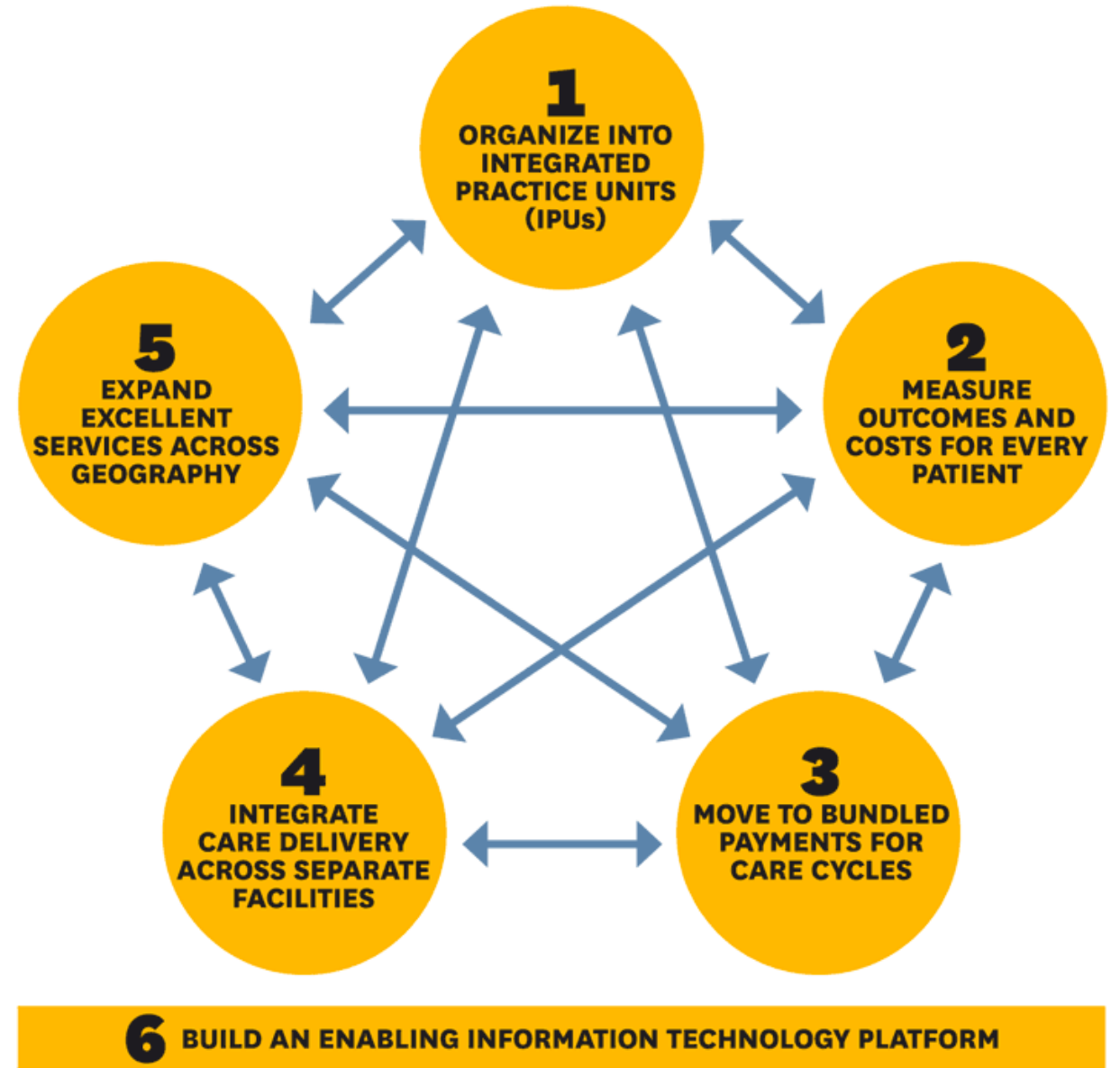
BRINGING
TOGETHER
TOP SURGEONS
&
PATIENTS



Patients

REDUCING HASSLES & COSTS!
SAVING MONEY!

BUNDLED PROVIDER TEAMS CREATE A VIRTUAL INTEGRATED PRACTICE UNIT (IPU)



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BUSINESS MODEL

PURPOSE BUILT FOR EFFICIENCY

BUILDING BLOCKS

- PHYSICIANS SELECTED ON QUALITY AND EFFICIENCY
- CERTIFIED, COST EFFICIENT FACILITIES
- SMART PURCHASING

TEAM

- COSTING EXPERTISE
- MD LEADERSHIP
- PROCESS DESIGN
- CONTINUOUS IMPROVEMENT



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WHAT IT MEANS TO PROVIDERS

EASY AND BETTER

MARKET STRADDLE

- NO COSTLY SHIFT
- SIMPLE TO IMPLEMENT
- FASTER SALES-TO-CASH

IMPROVED OUTCOMES

- SUPER SELECTED GROUP OF MDs
- REDUCED FRICTION
- MORE TIME WITH PATIENT



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ORGANIZE CARE INTO BUNDLES

COMPETE ON VALUE

ELIMINATE COST

- COMPLETE PRODUCTS
- FEWER HASSLES
- IMPROVES CLINICAL FOCUS
- KEEP SOME & SHARE THE REST

TRANSPARENT PRICES

- SAVE \$\$\$ FOR PURCHASERS/PATIENTS
- NO OUT OF NETWORK
- PURCHASERS USE SAVINGS TO STEER



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HEALTHCARE RISKS

MANAGING RISK

ACTUARIAL RISK

POPULATION RISK

PROFESSIONAL RISK



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CLOSING THE GAP BETWEEN BUYER AND SELLER

#1 -- TRANSPARENCY

#2 -- QUALITY

#3 -- FAIR PRICE

#4 -- COMPLETE PRODUCT

#5 -- SUPERIOR SERVICE



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PRICE TRANSPARENCY

REAL WORLD FREE MARKET WINS



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THE FMMA PROMOTES TRANSPARENCY IN HEALTHCARE

Our mission is to unite all of the “islands of excellence” in healthcare and accelerate the speed and growth of the free market healthcare revolution.



Willing Buyer

Consumers/Patients who make healthcare purchasing decisions based on Cost + Quality.



Willing Seller

Sellers of healthcare goods & services who believe in providing up-front, bundled, cost efficient, high quality care.



Optional Value-Based Vendor

Businesses who provide assistance to buyers & sellers of healthcare goods & services while abiding by the Pillars of the Free Market.

**THE CURRENT SYSTEM
THRIVES ON OPACITY.**

***TRANSPARENCY*
LEVELS THE PLAYING FIELD**



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BIG SYSTEM BUNDLING

SPINE AND JOINT SOLUTION



The Spine and Joint Solution is a new care payment that helps improve health outcomes and reduces cost for knee, hip, and spine procedures.

Program Participants Report:

\$10K

Savings per operation

25% Lower cost

On average, as compared to median costs in the same metro areas

1 Million

Employees have access to the Spine and Joint Solution through large and mid-sized companies



Cervical Spine Fusion*
\$36,300

Lumbar Spine
Fusion*
\$66,200

Disc Surgeries*
\$22,400

Knee/Hip Replacement*
\$35,500**

- Value-based care payments help promote better health outcomes and more coordinated care at lower costs.

- This bundled payment program features set prices for all related treatments and tests for joint and spine procedures performed by specialists in facilities known for better results and fewer complications.

HEALTHCARE QUALITY

PATIENT CENTERED



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HOW DO WE DETERMINE QUALITY HEALTHCARE TODAY?



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MasterCard®



CORPORATE

5412 7512 3412

5412

VALID 12-14

LEE M. CARDHOLDER
ANY COMPANY, INC.



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**QUALITY DEPENDS ON POSITION IN
THE SYSTEM TODAY...**

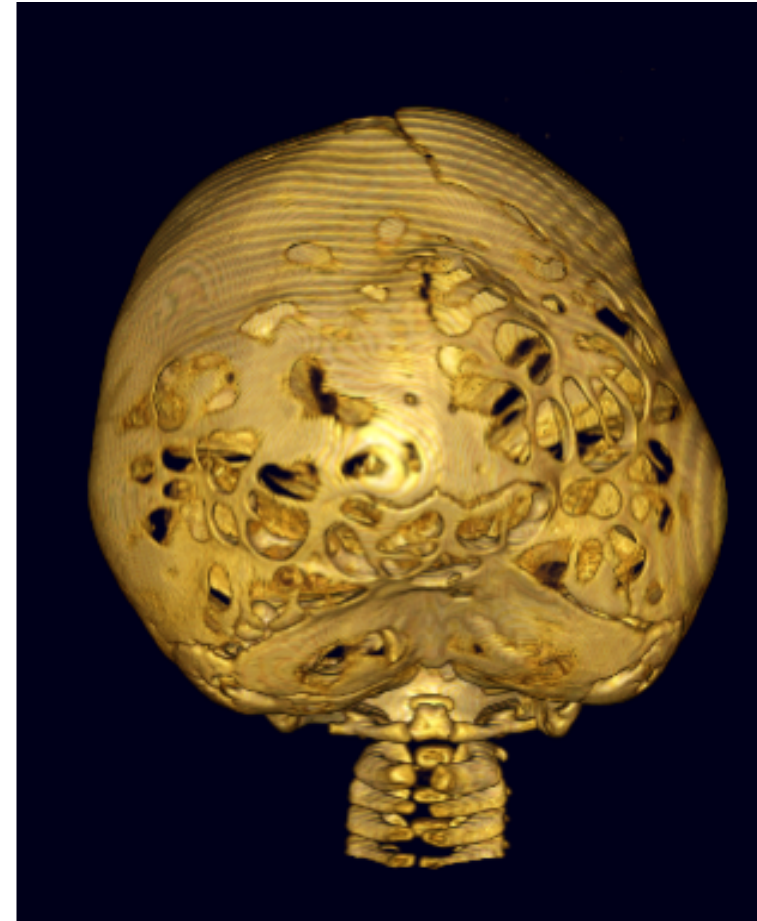


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CRANIAL HYPERTENSION





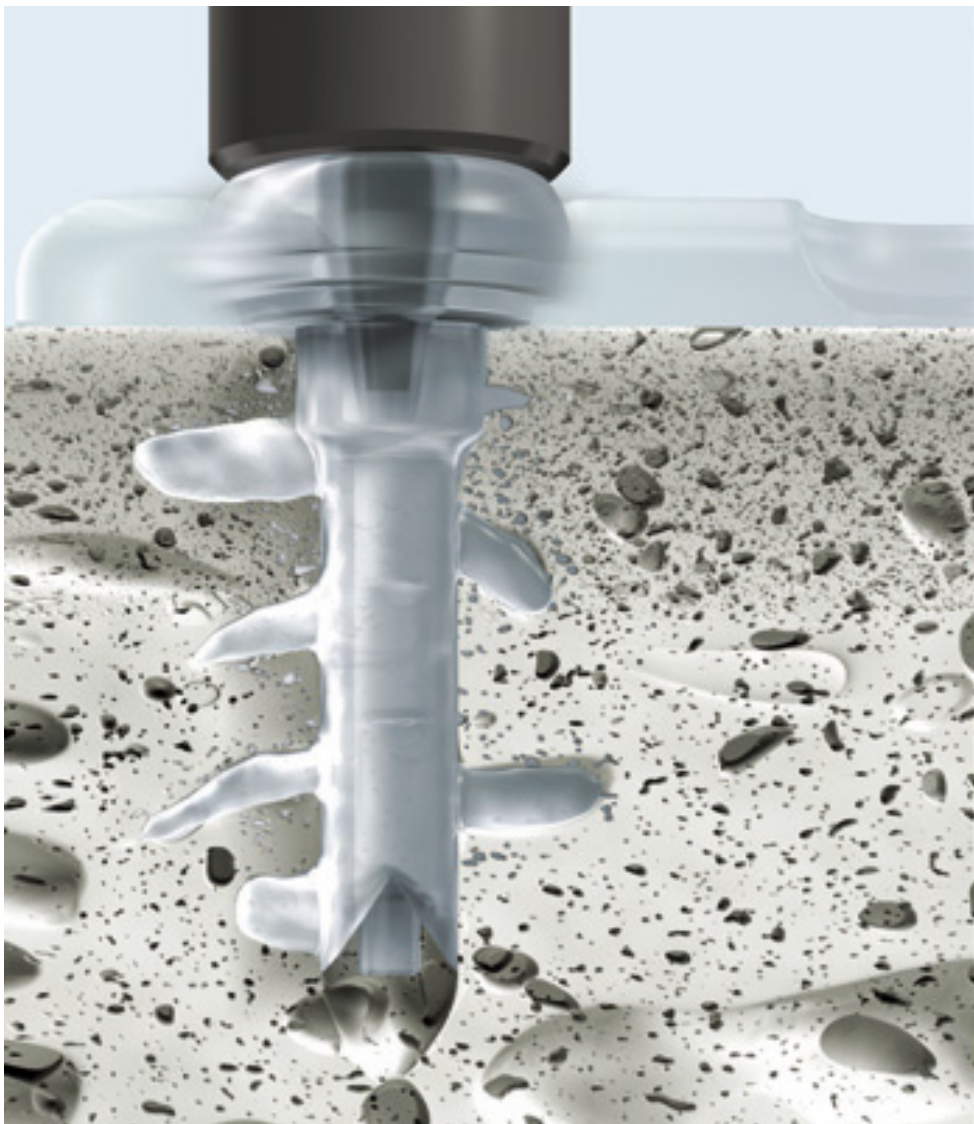
Hospital CEO



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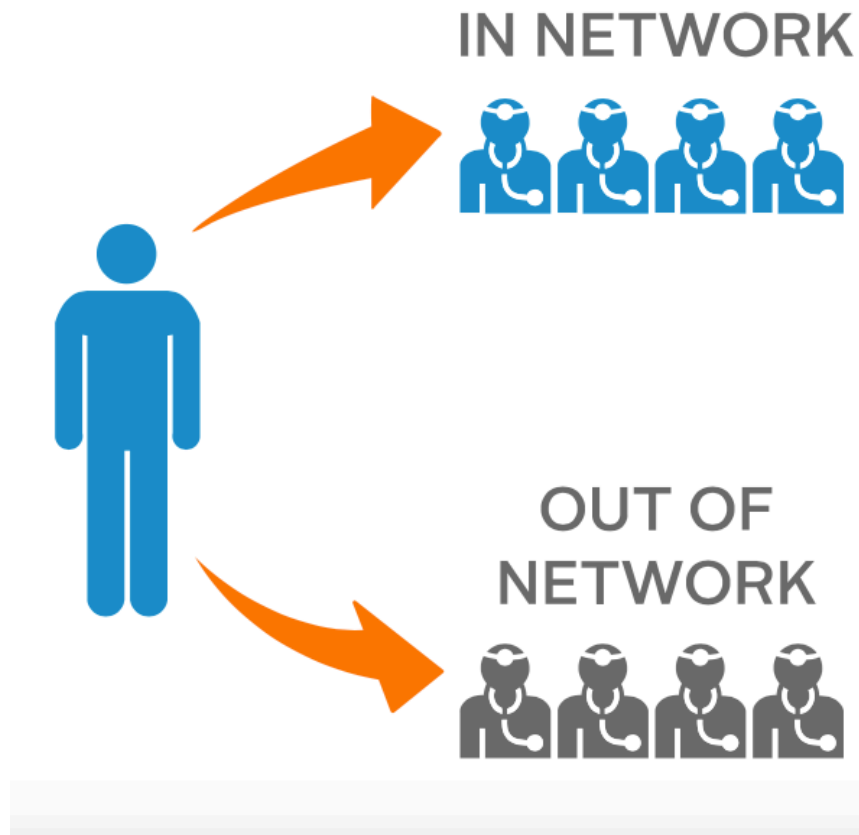


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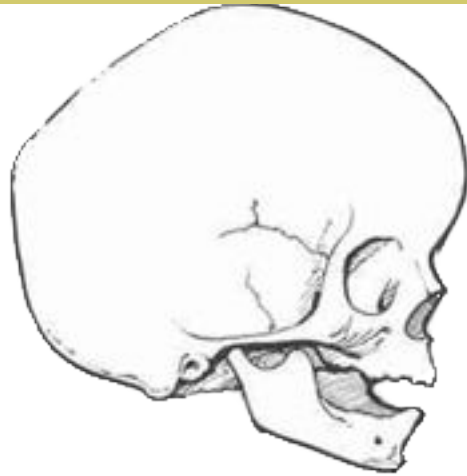
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BUCA PAYORS



**BOARD CERTIFICATION
NO DISCIPLINARY ACTIONS**

MEDICAL SPECIALTY BOARDS



American Society
of
Craniofacial Surgery



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GOVERNMENT QUALITY METRICS



- COMPLICATIONS RATES
- MORTALITY RATES
- READMISSION RATES



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CRANIAL HYPERTENSION



ARE NEW PAYORS QUALITY EFFORTS HITTING THE MARK?



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PREMIER PHYSICIAN PROGRAMS

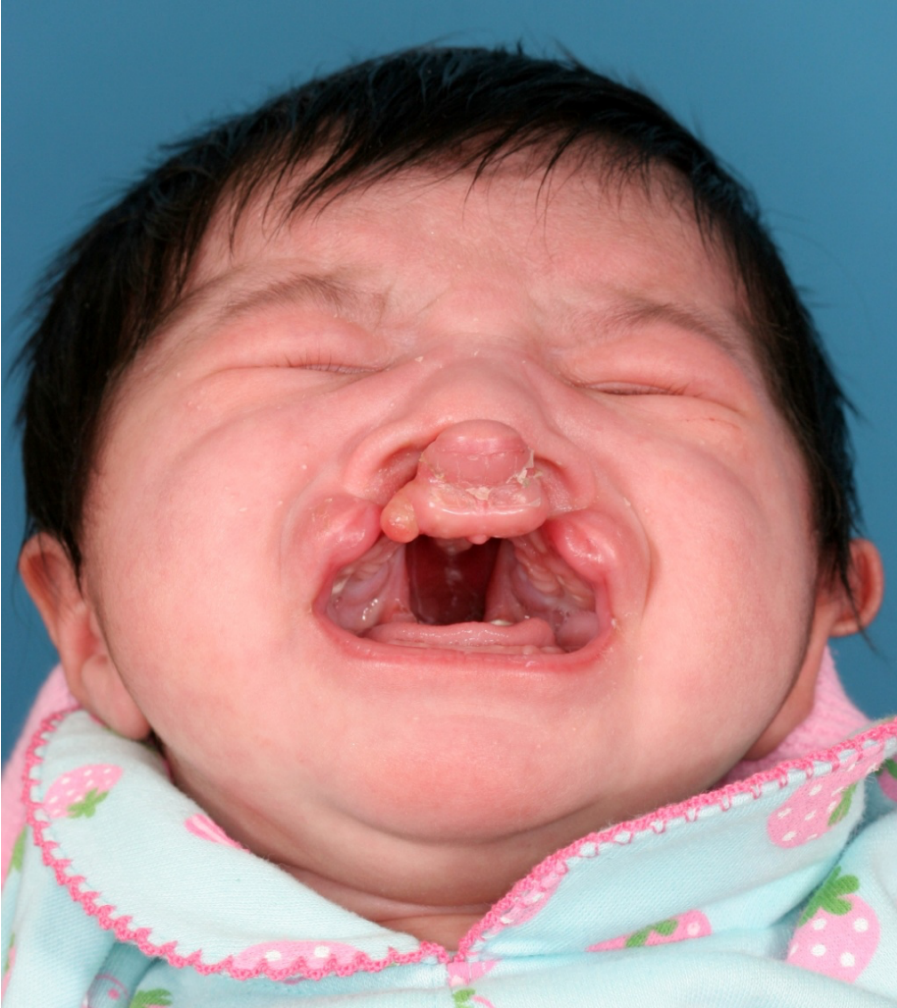


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AUSTIN, TEXAS: 13 YEARS



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Patient Reviews



Analytics



Resources



Help Center



Settings



Back to Standard



Sign Out



Patient Experience Analytics/ Patrick Kevin Kelley, MD

Why Patient Satisfaction Matters

Patient satisfaction ratings represent personal opinions. The scores below reflect the same scores as displayed on your public profile. It is important to note the number of responses associated with your score and the areas of high performance verse those areas that could use improvement.

Likelihood of recommending Dr.
Kelley to family and friends

3.0

3 Total Ratings

1 Review

Tell us about the office & staff

Ease of scheduling urgent appointments

3 Responses

Office environment, cleanliness, comfort, etc.

3 Responses

Staff friendliness and courteousness

3 Responses

Total wait time (waiting & exam rooms)

3 Responses

10 - 15 minutes

Tell us about Dr. Kelley

Level of trust in provider's decisions

3 Responses

How well provider explains medical condition(s)

3 Responses

How well provider listens and answers questions

3 Responses

Spends appropriate amount of time with patients

3 Responses





STARBUCKS CARD

\$10



Dr. Patrick Kelley, MD

★★★★★ (11)



NEW PATIENTS

1-888-503-3018 **althgrades**



Sharing Screenshot

A link to your screenshot has been copied to your clipboard.

Close

Show in Fi



Dr. Patrick Kelley, MD [Save](#)

Pediatric Craniofacial Surgery | Male | 49 y/o

★★★★★ (11)

✓ Accepting new patients

After completing medical school and plastic surgery re...[See More](#)

This provider is brought to you by and on medical staff at

StDavid's | MEDICAL CENTER



NEW PATIENTS
1-888-503-3018



EXISTING PATIENTS
(512) 377-1142



LEAVE A REVIEW

Craniofacial Team of Texas

11412 Bee Cave Rd

Austin, TX 78738

[Get Directions](#)

New Patients: 1-888-503-3018

Existing Patients: (512) 377-1142

Accepted insurance

- Aetna
- Ambetter
- Assurant Health
- Blue Cross Blue Shield
- Blue Cross Blue Shield of Texas
- Cigna
- First Health (Coventry Health Care)
- Humana
- Medicaid
- MultiPlan
- Texas Children's Health Plan
- UnitedHealthCare

Learn about Dr. Kelley

VALUE TO PATIENTS



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MEASURING OUTCOMES THAT MATTER TO PATIENTS...

ELIZABETH TEISBERG, PhD, MEng



- **CAPABILITY**
- **COMFORT**
- **CALM**



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EMPLOYERS



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ECONOMICS OF QUALITY

EARLY SIGNS

**COMPLICATIONS
INSURANCE
MARKET**

***COVERAGE FOR
BUNDLED CASE RISKS***

PRICING

***BASED ON
UNDERLYING RISKS***

**PRICING VARIES
SIGNIFICANTLY**

***90% OF RISKS
ASSOCIATED WITH
SURGEON***



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COMPETITIVE IMPACT

PRICING RISK CREATES VALUE

KNEE ARTHROPLASTY

SURGEON - DR. "X"

COMP INS: \$1500

TOTAL BUNDLE: \$22,000

SURGEON - DR. "Y"

COMP INS: \$1000

TOTAL BUNDLE: \$21,500



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KEY TAKEAWAYS



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FREE MARKET HEALTHCARE SYSTEM

KEY TAKEAWAYS

- 1) CHANGE IS HARD
- 2) COSTING IS YOUR SHARPEST TOOL
- 3) PATIENT FOCUS WINS
- 4) GOOD PARTNERS ARE KEY



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DOCTORS LOVE US



DR. STEVEN FASS, GENERAL SURGEON

”

Since I don't have many of the same paperwork requirements of other traditional insurance companies it leaves me more time to focus on direct patient care”

‘....less work to recover payment leads to somewhat of a favored status [for TFMS patients] from my staff.”

‘ In an era when private practitioners deal with rising overhead and decreased reimbursement, it is a pleasure and honor to treat patients [through] TFMS”

”



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PATIENTS LOVE US



"I can't believe it was this simple and affordable!"

"Best healthcare experience I have ever had, medically and financially"

"Wow! I had a great experience. If y'all work in highly rated facilities with top notch surgeons at such an affordable rate, the question is why is everyone else charging so much and couldn't give me a price????"

"Great surgical outcome and my employer covered everything!"



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EMPLOYERS LOVE US



”

First rate in quality, efficiency and outcomes. Our company saves 40%+ on total surgical bills. We get bundled pricing - we receive only one statement. No trickling in of bills.

Real people answer the phone when we need to speak with someone to schedule, follow up, or ask a simple question. We intend to fully use –

”

Joe LaMantia, CEO –
L&F Distributors and BevCap



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