

# ***Best Practices to Unleash the Free Market in Healthcare***

## **Recent Awards**

***Wisconsin Healthcare Transformation Award –  
2020***

***National Employer Healthcare Purchaser Award –  
2020***

*(previous winners – Qualcomm, Brakebush, Disney,  
Boeing, and Walmart)*

**Matt Ohrt**

***Vice President, HR and Medical Services***



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# **2021 FMMA Annual Conference**

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**AUG 5-7, 2021  
PLANO, TX**

# DOING NOTHING LEADS TO HIGHER COSTS AND PLAN DEGRADATION

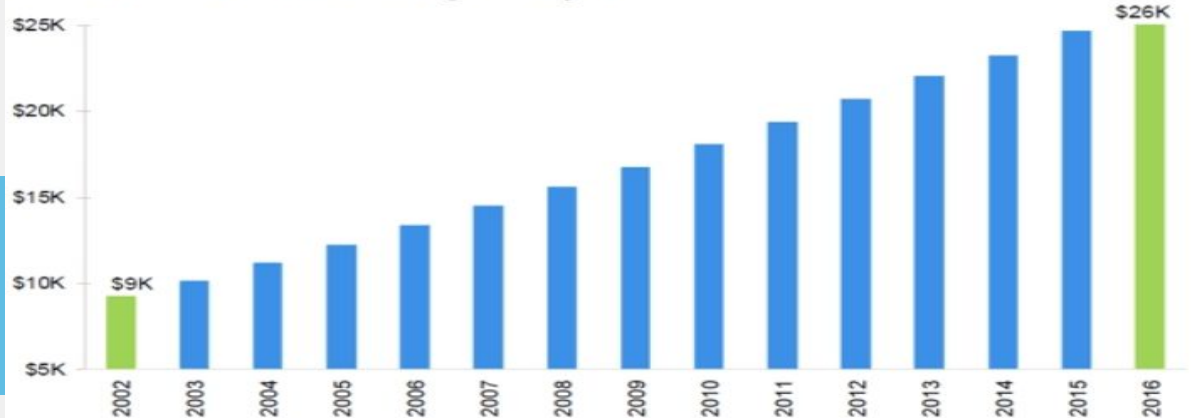
Health Care Costs Rising at Unsustainable Clip for Consumers; Drug Companies and Insurance Companies Facing Pushback on Prices

WSJ - The Daily Shot

Medical costs for a family of four in an employer-sponsored PPO plan increased 180% since 2002!

04 Aug 2017

## Annual Medical Costs for Average Family of Four\*



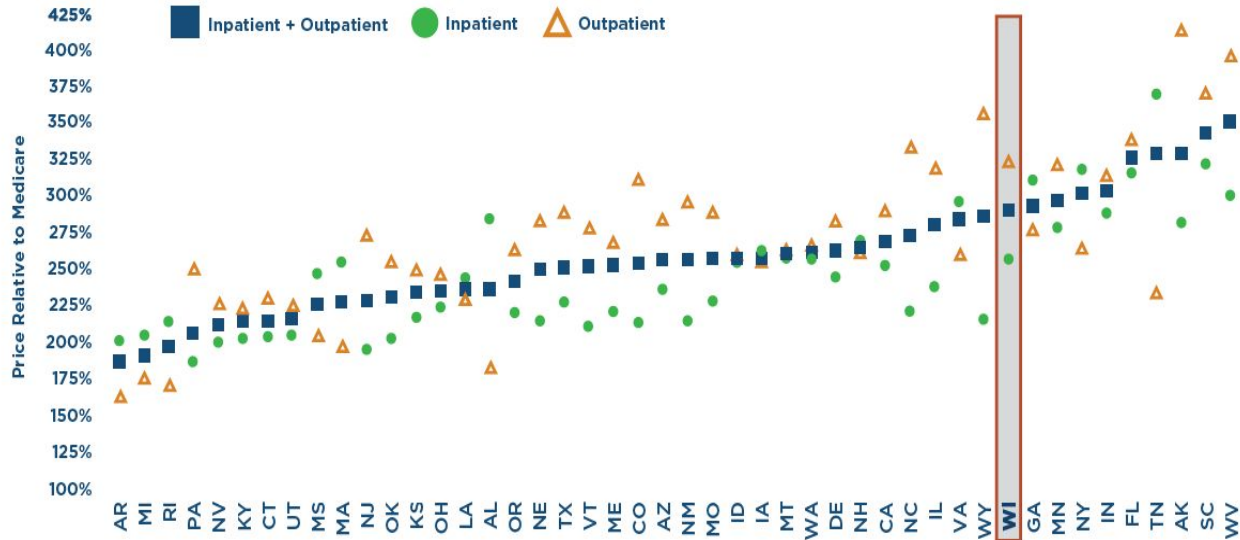
\*Includes employee and employer contributions and health expenses. Milliman Medical Index is an actuarial analysis of projected total health care cost for a hypothetical family of four covered by an employer-sponsored preferred provider organization (PPO) plan. The MMI only includes health care costs, not plan administrative expenses or profit.

Sources: Milliman Medical Index; John Burns Real Estate Consulting, LLC (Data: 2016, Pub: Feb-17)

JOHN BURNS  
REAL ESTATE CONSULTING

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## Hospital prices in Wisconsin are higher than most other states.



Source: RAND 3.0 Hospital Price Transparency Study, September 2020 - [https://www.rand.org/pubs/research\\_reports/RR4394.html](https://www.rand.org/pubs/research_reports/RR4394.html)

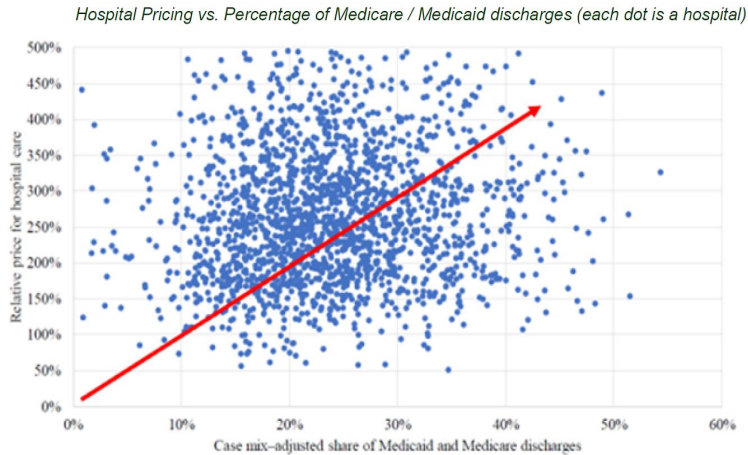


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# MYTH

## "Prices are high because Medicare and Medicaid don't pay enough."

### FACT: High prices are not tied to Medicare and Medicaid.



If government programs weren't paying their fair share, hospitals who treat a higher percentage of Medicare and Medicaid patients would have the highest relative commercial prices. Those hospitals that treat a lower percentage of Medicare and Medicaid patients should have lower relative commercial prices. The data plotted on this chart would align along the red line. In fact, RAND found no correlation between case mix and commercial prices.

Source: RAND 3.0 Hospital Price Transparency Study, September 2020 [https://www.rand.org/pubs/research\\_reports/RR4394.html](https://www.rand.org/pubs/research_reports/RR4394.html)



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EXAM 1

# ONSITE CLINICS

EXAM 2



# MOBILE CLINIC



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# ONSITE MRI



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# ONSITE PHYSICAL THERAPY AND CHIROPRACTIC



INNOVATIVEHealth



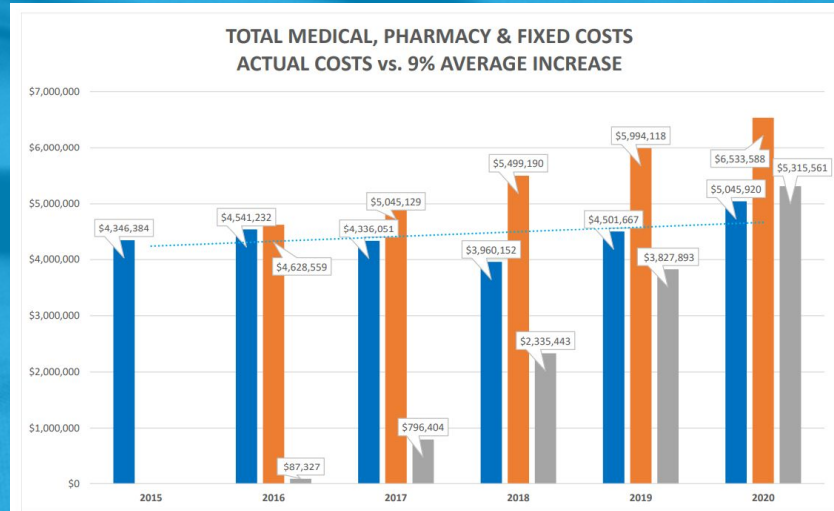
BAUTCH  
CHIROPRACTIC



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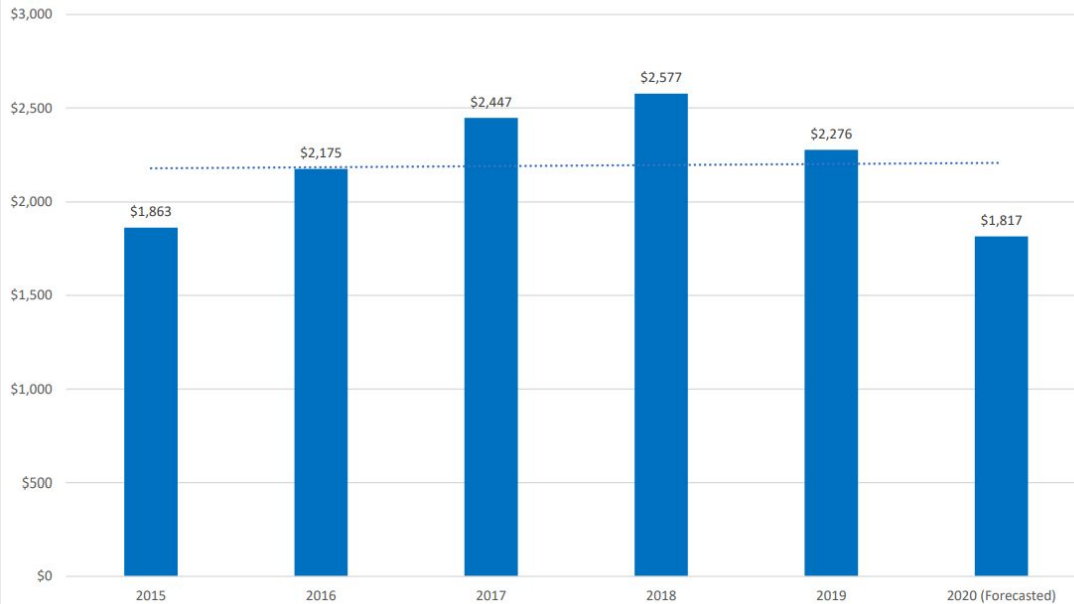
## HOW HAS IT WORKED?

- 5 consecutive years of frozen or lowered premiums
- Initial investment - \$250k
- ROI since 2016 – about \$5.5M



# HOW HAS IT WORKED?

AVERAGE PHARMACY COST PER EMPLOYEE PER YEAR



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# TRANSPARENT AND COMPETITIVE PARTNERS

## *SURGERY CENTER OF OKLAHOMA*



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<https://surgerycenterok.com/>



REQUEST A SPECIALIST

{ HOME }

ABOUT

PRICING

SPECIALISTS

FINANCING

FAQS

DR. SMITH'S BLOG

MEDIA

CONTACT

Choose procedure category

Knee

Choose Procedure or Surgery

Total Knee Arthroplasty (Knee Replacer)

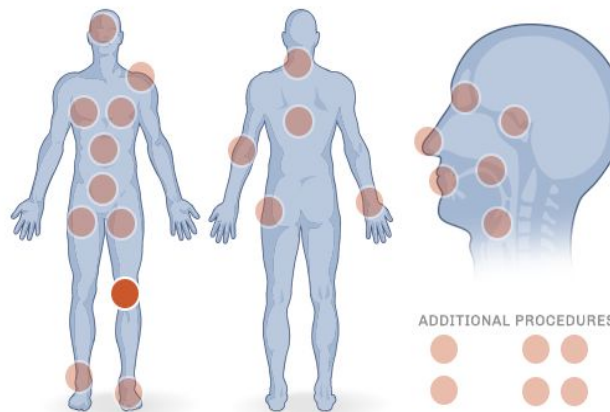
[Learn More](#). Not finding what you need? Here is a [complete list](#).

Price will be: **\$15,499\***

REQUEST A SPECIALIST

GET FINANCING

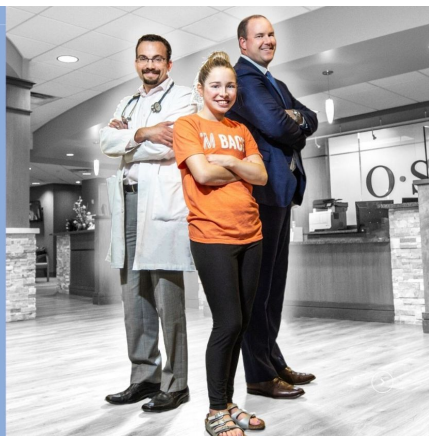
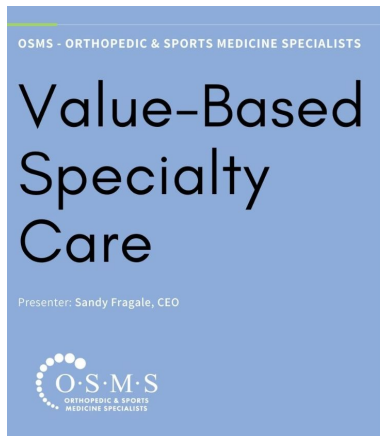
\*Read the pricing [Disclaimer](#)



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# TRANSPARENT AND COMPETITIVE PARTNERS

## OSMS – GREEN BAY & APPLETON



A close-up photograph of a person's open palm holding a single, small, light blue, oval-shaped pill. The background is a soft, out-of-focus light blue.

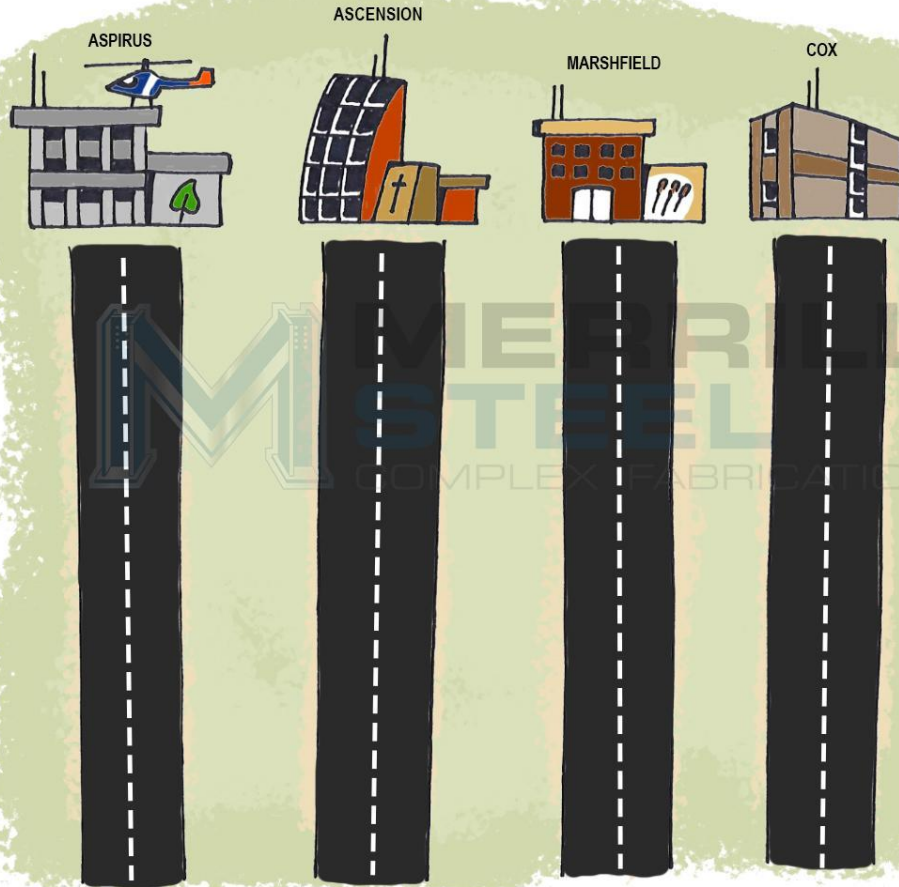
## OTHER MERRILL STEEL SOLUTIONS

- *Benefit Partner changes (Benefit Advisor, employer coalition, TPA, PBM)*
- *Referenced Based Pricing (RPB) agreements with Health Systems*
- *Plan Design changes (Tiers) to support smart shopping (transparent quality and cost)*
- *Wellness Program changes - employees can earn up to \$1500/\$3000 into HSA*



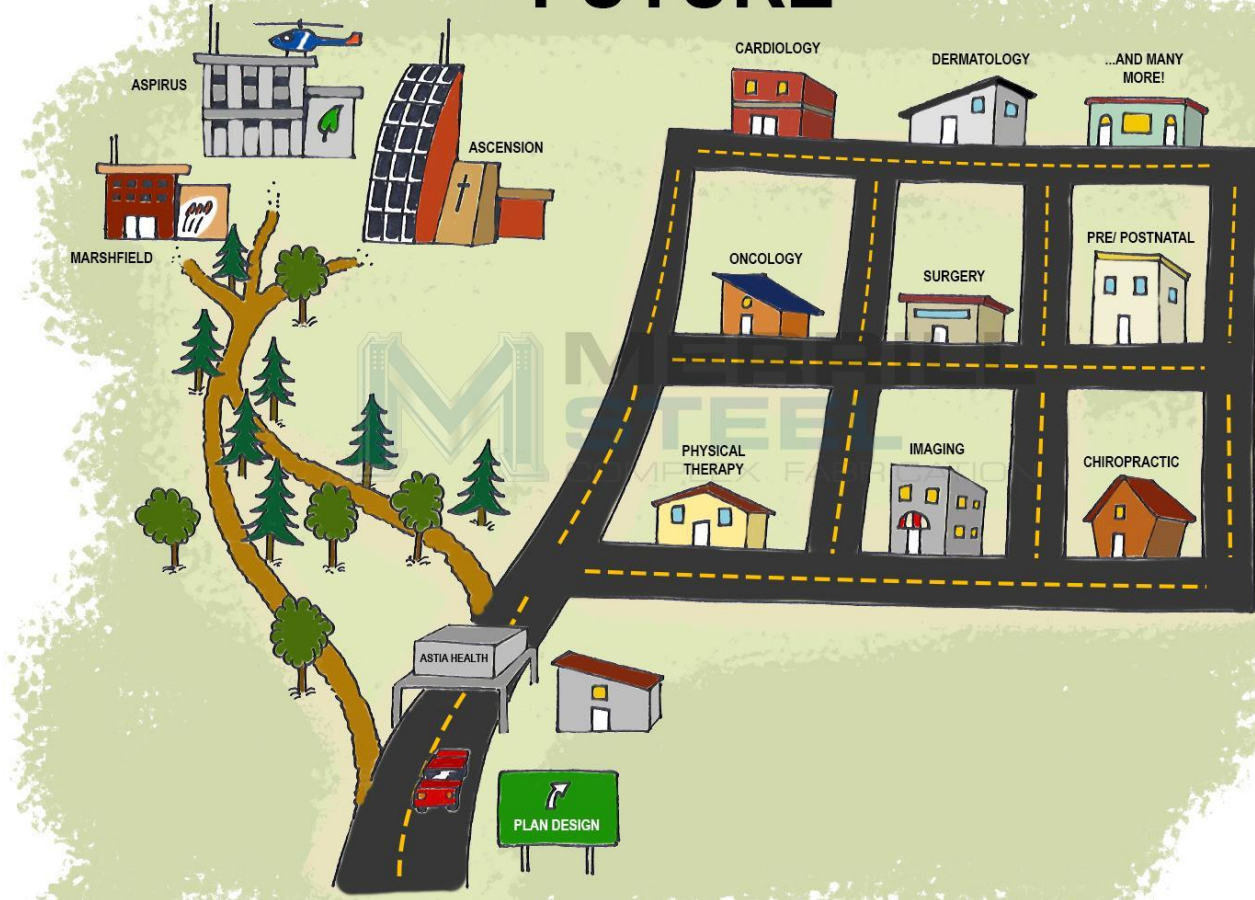
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# CURRENT



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# FUTURE



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# WHAT WILL WE DO? WILL WE DO?

- *Doing nothing leads to 20+ years of 9% annual increases*
- *Doing nothing leads to the annual family spend on healthcare being 52% of total income by 2030*
- *Doing nothing leads to costly premium increases for employees and their families*
- *Doing nothing plan degradation and exorbitant deductibles for employees and families*
- *Doing nothing leads to the deterioration of the fabric of our communities*
- *Doing nothing leads to businesses leaving Wisconsin*
- *Doing nothing is never a good option.....*



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