



eNSIGHTS

Scenes from the epidemic

In at least three major cities – Philadelphia, Denver, and San Francisco – library employees now know, or are set to learn, how to administer Narcan to help reverse overdoses.

The **Philadelphia Inquirer** reports overdoses at the McPherson Square library in Philadelphia have become so routine that the staff practices overdose drills. On one memorable occasion last year, the staff had to call 911 five times in one day.

The **New Yorker** provides more harrowing details. “At this stage of the American opioid epidemic, many addicts are collapsing in public – in gas stations, in restaurant bathrooms, in the aisles of big-box stores,” it reports in a recent issue. Emergency responders say addicts are using drugs in public places so they can receive medical help if they overdose.

Some people are using drugs in the unlikelyst of settings. Emergency paramedics in Berkeley County, West Virginia, recently got a call that sent them to the youth softball field in a tiny town called Hedgesville. It was the first practice of the season for the girls’ Little League team.

The **New Yorker** reports two of the parents were lying on the ground, unconscious, several yards apart. The couple’s younger children, aged ten and seven, were running back and forth between their parents, screaming, “Wake up! Wake up!”

The death rate from drug overdose is the highest in West Virginia. The magazine reports that on one street in Martinsburg, a little girl, whose father died from a heroin overdose, lives with her grandmother. “Down the street is a couple with five adopted children whose parents were addicts. Across the street, a woman lives with her two nephews; their mother is an addict.”

Alarming rise in drug overdoses

Deaths from overdose of prescription painkillers and illegal drugs increased 20% between 2015 and 2016 – the largest annual jump ever in the U.S. – according to data compiled by **The New York Times**.

The newspaper estimates deaths rose from 52,404 to 62,497, and concludes the problem is getting worse. The CDC won’t have the official tally for 2016 until December this year.

The **Times** compiled estimates for 2016 from hundreds of county coroners and medical examiners and state health departments. The data reports a grim picture of a modern plague now turning even deadlier because of illicitly manufactured fentanyl and similar drugs.

Drug overdoses have become the leading cause of death among Americans under 50. Overall, nearly 95 million Americans used prescription painkillers in the past year, and estimates indicate more than two million are dependent on opioids.

A particularly worrisome trend is sale of fentanyl and its analogues over the internet, which is enabling lethal drugs to reach all corners of society. Last year, two 13-year-old boys died in Park City, Utah after taking a synthetic opioid they had purchased from a local teenager, who had bought the drugs on the internet.

In late February this year, federal authorities charged a man in South Carolina with receiving more than three kilograms of fentanyl ordered through encrypted web channels. The amount would be enough to kill 1.5 million adults, given that just two milligrams is a lethal dose, according to the **Times**.

Joseph Pinjuh, chief of the organized crime task force in the U.S. attorney’s office in Cleveland, told the newspaper “we could give you a pretty good idea of the drug traffickers in town who can order kilos from Mexico – that’s a known commodity. What’s harder to track is the person ordering this from his grandmother’s basement.”

In 2015, the last year for which national data is available, fentanyl and similar drugs killed 9,580 people, an increase of 73% over 2014. The **Times** reports that in Montgomery County, Ohio – one of the worst-hit states – of the overdose deaths recorded in January and February this year, only three people tested positive for heroin; 99 tested positive for fentanyl or an analogue.

At a press conference in June called to highlight the hazards of fentanyl, Deputy Attorney General Rod Rosenstein remarked “some people say we should be more permissive, more tolerant, more understanding about drug abuse. I say we should be more honest, and we should be forthcoming with the American people about the clear and present danger that we now face.”

inside

- 2 Amazon at healthcare’s doorstep
- 3 Consumers may turn the tables on insurers
- 4 Group dangles rewards for whistleblowers



A view from afar

Experts panel

Arthroscopic surgery ineffective

A panel of international health experts recently concluded arthroscopic surgery is ineffective for patients with degenerative knee problems. The procedure is among the most-commonly performed worldwide, and in the U.S. alone costs more than \$3 billion annually.

The findings were published in the journal **BMJ**. "We make a strong recommendation against the use of arthroscopy in nearly all patients with degenerative knee disease, based on linked systematic reviews; further research is unlikely to alter this recommendation," the panel said.

It specified the recommendation applies to patients with or without imaging evidence of osteoarthritis, mechanical symptoms, or sudden symptom onset. The panel said the evidence against arthroscopic surgery is so strong "healthcare administrators and funders may use the number of arthroscopies performed in patients with degenerative knee disease as an indicator of quality care."

The panel relied on 13 studies involving nearly 1,700 patients that found the surgery did not provide lasting pain relief or improve function. Those studies compared the surgery with a variety of options, including physical therapy, exercise, and even placebo surgery.

The experts said that fewer than 15% of patients felt an improvement in pain and function three months after the procedure, but even those gains disappeared after one year. Besides, the surgery exposed patients to "rare but important harms," such as infection.

The panel noted knee replacement is the only definitive therapy, but it is reserved for patients with severe disease and after other therapies have been unsuccessful.

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On the horizon

■ Amazon at healthcare's doorstep

Amazon is aggressively expanding its presence in medical supplies by selling items such as infusion pumps, catheters, hospital beds, and scalpels, for 10% to 20% less than other suppliers, reports **Modern Healthcare**.

Amazon says it is already making a difference. "We're making supply chains more efficient, simplifying contract administration, and bringing comparison shopping to healthcare," it says on its website.

"Amazon devices such as Alexa and Dash put ordering and replenishment capabilities into the hands that need them. Envision a new supply chain workflow for your organization," it adds. As is characteristic, Amazon offers free shipping and same-day deliveries.

Industry observers note to **Modern Healthcare** that even though Amazon is starting with commoditized items, its presence is enough to have a significant impact. "It will be a much more competitive market when someone the likes of Amazon can bring to bear 100,000 suppliers in one fell swoop," says Eric Wilson, director of purchase-to-pay at Basware, which offers e-invoicing solutions.

Some analysts say it is only a matter of time before Amazon or Apple or Google, or another high-tech firm with loads of money, decides to make a play for the larger healthcare market, which offers both high rewards and high risks. Despite numerous interventions and innovations over the years in how to pay for healthcare, costs remain high and the system is in disarray.

Amazon seems the most likely company to enter the fray. Amazon CEO Jeff Bezos has grabbed market share in one economic sector after another, and pushed out business after business by providing exceptional customer service, which is to say by solving mundane, everyday problems.

Founded in 1994 as an online bookseller, Amazon has grown into a \$136-billion-a-year company with 341,000 employees and a presence in nearly every aspect of e-commerce: groceries, apparel, streaming video, baby goods, electronics, and more. In addition, Jeff Bezos owns The **Washington Post**.

The company's original mission statement was "to become the leading online retailer of information products and services, with an initial focus on books" and within less than 20 years of its founding, Amazon's ambition has grown to be "the *earth's* most customer-centric company," with no specified products and services.

Technology analyst Ben Thompson, who writes the blog **Stratechery**, suggests the best way to make sense of Amazon's ultimate objective is to appreciate that the company's reach knows no bounds. Start there, he says, and Amazon's recent purchase of Whole Foods for \$13.7 billion and its diverse businesses begin to make sense.

"Amazon and Jeff Bezos have their sights set on being the most dominant company of all time," he writes, suggesting Amazon's grand goal is to take a cut of *all* economic activity.

Gene Kirtser, CEO of ROi, a supply chain management company that has more than 100 group purchasing organization members and serves more than 250 hospitals in the U.S., says healthcare would be a formidable challenge even for Amazon.

"It is such a complex ecosystem to navigate. It has a lot to do with relationships. Where Amazon plays, decisions are made more black and white. Healthcare is so gray and convoluted," he commented to **Modern Healthcare**.



Consumers may turn the tables on insurers

Many American consumers have long felt insurance companies are dodgy and unreliable and will do what they can to get out of paying for treatment. Genetic tests recently approved by the FDA may now give certain consumers the upper hand, and seal the fate of the already sinking long-term care insurance market.

In April, the FDA gave approval to the gene-testing company 23andMe to offer tests that can reveal whether a person is at risk for developing Alzheimer's or Parkinson's or some other debilitating diseases. "For companies selling long-term care insurance, these tests could be a disaster, sending risky patients in search of policies even as those with fewer risks shy away, damaging an already fragile business," noted the **New York Times**.

"There is a question about whether the industry is in a death spiral anyway. This could make it worse," says Robert Hunter, director of insurance at the Consumer Federation of America. As recently as 15 years ago, more than 100 firms offered long-term care insurance. By the end of 2015, only 12 firms offered it, and new enrollees fell from 171,000 to 104,000, according to the newspaper.

The **Times** used a simple anecdote to spell out the trouble for insurers. Pat Reilly, 77, a retired social worker, applied for long-term care insurance because her mother suffered from Alzheimer's. Wary of enrolling people at risk for dementia, the insurance company tested her memory three times before issuing the policy.

But Ms. Reilly knew something the insurer did not: She has inherited the ApoE4 gene, which increases the lifetime risk of developing Alzheimer's. "I decided I'd best get long-term care insurance," she said.

Under the Genetic Information Nondiscrimination Act, insurers are not permitted to require gene tests or to use the results in coverage decisions, and neither can employers require gene tests or use any such results in employment decisions.

At the same time, research has shown that people who learn they have the gene variant for developing Alzheimer's are nearly six

times more likely to buy long-term care insurance than those who do not have a similar risk. "Even if just a minority of 23andMe customers decided to game the current insurance system, it's enough to perturb the market," reports the **New York Times**.

"All the insurance companies are concerned about this," says Dr. Robert Green, a geneticist at Harvard University, who has been discussing the problem with industry executives.

The newspaper estimates nearly 5.5 million people in the United States have Alzheimer's disease, and these patients constitute half of all nursing home residents. Yet very few people in the United States have been tested for the ApoE4 gene, thus setting up a potentially troublesome scenario for long-term care insurers as suggested above.

The FDA's approval of 23andMe is expected to make it easier for other companies to enter the market since the new entrants would just have to demonstrate their offerings are substantially equivalent to the tests already approved. The genetic test costs \$199 and all a consumer needs to do is send off a sample of saliva.

It remains to be seen whether the anticipated surge in genetic tests will uncover a ticking time bomb. In any event, consumers are unlikely to be troubled over the ethics of keeping long-term care insurers in the dark. A Harris poll conducted earlier this year found only 16% of Americans believe health insurance companies put patients before profits. Other sectors of the healthcare industry did not fare much better.

Long-term care insurance is not quite health insurance, but close enough in the eyes of consumers to be grouped with it and to suffer from the latter's unpopularity. A favorable public image can be an asset when an industry is in the spotlight, as company CEOs and lobbyists are keenly aware.

"Positive reputations can pave the way in times of crisis, in times of transition – and when it's critical to have a seat at the policy-setting table," notes Wendy Salomon, vice president of reputation management and public affairs at Nielsen. The company acquired the Harris Poll in 2014.

HIPAA

Hospital fined for immigrant disclosure

Memorial Hermann Health System in Houston will pay a \$2.4 million fine to U.S. Health and Human Services for revealing the name of a patient who was arrested, even though her identity became public through police records.

According to the **Houston Chronicle**, the incident began when a 44-year-old woman from Mexico who had been living in the United States illegally for more than a decade, presented a fake Texas driver's license when she checked in for an appointment at one of the hospital's clinics. Office staff alerted authorities who arrested the woman, taking her away in handcuffs in front of her two daughters.

HHS began to investigate after news accounts reported the incident as a possible violation of the woman's patient-privacy rights. The agency ultimately concluded that the disclosure of her identity to law enforcement officials was allowed under HIPAA.

But the health system got into trouble when in the days following the incident, as Memorial Hermann administrators sought to assuage local protestors, the health system included the illegal immigrant's name, without her consent, in a news release defending its actions.

Continued on page 4



Continued from page 3 - HIPAA: Hospital fined for immigrant disclosure

Between September 15 and 19, 2015, Memorial Hermann disclosed the patient's name through press releases issued to 15 media outlets and reporters. HHS said senior hospital executives also disclosed the patient's protected information to an advocacy group, state representatives, a state senator, and on its website.

The agency says senior management should have known that

disclosing a patient's name on the title of a press release was a clear HIPAA Privacy violation. "This case reminds us that organizations can readily cooperate with law enforcement without violating HIPAA, but that they must nevertheless continue to protect patient privacy when making statements to the public and elsewhere," the agency said.

Cleveland Clinic to offer health insurance

Beginning this fall, pending regulatory approvals, Cleveland Clinic will team up with Oscar Health insurance company to offer individual health plans in five northeast Ohio counties.

The health plans are anticipated to be sold on the Ohio health insurance exchange as well as off the exchange, with coverage to begin on January 1, 2018. The organizations said they will work together to integrate their clinical and member-facing care approaches to offer consumers a seamless, guided healthcare experience.

"Together, Cleveland Clinic and Oscar Health intend to offer a different approach, one that breaks down the complexities between providers and insurers, allowing our patients to easily navigate the healthcare and health insurance systems, get the highest quality care at a reasonable price, and improve their overall health," said Steve Glass, Cleveland Clinic's Chief Financial Officer.

Every health plan member will be matched with both a Cleveland Clinic Care Team (comprised of a primary care provider, physician assistants, and other allied health professionals) and an Oscar Health Concierge Team (made up of a nurse and three care guides).

These clinical and concierge teams will work together across the continuum of care to ensure that each patient/member's health and wellness needs are proactively met. Anytime patients/members seek care, they will be able to have the option of a virtual visit through Cleveland Clinic's Express Care Online and Oscar's Virtual Visits with no co-pay.

The two organizations also said in their press release that they would use smartphone technology to analyze patient needs and guide them to the right medical options.

If history is a reliable guide, the pairing faces an uphill struggle. The Robert Wood Johnson Foundation noted in a recent analysis few new plans have gained enough enrollees to effectively manage risk, achieve economies of scale in plan administration, or have an impact on competition and price in their local markets.

Since 2010, of the 37 new health insurance companies and five acquired health plans, only four were profitable in 2015, five have gone out of business, and two are in the process of being sold," the foundation reported.

Group dangles rewards for whistleblowers

Under the tagline *Get Rewarded for What You Know*, the Washington, D.C.- based Corporate Whistleblower Center is inviting individuals to contact the center if they have very specific and provable information involving over-billing or otherwise defrauding the federal government, including suspected fraud in Medicare and Medicaid.

It asks: "Why sit on a winning lotto ticket without ever knowing what it could be worth?" The group specifies the suspected wrongdoing must exceed \$1 million in over-billing or fraud. In order to receive a reward, potential whistleblowers must reveal the details only to the

whistleblower center and not complain to their employer or contact the government or otherwise make the information public.

The center says "we are the national experts at taxpayer fraud, Wall Street fraud, and employee wage and hour abuse. If a whistleblower can prove their employer, or a contractor is defrauding the federal government, shareholders, or consumers, we will help the whistleblower package their information, and we will find the absolute best national caliber whistleblower attorneys to help them advance the claim. No other group in the world offers a service like this."



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