4sight Health Roundup Podcast

Are We Overpaying for an Ounce of Prevention?

8/8/24

David Burda:
Welcome to the 4sight Health Roundup podcast, 4sight Health's podcast series for healthcare revolutionaries; outcomes matter customers count and value rules. Hello again, everyone. This is Dave Burda, news editor at 4sight Health. It is Thursday, August 8th. Pretty quiet here in the neighborhood. You're either on vacation or out shopping for school supplies. I might be the only one working. We ended last week's show with a quip by me about liking my gastroenterologist, but not missing him if this new blood test to detect colon cancer works. Little did I know that Dave Johnson, founder and CEO of Foresight Health was teeing up the topic for today's show, the Cost of Cancer screenings in the US. Joining us to talk about cancer screening costs is Julie Murchinson, partner at Transformation Capital. Hi Dave. Hi, Julie. How are you two doing this morning, Dave?

David W. Johnson:
Well, I'm doing great, Terry. My wife Terry and I are celebrating our 40th wedding anniversary on Sunday, so three days from now. And I'm trying to put all of this wedded bliss into perspective. Clearly marrying Terry was far and away the best decision I've ever made in my life. Inside our wedding bands is the phrase and the two, which is inside Terry's shall be as one, which is inside mine, along with our wedding date, August 11th, 1984. And the two shall be as one. So it's been, and so it shall be.

Burda:
Wow, congratulations, Dave. That's a, it's a real milestone. What, what's what do you get at the 40th anniversary? I know there's like silver and gold and, you know, dinner.

Johnson:
I think you get Dinner. Yeah.

Burda:
Okay. Dinner's good enough, <laugh>.

Johnson:
<Laugh>.

Burda:
That's great. Julie, how are you?

Julie Murchinson:
First congrats, Davc. I am, well, my family is all Olympics all the time, which is keeping me up way too late at night. But I'm loving it. And my husband just sent me something yesterday saying that Snoop Dogg is making half a million dollars a day to be the Olympic, like, hang around, dude. I mean, I just like, what kind of world are we living in? But <laugh>, it's really fun.

Burda:
He's got the right business model, right?

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Murchinson:
Yeah, he does.

Burda:
He does. Now, before we talk about cancer screenings, let's talk about your latest cancer screening experiences. Dave, a few shows ago you mentioned your PSA test to detect prostate cancer and how that turned out. Can you give us a quick recap and an update?

Johnson:
<Laugh>? Sure. you know, they don't call it intestinal fortitude for nothing. For those who didn't hear, I had proton beam radiation therapy last month at the Mayo Clinic to treat early stage prostate cancer. At Mayo that treatment only required five sessions over nine days, whereas in most of the rest of the country, it requires 40 plus sessions over eight weeks. So massive productivity improvement for Mayo. And I had a little discomfort that didn't even need a Tylenol. And, you know, three weeks later not only is the cancer gone but my quality of life has improved in ways I couldn't have imagined. And I don't think I need to explain that to anybody.

Burda:
That's great to hear. Thanks Dave. Julie are you up to date on your cancer screenings?

Murchinson:
You know, up to date might be a bit of a stretch, but you know, I am one who has pushed the, the tradition on colonoscopies to the, you know, at home diagnostic screening. And it was a lot to push that through one medical, honestly, they give the option, but they don't like to use it. So this really, this whole study rings true to me.

Burda:
That's interesting. I had my latest colonoscopy on July 15th and everything checked out fine. All my pipes are clean, and I got an interesting EHR story out of it. Do you guys want to hear it?

Johnson:
Sure.

Murchinson:
Yes.

Burda:
Yeah. Even if you didn't, I was gonna tell it. So <laugh> <laugh> at, at my last colonoscopy three years ago, I asked Dr. Patel right before I fell asleep what was the highest number of polyps he's ever removed from a patient? And he said it was in the seventies, and it's like, whoa. So I asked him this year if he broke his record, and he said they have a new EHR system that caps the number of polyps you could enter into the system at 25. So the top number is 25 and then a little plus sign. And he wasn't very happy about it. And I told him I thought that was a bad idea for health services researchers, because in the future they'll think that no one ever had any more than 25 polyps. Right. <laugh>,

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Johnson:
What a pain in the ass, huh? Yeah,

Burda:
Right. You know, if you like statistics, this is just like the worst thing to do. So you have some technician who designed the EHR system, arbitrarily deciding that counting more polyps after you hit 25 is a waste of time or a data field in an EHR. That's ridiculous. So ridiculous.

Murchinson:
It's ridiculous.

Burda:
Anyways some people may think the amount of money we spend on cancer screenings is ridiculous. And there's your transition. Health services researchers from the National Cancer Institute published a study this week in the Annals of Internal Medicine. They wanted to know how much the US spends on five common cancer screenings and who pays for it. The five cancers are breast, cervical, colon, lung, and prostate. Here's what they found. We spent a total of $43.2 billion in 2021 and screening for those five cancers. Here's how it broke down. $27.5 billion for colon cancer. $8.8 billion for breast cancer. $5.5 billion for cervical cancer, $702 million for prostate cancer, and $655 million for lung cancer. So almost two thirds of the spending was on Kohler cancer screening. One of the leading drivers of the spending were facility costs from where the screenings took place. Another driver was private insurance. Private insurance paid for 88.3% of the screenings with Medicare, 8.5% and Medicaid, other government insurance programs and the uninsured picking up the last 3.2%. Dave, these numbers tell a story. What story do they tell you from a policy perspective? And what can we do from a policy perspective to change the story?

Johnson:
Did I really use the phrase colonoscopy industrial complex?

Burda:
You did <laugh>. You did.

Johnson:
Well, there is one and I'm gonna go a little anal on this topic. Dave, I'm here all week, man. I'm here all week. Yeah. <laugh> Anyway the numbers are ridiculous. And, and I blame Katie Couric. Her husband, Jay Monahan died tragically in 1997 from colon cancer. He was also a news anchor, like, Katie. And she was unbelievably distraught and wanted to do something. So what she did was she had a colonoscopy done live on the Today Show, and demand for colonoscopies absolutely skyrocketed after that. You know, I halfway expect Snoop to be getting into this field at some point or another. But <laugh>

Burda:
I got a referral from Snoop Dog. Ok…

Johnson:

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So in June, we celebrated the 10 year anniversary of 4sight. The points I've been making over the 10 years really haven't changed that much. Just the receptivity to the messaging has improved orders of magnitude, which is, which is fantastic for the company. I'm not sure it's so great for the healthcare industry. But colonoscopies are an example of this. In, in June, 2015, so less than a year after the founding of the company, I wrote a piece called "Chasing Colonoscopies; It's the Customer Stupid." That was June 7th, 2015, for those who want to retrieve it out of our archives. And I talked about my experience trying to get a colonoscopy after my primary care doctor gave me a prescription for one. And the first thing I did was I called up the dominant University hospital where my primary care physician works. So duh. And they couldn't do it for six months, you know? And I said, well, you know, if I got colon cancer, I'd like to know sooner than that. So I went to the leading community network, which I called Awesome Community Health Enterprise, or ACHE; and they were willing to do the colonoscopy, but they were gonna force me to go see a gastroenterologist first. And I thought that was a waste of time. 'cause I already had the order from my primary care physician. So I, I told them, no thanks. They scheduled it anyway. And I got one of those follow up calls, you know, typical healthcare. And finally I found a gastroenterologist in my neighborhood that I called in the story Dr. Avis Goodheart. And she picked up the phone looked at my record, said, I don't need to see you. We do them on Tuesdays and Saturdays. And I said, you do them on Saturdays? And she said, oh, yeah. A lot of my customers are busy during the week and they prefer a Saturday appointment. Well, you could have knocked me over with a feather, right? That there was a customer focus. You know, and at the same time, even back then, there you had the ability to get these done in doctor's offices for 500 bucks with a nurse anesthetist. But most of the time you had to go to a hospital, pay the full facility p pay for a full anesthesiologist. And the, the cost was orders of magnitude greater than what it was in the doctor's office. So describing this as a colonoscopy industrial complex is exactly right. People follow the money. And so they've jumped in and the commercial insurance industry has just gotten on board, and they pay for it. And they pay for it largely out of the pockets of self-insured employers. And as Julie was saying, there are now kind non procedural ways of figuring out whether or not you're at risk for colon cancer. You know, Cologuard, which came outta the Mayo Clinic is very effective. And now we have a blood test. So Dave, you asked what the story is here. I think it's embodied in two numbers. The money spent on colonoscopies is 27.5 billion per year. So two thirds of that spent for all cancer screening. And the money spent on screening for prostate cancer is 702 million. And actually, according to the American Cancer Society in 2023 there were almost three times as many people diagnosed with prostate cancer as colon cancer was 290,000 versus 106,000. The thing about prostate cancer is, you know, whether or not you're at risk from a simple blood test, the PSA test. And I think we're headed on that path with colon cancer as well. So that 27.5 billion looks like it's gonna get a lot closer to that $700 million number that we have with prostate cancer, maybe even less, because so many fewer people get colon cancer than prostate cancer. So that's the story. And from a public policy perspective, we should let the market work its magic. But it's gonna be tough on the gastroenterologists of the world who are among America's highest paid physicians 'cause they're not gonna get overpaid for doing routine colonoscopies anymore.

Burda:
Yep. Kids don't grow up to be gastroenterologists. Right. Thanks Dave. Julie, any questions for Dave?

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Murchinson:
Dave, these are big revenue numbers for health systems, and I see nothing but risk for them as scientific innovation and more convenient options. Enter the scenes. So what's a health system to do?

Johnson:
Well, in a phrase, adapt or die? You know, stop trying to fight gravity. My advice to health system executives out there listening to this is first pre-order and read the Coming Healthcare Revolution, <laugh> Paul Kucero's and my book, which is coming out in November. Because we get into a lot of this market dynamic that's pressing down on health systems and it's fundamentally gonna drive more change in the next 10 years than in the last a hundred years. So be smart about it. And just take to heart that the avalanche is falling. And you don't wanna be caught square dancing, below on the mountain when it hits.

Burda:
Right. Adapt or die. Right. Thanks Dave. Julie, it's your turn. What story do these numbers tell you and what's happening in the marketplace or from a innovation perspective to change the story for healthcare consumers?

Murchinson:
Well, three words for you at home Diagnostics. Yeah.

Burda:
Okay. All right.

Murchinson:
This is where it's at. So it clearly seems like the largest opportunity to save the system money while continuing to screen is in colon cancer, undoubtedly from the numbers. And there are at least five commercially available at home fit tests. That's a fecal term; from Let's Get Checked. Cologuard, LabCorp Quest, My Lab Box, probably others. They cost around $79 to $89, although Let's Get Checked is running in a special right now, if anyone's interested. And the results supposedly last for one year or so, I've been told. So this is compared to a colonoscopy that costs somewhere between 1250 to 4,800 or much more. And the results supposedly last for 10 years, although I'm pretty sure my doctor said five. So, okay, let's call it five to 10. So if you do a little back of the envelope math, the at-home tests really still are a fraction of the colonoscopy, even if you do them on the annual basis. Now, of course, there may be other advantages to, I don't know, cutting polyps during a colonoscopy. Sure. But the at home approach sure sounds better to me than the patient experience of the colonoscopy. So that's real. Breast cancer, that's another really unpleasant screening. The mammogram, I mean, you ask any woman out there, and there's a company called Aria that sells an at-home diagnostic for $159. I don't know anyone who's chosen this route, but it exists. And I really wish I still lived in San Francisco because there's a practice called Eve Wellness that uses ultrasound to detect breast cancer, radiation free without the pain of the horrid mammogram machine. And fantastic for Get Ready guys dense breasts, which many women have and mammograms do a terrible job of looking through to find cancer. So for people with dense breasts, the whole screening process is actually worse and it throws off a ton of, you know, false positive. Okay. Cervical cancer,

another at home diagnostic opportunity. I don't know how the science and the protocol compare, but I know that Kaiser Prohente offers an at home HPV to their members. So that's something prostrate. Dave, you've covered this Ample at home options, the only one where I'm not really aware of an option is in lung cancer probably coming. There are a bunch of at home tests that claim to be cross cancer. So theoretically it could pick up lung cancer, but not a, not a real targeted screening. Employers and health plans are primarily paying for these or really consumers. A lot of these are still direct to consumer. So there's not as much integration providers as anyone would like. Some of these solutions have developed a much more robust provider integration approach, which is fantastic. And they all compromise hospital revenue unless of course the hospital gets in the game. And you know, the two biggest competitors LabCorp inquest have really gone deep here. But, you know, the hospitals make a lot of revenue off lab. So we're back in the business model problem.

Burda:
Yeah. Why wouldn't you replace your gift shop with a store that sells all these over the counter options? Why go buy another coffee cup? Right.

Murchinson:
Anyways, maybe they'll bring it back to you. Yeah, yeah,

Burda:
Exactly. Thanks, Julie. Dave, you any questions for Julie?

Johnson:
You covered a few of the cancers and maybe we can extend beyond cancer, you know, 'cause you've got other big killers, you know, like heart disease. You know, how do you see the marketplace for these preemptive diagnostic technologies emerging over the next five years that not only have the ability to reduce cost and by orders of magnitude but also stop catastrophic diseases in their tracks before they manifest and cause undue harm?

Murchinson:
Well, first lemme go back and say something. You know, when One Medical was advising me on colonoscopy versus this at-home screening they were pretty negative about the apples to apples comparison. I get that. But if we think about trying to create the apples to apples comparison, instead of thinking about where is there a screening that's indicative and sets us off, triages our process, it's a different way of thinking about it, right? The one area I'm seeing a lot of focus is in the brain, which isn't surprising given a lot of the focus, the grant level, federal government, et cetera. And there's a lot of work going on now around screenings that can delay or, or hopefully reverse dementia Alzheimer's. So like companies like New Health and Brain Check and others and health systems should want these types of screenings because today they're over capacity in so many of these specialties, and they don't necessarily do a great job of triage and really understanding based on screening results where there could be lower or other levels of care or, you know, specialists at other systems that should see certain people. So you know, I do think brain science is one place where we're not only gonna see screening improve and some results, but we're gonna see business moved away from hospitals in this area if they're not careful.

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Burda:
Thanks Julie. Well, they say an ounce of prevention is worth a pound of cure. That's true. But we're sure paying a lot per ounce. Julie, what else happened that we should know about and based on past experience likely will happen next week?

Murchinson:
Well, you'd have to be living under a rock or perhaps addicted to the Olympics to not have seen the news from CVS that they are you know, experiencing some pain from skyrocketing delivery costs. They have ousted a key executive cutting costs all over the place, and sounds like there's a lot going on. And I think this is gonna be, you know, one of the first signs we really see of health plans starting to really grapple with what's happening on the cost side.

Burda:
Yeah. Yeah. A lot of turmoil there. Thanks Julie. Dave, what other news is worth mentioning?

Johnson:
I'm gonna pick up on Julie's theme on this tension between providers and payers that's, that's coming out in the, the marketplace right now. And you know how much we love Bob Herman and Tara Banano at, at stat. And Bob's got this periodic column that he calls Healthcare Inc. Which is a term that we use fairly frequently to talk about the healthcare industrial complex. And he had a blurb in his Healthcare Inc column this week about some reporting that Tara had done on the knife fight between HCA and United Healthcare Group. You know, the elephants. You know, as a Peace Corps volunteer in Africa, we used to say that when the elephants fight, the grass gets trampled. So here you got two giants, and this is Bob's comment on it. HCA healthcare and United Healthcare are fighting over value-based care. And then he scratches that out and says, HCA and United Healthcare are fighting over prices, duh, <laugh> if the two sides don't come to an agreement by September 1, 38 HCA hospitals and affiliated physician groups and surgery centers in four states will be out of network for people with United Healthcare plans. So all this activity around price transparency and the desire for providers to increase rates to deal with their increasing labor costs and supply costs, and insurers trying to hold that down. The elephants are fighting and a lot of grass is gonna get trampled. And unfortunately that means people are gonna get trampled.

Burda:
Thanks Dave, and thanks Julie. That is all the time we have for today. If you'd like to learn more about the topics we discussed on today's show, please visit our website at 4sighthealth.com. You also can subscribe to the roundup on Spotify, Apple Podcast, YouTube, or wherever you listen to your favorite podcasts. Don't miss another segment of the best 20 minutes in healthcare. Thanks for listening. I'm Dave Burda for 4sight Health.