



# AMERICA'S HEALTHCARE SOLUTION

An Investment in  
Your Future

**MIKE STATHIS**

# AMERICA'S HEALTHCARE SOLUTION

## CONTENTS

### INTRODUCTION

#### **PART I: THE PROBLEM**

1	Healthcare: An Overview	1
2	America's Healthcare Crisis	17
3	Why So Costly?	41
4	Economic Impact	59

#### **PART II: ATTEMPTS AT A SOLUTION**

5	Medical Insurance	77
6	Physicians	103
7	Employers	125
8	Government	139

#### **PART III: THE SOLUTION**

9	Healthcare Policy	161
10	New Standards of Health	183
11	Role of Technology	203
12	Adoption Barriers	227
13	The New Physician-Patient Relationship	239

#### **PART IV: INVESTMENT IN HEALTHCARE**

14	Managed Care Organizations	251
15	The Opportunity	269
16	Change is Here	285
	Final Thoughts	305
	Notes	309
	Appendix	341
	References	381

# AMERICA'S HEALTHCARE SOLUTION

## EXPANDED CONTENTS

INTRODUCTION

### **PART I: THE PROBLEM**

<b>1 HEALTHCARE: AN OVERVIEW</b>	<b>1</b>
The Good Ole Days	2
Times Have Changed	3
A Brief History of Medicine	7
Ancient Medicine	8
Two Centuries of Achievements	9
Sanitation & Sterilization	9
Vaccine Revolution	10
Antibiotics	11
Biomedical Revolution	11
The Digital Age	13
The Medical-Industrial Complex	13
Disease Management	15
<b>2 AMERICA'S HEALTHCARE CRISIS</b>	<b>17</b>
Most Expensive in the World	17
Mediocre Results	19
Why So Many Have Been Misled	20
Low Life Expectancies	21
Propaganda from Drug Companies	23
Myths about Low Life Expectancies	24
Inadequate Access	25
Archaic Hospital Structure	26
Provider-Patient Mismatch	26
Inadequate Safety Studies	28
Control in the Wrong Hands	28
Misaligned Interests	29
Lack of Transparency	30
Poor Free Market Dynamics	30
Healthcare is Linked to Employment	31
No Focus on Prevention	32
Massive Fraud	33
Waste	34
Excessive Errors	34

No Accountability	35
Overemphasis on Technology	36
Chronic Disease Crisis	37
It's Not All Bad	39
<b>3 WHY SO COSTLY?</b>	<b>41</b>
Blame Game	43
Scapegoats	44
Tort Myths	44
R&D Costs	44
Illegal Aliens	45
The Truth	45
Drug Costs	46
Lifestyle-Enhancement Drugs	48
The Real War on Drugs	50
Me-too Drugs	51
Marketing over R&D	52
Drug Reps	53
Tainted Research	55
Legal Monopoly	56
<b>4 ECONOMIC IMPACT</b>	<b>59</b>
America's Healthcare Bubble	61
Unfair Trade	62
Outsourcing	64
Pension Freezes	65
Consumer Economics of Healthcare Inflation	67
Boomer Liability	71
Medicare Insolvency	71
Healthcare Outsourcing	75
<b>PART II ATTEMPTS AT A SOLUTION</b>	
<b>5 MEDICAL INSURANCE</b>	<b>77</b>
HMOs and PPOs	80
Managed Care Disaster	85
Big HMOs, Big Profits	88
What's the Purpose of Insurance?	89
Uninsured in America	90
Affordability of Health Insurance	91
Lack of Insurance Affects Everyone	93
Why Are the Uninsured Increasing?	93
Dangers of High Deductible Health Plans	95

Being Uninsured Harms America	96
Medical Bankruptcy	96
Are You REALLY Insured?	98
Those Without Are Charged the Most	99
The Insurance Scam	100
Uniqueness of Health Insurance	101
Insurance Industry Secrets	101
<b>6 PHYSICIANS</b>	<b>103</b>
Physicians in the Medical-Industrial Complex	103
Physicians as Businessmen	105
Physicians as Entrepreneurs	107
MIA: The Physician-Patient Relationship	109
Electronic Medical Records	110
Prevention	113
Failures in Compliance	114
Division of Labor Healthcare	115
Addressing Patient Limitations	116
Wellness	117
Benefits of Wellness Programs	118
American Medical Association	118
America's Physician Shortage	119
Addressing the Shortage	120
For-Profit Medical Education	122
<b>7 EMPLOYERS</b>	<b>125</b>
Free Trade Has Increased the Uninsured	127
The Healthcare-Employment Link	130
Medical Costs Threaten Your Retirement	132
Employers' Role in Healthcare	137
<b>8 GOVERNMENT</b>	<b>139</b>
Public Healthcare	139
Medicare	141
Medicaid	142
HIPAA	144
Costs of HIPAA	146
Violations of HIPAA	146
Federal Funding for Telemedicine	147
Health Savings Accounts	147
Parallels with Wall Street	149
The Food and Drug Administration	150

Healthcare Fraud	155
Pharma Fraud	155
Pharmacy Benefit Manager Fraud	156
Provider Fraud	157
Lobbyists and Medicare Part D	158
Will Obama Help?	160

## **PART III THE SOLUTION**

<b>9 HEALTHCARE POLICY</b>	<b>161</b>
Solutions	164
Price Controls	165
Helping the Self-Employed	167
Insurance as an Asset	168
Increasing Competition	169
Addressing Chronic Disease	170
Restructuring Compensation	171
Restructuring Caregiver Strategy	172
Restructuring Caregiver Education	174
Focusing on Prevention	175
Restructuring the AMA	176
Beefing Up Regulation	178
Increasing Accountability	179
Severing FDA-Drug Industry Ties	180
Severing the Healthcare-Employment Link	180
<b>10 NEW STANDARDS OF HEALTH</b>	<b>183</b>
Prevention	184
Tobacco	186
Alcohol	189
Nutrition	190
Basics of Nutrition	191
America's Obesity Epidemic	193
Ineffective Solutions	196
Exercise	197
The Drug Myth	198
Tainted Water Supply	198
Wellness	200
Growing Momentum	200
Nutritional Therapy	201
Fitness	201
Fitness of America's Youth	202

11	ROLE OF TECHNOLOGY	203
	Benefits of Telemetry-Based Healthcare	204
	Health-Income Disparity	206
	Optimizing Health Using Genetics	207
	Teleinformatics	208
	Personal Lifestyle Assistance Device	209
	Improved Safety	211
	Teleinformatics Platform	212
	Telemetry Applications	213
	Remote Monitoring	214
	RPM for Disease Management	216
	RPM for Prevention and Wellness	217
	RPM for Heart Failure	218
	Landmark Studies on CHF	219
	Self-Treatment	221
	Diabetes Background	221
	Costs of Diabetes	223
	RPM for Diabetes	224
12	ADOPTION BARRIERS	227
	Reimbursement	228
	Poor HIPAA Compliance	230
	Slow Adoption to HIT	231
	Difficulties Measuring ROI	233
	Licensing	233
	Patient Acceptance	234
	Physician Acceptance	235
	Payment	235
	Investment	236
	Privacy	236
	Security	238
13	THE NEW PHYSICIAN-PATIENT RELATIONSHIP	239
	Physician Profiling	240
	Removing the Entrepreneurial Spirit	241
	Physician-Patient Interaction	242
	The Patient Experience	243
	Diabetes Self-Treatment	244
	Patient Prevention	245
	The Digital Physician	246
	Patient-Provider Benefits	247
	Keeping Patients Out of the Hospital	248

## **PART IV INVESTMENT IN HEALTHCARE**

<b>14 MANAGED CARE ORGANIZATIONS</b>	<b>251</b>
Understanding the Chronic Disease Crisis	252
Challenges of Chronic Disease	254
Multiple Chronic Diseases	256
Disease Management	257
Inefficient Utilization of Call Centers	260
Disease Management & Telemetry	261
Home Health	262
CHF Disease Management	264
Opportunity to Cut Medicare Costs	265
Growth of DMOs	266
<b>15 THE OPPORTUNITY</b>	<b>269</b>
Creating Free Market Healthcare	270
Saving America's Future	272
Economics of Wellness and Prevention	275
Going Beyond Wellness	277
Diabetes Wellness	277
Fitness Services	278
Corporate Wellness & Fitness	278
Opportunities Created by HIPAA	279
What Are the Potential Cost Savings?	279
Transaction Processing	280
Healthcare IT	280
Medical Errors	280
Telemedicine Consults	280
Evidence-Based Medicine	281
Reducing Fraud	281
Consumer Savings	281
Costs of an HIT Platform	282
<b>16 CHANGE IS HERE</b>	<b>285</b>
Direct Investment	286
Remote Pilot Programs	288
Disease Management	288
Telemedicine Disease Management	290
Pureplay Telemedicine Firms	290
Telemedicine Management Firms	291
Current Devices	291
Healthcare Management Companies	292



Home Health & Wellness	294
Honeywell	295
Health Hero	295
Device Makers	296
Boston Scientific	296
Medtronic	296
St. Jude	297
Verichip	297
Hardware and Software Vendors	297
Oracle	298
Intel	298
General Electric	298
IBM	299
Siemens	299
Infrastructure Providers	300
Cisco	300
Qualcomm	300
Google	301
Microsoft	301
Broadband Leaders	302
What's Next?	302
FINAL THOUGHTS	305
NOTES	309
APPENDIX	341
A. Medical Errors	341
B. Global Comparison of Healthcare Spending	344
C. Global Health Stats	345
D. Medical Insurance	349
E. Public Healthcare	355
F. Prescription Drug Use	360
G. The Obesity Epidemic	362
H. Dangers of Excitotoxins	370
I. Vaccine Controversy	373
J. Exercise	374
K. Pilot and Remote Monitoring Trials	376
REFERENCES	381

# AMERICA'S HEALTHCARE SOLUTION

## An Investment in Your Future

Those who read Mike Stathis' 2006 book, *America's Financial Apocalypse* were warned about the collapse of the U.S. economy and stock market, the meltdown of the financial system, the bailout of Fannie Mae and Freddie Mac, the implosion of real estate prices, and much more. This book remains as the most accurate and comprehensive forecast of the largest economic catastrophe since the Great Depression.

In *America's Healthcare Solution*, Stathis has applied similar analytical prowess and creative insights to explain the failures of America's healthcare system. The result is a thought-provoking book that offers a commonsense solution to America's ailing healthcare system.

This book should be required reading for everyone employed in the healthcare industry, high-tech firms, corporate executives, politicians, venture capitalists, and entrepreneurs. In fact, it should be read by every American or anyone else who holds a concern for the future of healthcare and the state of the U.S. economy.