

# A Broken Healthcare System:

## Can we really expect insurance companies to heal the sick healthcare system they created?

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No! But one Massachusetts physician, Dr. Mark Allara, believes that a “primary-care centered approach”, under a system that will eliminate all of the contracted complexity imposed by health insurers could better use the expenditures of both employers and employees alike, while addressing the desire to pay providers fairly for keeping people healthy, instead of tying their incentives to costly and often inefficient procedures and tests.

“We knew we had to start over and go back to the fundamentals while working within the confines of the current system created by the large insurance companies, going back to the doctor patient relationship as the key element to get people health and keep them healthy.

This starts by helping consumers of healthcare know where to get the help they need with transparency on quality and cost<sup>1</sup>, bringing back the value equation to healthcare, no hidden secrets.”

—Dr. Mark Allara

**A 2021 Kaiser Family Foundation survey has found that the high cost of healthcare is a burden on U.S. families, and that healthcare costs factor into decisions about insurance coverage and care seeking.** Main takeaways include:



About half of U.S. adults say they have difficulty affording healthcare costs.



More than four in ten U.S. adults say they have delayed or gone without medical care in the last year due to cost.

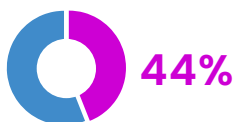


The high cost of healthcare often prevents people from getting needed care or filling prescriptions.

**Those who are covered by health insurance are not immune to the burden of healthcare costs.**



1 in 3 insured adults who worry about affording their monthly health insurance premium.



Respondants who worry about affording their deductible before their health insurance kicks in.

**Healthcare debt is a burden for a large share of Americans.**



About four in ten adults (41%) report having debt due to medical or dental bills including debts owed to credit cards, collections agencies, family and friends, banks, and other lenders to pay for their healthcare costs.



High healthcare costs disproportionately affect uninsured adults, Black and Hispanic adults, and those with lower incomes.

<sup>1</sup> According to a 2021 Mercer survey of employers, health benefit cost jumped 6.3% in 2021, and although employers expect a more typical increase of 4.4% in 2022, a number of factors: higher utilization due to “catch-up” care, claims for long COVID, new extremely high-cost cellular drug therapies, and overall inflation in health care prices, could very well result in ongoing cost growth acceleration projected above 5% in 2023.

## The AllaraCare Model proposes four essential elements required to heal the sick healthcare system:



1

### Reining-in runaway costs

Start with employers and their workers who are seeing year-over-year increases with no rise in quality. It shouldn't be wrong to examine the VALUE of our care. And it's IMPERATIVE to look at where each healthcare dollar is being spent.

2

### Guided consumerism vs. mere transparency

Recent price transparency mandates are a great start, but people also need access to smart and unbiased help in understanding their options. And not simply old-insurance gatekeepers in new guises. There is great opportunity in connecting people with trusted sources (e.g. nurses) to help them make healthier decisions that can impact the whole system.

3

### Focus on "high-value" care

High-value healthcare is a broadly defined term, but the essential component is this: Is the spend worth the outcome—to the patient and to the employer who bears (or shares) the cost of the care? Academic and professional organizations are beginning to identify six key components of high-value care: a clear, shared vision with the patient at the center; leadership and professionalism of healthcare workers; a robust IT infrastructure; broad access to care; and payment models that reward quality improvement over volume. By honestly examining these elements—and applying unbiased modern data analysis—it will be possible to make important improvements.

4

### Paying for care, not bureaucracy

This is most-often the big one. As noted above, yesterday's solutions have all come from parties who have a vested interest in the status quo. Real change can't occur when 40% of the healthcare dollar is still being squandered by insurance administration and lost to fraud and waste. The fact is, there is real savings in keeping people healthy. Successful approaches will ensure that this savings is passed along to patients and employers—and not viewed as more potential for runaway profiteering.

**The many challenges in changing such an entrenched and influential healthcare industry are significant - but not impossible.**

The terrain is better known than ever, and significant research has uncovered the location of significant waste and inefficiency.

**The good news is that earnest, well-intentioned entities, like AllaraCare are emerging, armed with the insight, technology, and the wherewithal to make a real difference—as their vision is shared and joined.**