

# Medicine: Looking Back, Forging Ahead

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# 2010: Advent of the Affordable Care Act

- All Americans will be required to be insured
- Forces (previously-uninsured) healthy individuals into the general insurance pool
- This addition would (theoretically) add significant revenues while driving down costs per insured individual

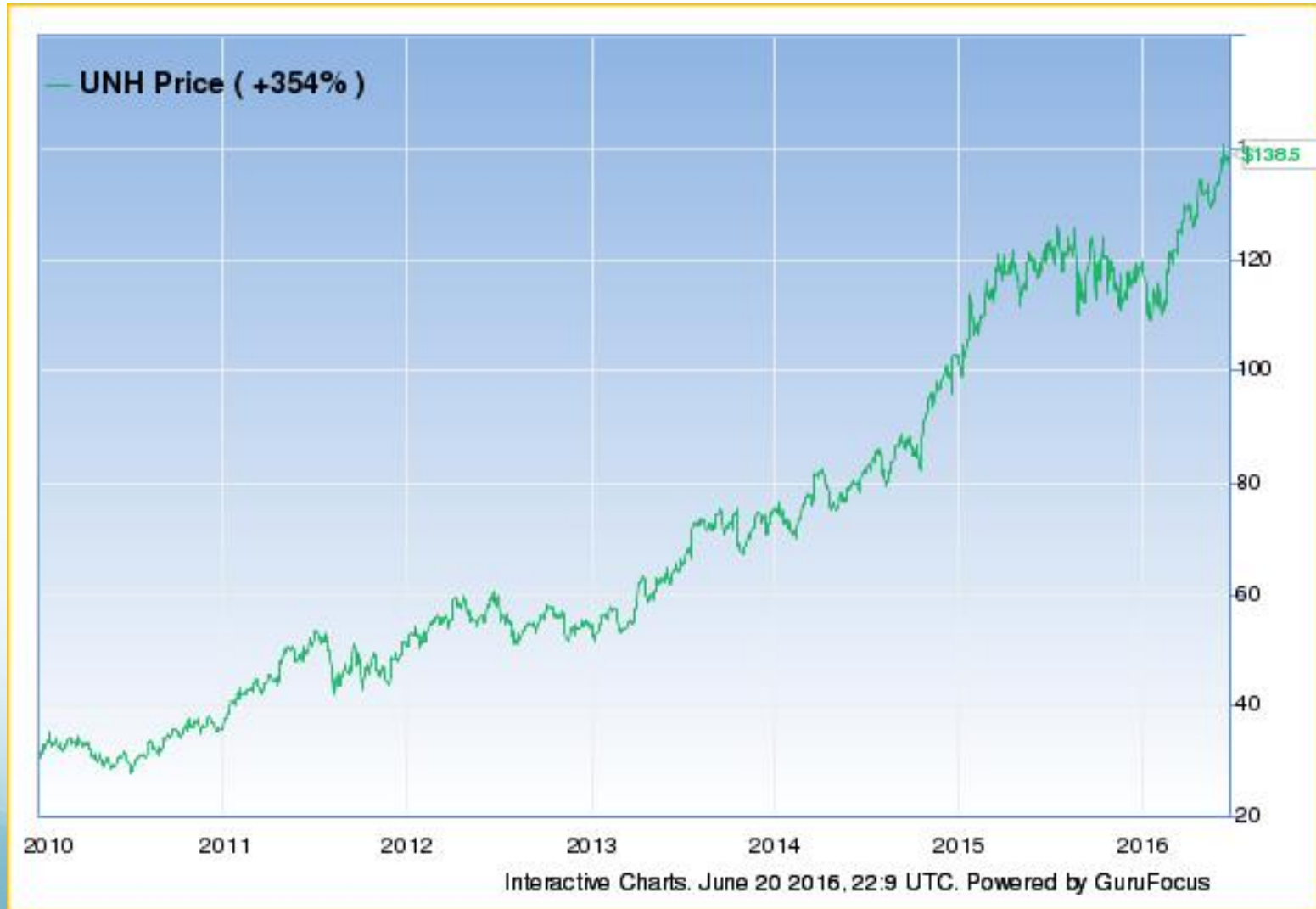
# Effects of the Affordable Care Act

- The addition of millions of “healthy people” into the health care system was a boon for:
  - A: Doctors
  - B: Insurance Companies
  - C: Wealthy Americans
  - D: Middle-class Americans

# Effects of the Affordable Care Act

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  - A:
  - **B: Insurance Companies!!**
  - C:
  - D:

# Effects of the Affordable Care Act



# How to create an unhappy doctor:

While insurance companies' profits soared, physician salaries continue to stagnate or decrease

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Individual doctors are no match for behemoth ins. companies regarding patient pre-approvals and contract negotiations

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Growing physician discontent  
("Like a punch to the face")

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# Effects of the Affordable Care Act

- My thoughts...
- Increased government control of health care—contrary to its good intentions—generally erodes free market forces, causing or enabling severe inefficiencies
- Instead of driving down the nation's health care costs—as “promised”—they continue to increase



# Effects of the Affordable Care Act

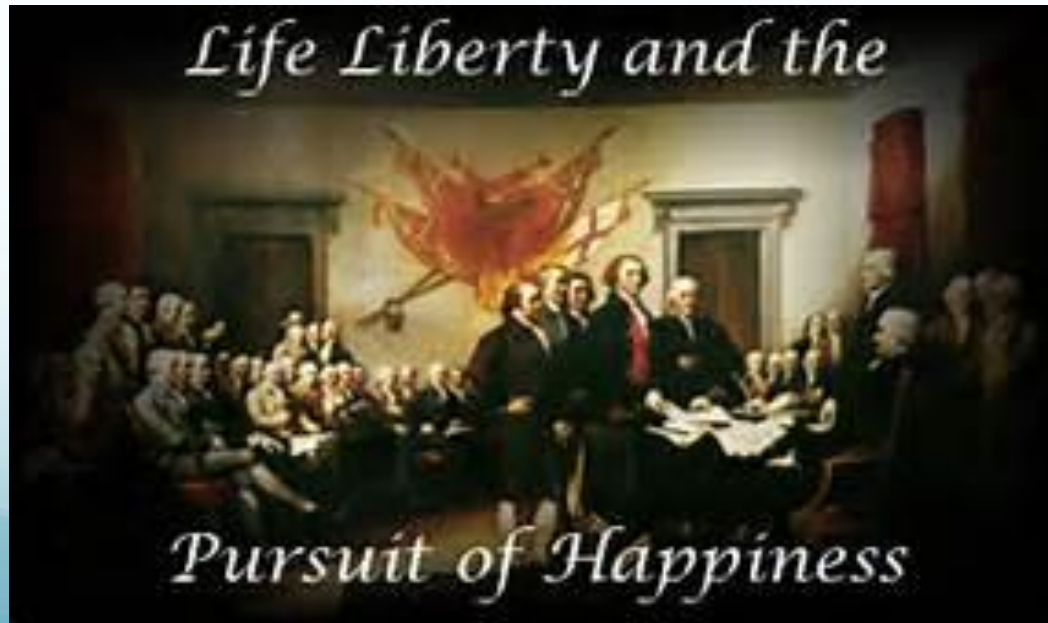
- More middlemen in the system ALWAYS results in increased costs, because the middlemen need to feed their families, too
- This “nickel-and-diming” of the patient-physician relationship will only worsen over time

# The Essential Question

- Is health care a **right**?
- ...Or a **privilege**?

# Health Care: Right versus Privilege

- If you believe that all health care is an individual right, then it makes perfect sense to insist that everyone deserves coverage
- ...and that government (or more accurately, taxpayers) should bear the costs



# Can it be fixed??

Is there a viable solution?

Cynically... No.

But if I were king for a day...



# King Dr. Jeff Ross

- Tax-sheltered health savings accounts (HSA) for all
- Plus, high-deductible health plans (HDHP) for unforeseen and/or high cost events
- Low-income US citizens could receive government cash payments (Medicaid) directly into their HSAs, to be used only for qualified health care costs

# King Dr. Jeff Ross

- Thus, all Americans would be required to “pick and choose” what ailment(s) they want treated, and at what cost to their personal HSAs
- ...preserving a rudimentary free market
- HDHP reserved—as it should be—for major health events, since that’s the point of insurance
- ...not for routine check-ups, “my knee hurts,” yearly mammograms, etc.

Moving on...



# The Present State of Medicine



# The Present State of Costs

- Health care costs remain at unsustainable levels:
- “U.S. health care spending grew 5.3 percent in 2014, reaching \$3.0 trillion or \$9,523 per person. As a share of the nation’s Gross Domestic Product, health spending accounted for 17.5 percent.”
- (National Health Expenditure Data – Centers for Medicare & Medicaid Services)

# The Present State of Doctors

- “Physicians are overwhelmingly stressed out and unhappy.” – Dr. Sandeep Jauhar
- Why Doctors Are Sick of Their Profession, Wall Street Journal, August 29, 2014.

# The Present State of Doctors

- “In a 2008 survey of 12,000 doctors, just 6 percent of respondents reported having a ‘positive’ morale.”
- “A majority of those surveyed said that they would not recommend becoming a doctor to a friend or family member.”

# The Present State of Doctors

- “The majority of physicians also reported not having enough time to spend with patients. Why? Too much paperwork.”
- “Half of those surveyed announced plans to reduce the number of patients they would see over the next few years, if not quit practicing entirely.”

# The Golden Age of Medicine is Officially Over

Seriously. Just ask any doctor.

# Final Section: The Future of Medicine

Is there one?

Yes, but it looks really different.

# The (Bleak) Future of Medicine

- Huge pressure to reduce costs
- Growing discontentment among doctors
- Decreasing salaries despite increased physician output
- Doctors aren't stupid... and they're looking for greener pastures

# The (Bleak) Future of Medicine

- Theoretical downside is a poorer quality of future physicians
- Remaining doctors are over-worked → more unhappiness, more burnout!
- The “best and brightest” in US are decreasingly choosing medicine as a career. Not worth:
  - Increasing workloads & stress
  - Declining income
  - Increasing liability



# The (Hopeful) Future of Medicine

- Fewer physicians means tangible reductions in health care costs
- The time is ripe for:
  - Hospital/laboratory quality health care apps
  - Artificial Intelligence (AI) for diagnosis & treatment
  - 3-D printing (of organs)
  - Immune-based therapies

# The (Hopeful) Future of Medicine

- Technological advances are bringing us closer to a new “AI-patient” relationship
- AI will lead to improved diagnosis and treatment algorithms, and at a fraction of the cost
- Doctors are already partnering with big data: pooling knowledge and collective patient experiences
- We are digging our own graves!

# Concluding Thoughts

- Medicine is changing rapidly, but the need for personal health care will always be a top priority
- Astute investors who can *see the future today* and invest alongside the game-changers, will do extremely well
- Want to discuss an idea after ValueX?
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