

DATA DELAWARE: Wednesday, October 23, 2019
SUBJECT: Healthcare revelations – from a Delaware icon
(Part I Podcast transcript)

**DISCLAIMER: This transcript is produced from Data Delaware podcast electronically;
the conversion is being offered on a best-efforts basis.**

Dace Blaskovitz: Good morning. Welcome to Money and Politics in Delaware. I am your host. I am Dace Blaskovitz. From a compliance standpoint I'm going to remind everybody that I am the president and majority owner of Wealth Advisors LLC, which is headquartered in Wilmington, Delaware. And we offer financial services and let's see, wonderful program. Dr. Casscells, Chris Casscells. He, family, his iconic figure in the State of Delaware in medicine, is doing his swan song.. He's almost formally retired, reworded. The shackles are off. He can say whatever he wants. He's our first-half guest. In the second half, Charlie Copeland. Charlie Copeland is talking about the Caesar Rodney Institute banquet last Tuesday, where the speaker was just brutal on the Delaware Public Education numbers. I mean brutal. So two great guests. Welcome back to the program, Dr. Chris Casscells.

Dr. Casscells: Thank you Dace. It's always a pleasure to speak with you. I'm now in the throws of the almost retired, semi-retired. So, it serves also as a platform to let my patients know that. One of the ethical requirements is the let people know when you're closing your practice. So I know you get a lot of listeners, so this is a good mean for me to let them know that we sent out the letters and all that already and put a notice in the newspaper. But what I wanted to talk about today was...

Dace Blaskovitz: No, no, no, no, no. We're going to get to you. We're going to get to the topics, just a minute.

Dr. Casscells: Okay.

Dace Blaskovitz: I want to spend one more minute on you. In the pre-interview, we had a lot of fun because he went through my brother, my father. "Most people used to call me Dr. C.", and then he goes, "I just get an opportunity to be Chris." So, giggles aside, we get first-time listeners. Tell your story in a minute.

Dr. Casscells: Okay. Well, my father founded the orthopedic practice here in Delaware in 1949. He was brought here by my godfather, Dr. Al Shams, who founded the Al DuPont Children's Institute. So, I'm second-generation orthopedic surgeon. I have a son who's an orthopedic surgeon in Washington DC. My brother was a very famous cardiologist. So, medicine's kind of in our blood. It's been my privilege to serve this community and my patients are my friends. It's been a great ride Dace, but now I'm a victim of the Affordable Care Act and trying to try to figure a way to see the glass half-full, not half-empty.

Dace Blaskovitz: All right. In a sentence, he's semi-retired. Formally January 1st is, he begins formally, his new life. But in semi-retirement he can now say whatever he wants. With that you have a message today. The platform is yours.

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Dr. Casscells: Yes. For 10 years now, I've been writing about the destructive potential of the Affordable Care Act, otherwise known as Obamacare, and some of the major disincentives that occur with top-down government overreach and management, and all of those things unfortunately, have come to pass. I wrote a paper, a little over 10 years ago called Culling the Herd, because I perceived that at some point or another, it was inexorable that that there was going to be a limited access to care as doctors were forced out of practice, like I have been. And the hospitals became overly expensive and insurance companies began to circle the drain because of the failure to understand the supply and demand economics. Unfortunately, I think the last thing I wrote on that paper was, I dearly hope that everything I've written here is wrong.

Dr. Casscells: But, unfortunately, it's not true. It all turned out to be true. It was based upon reviewing the House Ways and Means Committee timeline that was published as to when they were going to roll out what regulations and what they're going to do. You could see, baked into this, were some special- interest things on the front end to get buy-in from insurance companies, hospitals, drug companies, big pharma and so forth. But on the back end, it was clearly going to be extremely destructive. Unfortunately that's exactly what happens. The whole concept was to widen the access to care, but unfortunately, that hasn't worked out because the deductibles became so high and the health insurance became so expensive, the Obamacare plans that you can't afford to use your insurance because the deductible is so high.

Dr. Casscells: Instead of bringing Medicaid, which already had access problems because it was so low on the pay-scale that most doctors wouldn't accept it. Instead of bringing Medicaid up to the level of private health insurance, which 10 years ago was getting expensive but it was reasonable. What happened actually, they sold this theoretically exchange insurance, but all it really was..was Medicaid. So, they brought in a lot of people into the insurance pool, arguably as many as 11 million, although that figure is well below the number that was needed to make this system work. But those 11 million people essentially don't have any access to care because they can't find a doctor who takes that insurance. We get 15, 20 calls a week from people who are saying, "I've called 25 different orthopedic surgeons and nobody takes my insurance plan." And we'd say, "Well, your insurance plan won't pay us. So, we can't take you either."

Dace Blaskovitz: But stay there. Stay there, just a minute. That is like groundbreaking headline stuff. It's your claim that the 11 million under Obamacare, I think your quote was don't. D-O-N-'-T. Don't have care. Expand on that.

Dr. Casscells: Well what happens is, they get these a Medicaid programs that are effectively run by your local Blue Cross, Blue Shield or by Aetna, or by some other group.

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Now, United Healthcare and Aetna, two big nationwide insurance that actually dropped this part of their portfolio. But, the point is, for instance, there's something called CareFirst of Maryland and it's Blue Cross, Blue Shield of Maryland. Well, they advertise in all of the Blue Cross, Blue Shield participants nationwide are on their panel of doctors. But CareFirst of Maryland will not pay any doctor outside the state of Maryland because they don't have to. They say, "No, no. That doctor's nonparticipating." So the patient comes in thinking they've got Blue Cross, Blue Shield-they don't. They have Maryland Medicaid and we can't accept it because they never pay us. You'd go broke taking CareFirst of Maryland.

Dr. Casscells: So, this whole population of people, say in Elkton or basically Eastern Maryland, they don't get any health care. They've got to go down to Baltimore or somewhere like that. They can't come over to Christiana or the Glasgow Medical Facility or anything like that. So effectively, they don't have care and they come to realize that yes, you got insurance but your insurance doesn't kick in until you've already spent \$5,000 of your own money. They don't have \$5,000 of their own money, so they effectively don't have insurance. I mean, all that's happening is they're getting dinged a few hundred dollars a month for essentially nothing. This is just how the whole thing shakes out. When those people who are very, very sick and do in fact exceeded their deductible, realize the picture, and they stay in the insurance program because they couldn't possibly afford to be without insurance.

Dr. Casscells: But the people who are healthy, they opt out. They simply say, "I'm not going to waste \$500 a month to get nothing." So, the pool of people, even in these Medicaid and Obamacare exchange programs get sicker and sicker and sicker. Ultimately, that means the insurance companies have to stop offering them. Blue Cross, Blue Shield was about to exit because they were the last man standing. Then the State of Delaware recently bought them co-insurance. Basically, it's like getting a catastrophic Lloyd's of London policy. So, the State of Delaware then pay for yet another insurance to essentially indemnify Blue Cross, Blue Shield of Delaware, now called Highmark, to stay in the business. Otherwise, they would've exited as well. So the industry...

Dace Blaskovitz: Hang on just a minute. hang on. To the audience, man, this is fascinating. Wow. Dr Chris Casscells is our first-half guests. We're going to take a short break. Got to thank our advertisers. When we come back, he stays with us. Stay with us. We will be right back.