

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

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the conversion is being offered on a best-efforts basis.**

Dace Blaskovitz: Welcome back to Money and Politics in Delaware. We're having fun. Dr. Chris Casscells with a swan song, if you will. He is formally semi-retired. The retirement is effective January 1st, but hey, he can say whatever he wants now being semi-retired. Second half guest, Charlie Copeland is also a must listen. Wow, we tear up the public education numbers. Dr. Casscells, when we came out, Chris, when we came out of that first segment, I had to interrupt but you were tying the state of Delaware's, I believe it's subsidy to Highmark. Revisit that and tell that story so the audience can pick it up.

Dr. Casscells: Well recently the state of Delaware, in order to keep Blue Cross Blue Shield in their insurance company that provides Medicaid insurance through the exchanges. Then they were about to exit and Delaware bought them back up insurance so that they're indemnified against catastrophic losses. That allowed Highmark, Blue Cross Blue Shield of Delaware to stay in the game. Otherwise there wouldn't be any Obamacare insurance at all in Delaware.

Dr. Casscells: I wanted to move on from there to the glass half full. We've been concentrating a long time through the Caesar Rodney Institute and that Health Policy sector on the bad stuff that's happening. What is the potential for something creative and good to come...

Dace Blaskovitz: And stop there, just one minute...and the one thing we forgot in the intro, Dr. Chris, oversees that unit, if you will, or helps oversee that unit within the Caesar Rodney Institute. Continue.

Dr. Casscells: What good is coming to bear here and it's something called HSA, which used to be called MSA, medical savings account, now health savings accounts and they as per your interview last week, they have become unleashed. The reins had been taken off them. There used to be a lot of constraints on them. They were very difficult to function in and around the tax code. Now they're rapidly becoming completely tax deductible. You're allowed to put more money in this savings account that you may use to cover your deductible, to cover your in health costs that aren't covered by your insurance. And if you expand on that idea and turn them from health savings accounts into HPAs or health payment accounts and you basically make everybody have one of these accounts, now you can use them to say the individual could buy their own health insurance plan and that brings market forces to bear on the health insurance market.

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- Dr. Casscells: You might want a high deductible plan. You might want a plan that covers absolutely everything with a low deductible, but it's going to be your money coming out of your health payment account to pay for it. There had to be some constraints on it. But if you can introduce the wallet effect back into the general consumer, then that may well be the saving grace for the health delivery system in the United States of America. That has a huge potential to introduce competition, to increase access to lower costs across the board.
- Dr. Casscells: The cost of elective plastic surgery, like getting breast augmentation or a nose job or some other kind of a plastic surgery, that cost has come down because it's competitive. It's way less expensive than it was 25 years ago. Eye surgery's the same way. LASIK eye surgery is not covered by insurance, cost is coming down. That I think is the wave of the future.
- Dr. Casscells: Now there's certain things you could do. For instance, you could fund people on the front end who have preexisting conditions to get them into that pool. You could, instead of providing an earned income tax credit, just cash or something, you could actually fund some of the health payment accounts. But if you'd get the control of the money back to the consumer, that's a good start. Even people who couldn't pass fifth grade math understand about their wallet. They understand money coming in and out of their wallet. It's amazing how quick they catch on when you sit down and explain to them about their deductible and they're going to have to pay for it.
- Dace Blaskovitz: Let's do one more thing. Tick tock on that clock. Five minutes left and only five minutes left. We did our pre-interview you wanted to talk about a book Restoring Quality Healthcare. Your opportunity, go.
- Dr. Casscells: Yes. A brilliant doctor who works as an analyst for the Hoover Institute out of Stanford University named Scott Atlas. He has a wonderful book. It's a quick read. It's almost a primer, not really a book, titled Restoring Quality Healthcare: A Six Point Plan for Comprehensive Reform at Lower Cost. Now he's a bit of a wonk, so he does get a little into the weeds about some particular policy things that have to be addressed that people would complain about.
- Dr. Casscells: But effectively what he's doing is he's taking a governmental policy of top down legislation and turning it in to bottom up supply and demand health incentives. I mean, for instance, there's really not much of an incentive for people to avoid obesity, financially speaking. Well, if your obesity is going to hurt your heart in a wallet, guess what, a whole lot of people would be more incentivized to get rid of those few extra pounds. Same thing with the price of cigarettes. Cigarettes go to \$15 a pack. Well, fewer people smoke. Now Canada found that out.

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Dr. Casscells: It's really a good book. L. Copeland sent me a copy of it. I don't know how he plugged into Scott Atlas, but the guy really is one of the clearest thinkers I have encountered and I've been looking at this health policy stuff for 10 years.

Dace Blaskovitz: Quickly walk us through those six points or what you remember since I'm catching a cold, but walk us through.

Dr. Casscells: We went through most of them. I've got the book right here in front of me. If you look at it, it basically, reform one, expand affordable private insurance. Reform number two, establish and liberalize universal health savings accounts. In other words, a health payment account. Number three, instill appropriate incentives with rational tax treatment of health spending for modernized Medicare for the 21st century. Five, overhaul Medicaid and eliminate the two tiered system for poor Americans. And lastly, strategically enhance the supply of medical care while encouraging and ensuring innovation. And like I said, some of those are kind of wonky, but they're bullet pointed. Look, I know you wanted to ask about the Certificate Of Need (CON).

Dace Blaskovitz: Yeah, absolutely. You got two minutes, run.

Dr. Casscells: The Certificate Of Need law is coming up again on sunseting. It happened once before and when the CON was out of commission, the amount of competition in medical care, especially if these are the surgery centers, exploded. So here's my question. Why would a state that is in a rather severe budget crunch like Delaware continue to fund a division whose sole function is used as an anti-competitive hammer to suppress the free market efforts to provide better quality, more choice and lower costs?

Dace Blaskovitz: Political contributions.

Dr. Casscells: It should be sunsetted.

Dace Blaskovitz: Oh yeah. Oh absolutely.

Dr. Casscells: The Christiana Health System has used a Certificate Of Need for 30 years as a bludgeon to keep their monopolistic control of the market and the state just shouldn't be a co-conspirator in that.

Dace Blaskovitz: Wow. You got 30-45 seconds. It's your turn. It's your swan song. Wrap it up.

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Dr. Casscells: Well I mean, basically I just want to thank all my patients and the medical community for the privilege and honor to serve these many years. It has been a great ride. I've enjoyed every minute of it and like all good things, it has to come to an end and I'm a little ambivalent about that, but I'm looking forward to continuing to contribute in any way I can, but it's really been an honor. Thank you.

Dace Blaskovitz: His name is Dr. Chris Casscells. He's going to be more of a regular going forward now that he's all but retired, especially in retirement. And we wish him the best, obviously.