

# Three Minute Read™

Insights from the Healing American Healthcare Coalition™

August 2020-1



**From the Editor:** As COVID-19 continues to rage in the US, the debate about whether schools can reopen safely has intensified. This issue of **TMR** summarizes recent articles that include other countries experience with school reopening, the President's attempt to lower drug costs, and the pandemic's potential impact on physician pay. To access each full article, just click on the headline.



[Some Countries Reopened Schools. What Did They Learn About Kids and Covid?](#), by Eric Miller, WIRED, 7/27/20

**TMR Topline™** - The CDC has released [school reopening guidelines](#) that call for officials to reopen classrooms this fall, based on the idea that children do not become as sick from Covid-19 and are unlikely to transmit the virus to adults. Evidence from other countries that have reopened classrooms varies, suggesting that class size, distancing, the age of the students, and how prevalent the virus is locally are factors that must be considered. Neither Norway nor Denmark saw increased cases after reopening their schools in the late spring starting with younger students. Schools there boosted sanitizing procedures and limited class size, keeping children in small groups at recess and putting space between desks. Israel's experience was different – schools reopened with no masking or social distancing rules in place and class sizes up to 40 students. Since May, 125 schools have closed due to outbreaks.

A recent study of nearly 5,700 [South Korean coronavirus patients](#) found that children under 10 who were positive for Covid-19 had the lowest transmission rates of any age group, whereas children between 10 and 19 had transmission rates similar to adults. In Germany, physicians from Dresden University checked blood samples from 1,500 students and 500 teachers once schools reopened in May. Only 12 came back positive for antibodies to the coronavirus, indicating a low level of community infection. Even though coronavirus cases were detected in three of the 13 schools surveyed, the infection did not spread throughout the schools or the nearby community.

**TMR's Take** – The countries that have successfully reopened schools all have done a far better job of controlling the spread of COVID-19, with fatality rates a small fraction of the US's 46.2 per 100,000 at 7/30. Last week's report from the [CDC](#) about an outbreak at a sleepaway camp in Georgia is troubling. Of the 344 campers and staff for whom test results were available, 260 tested positive including over half ages 6-10, 44% ages 11-17 and one-third ages 18-21. The CDC report stated: *"The multiple measures adopted by the camp were not sufficient to prevent an outbreak. Relatively large cohorts sleeping in the same cabin and engaging in regular singing and cheering likely contributed to transmission. Use of cloth masks was not universal."* Teachers unions are expressing grave reservations about returning to classrooms this fall.



[Trump signs series of executive orders aimed at lowering drug costs](#), by Noah Higgins, Jasmine Kim, Berkeley Lovelace, Jr., CNBC, 7/27/20

**TMR Topline™** - On Friday, July 24, President Trump signed four executive orders aimed at lowering the high cost of prescription drugs, an estimated \$335 billion in 2018. The orders:

1. Require community health centers to pass the discounts they receive on insulin and EpiPens directly to patients;
2. Allow states, pharmacies and wholesalers to import drugs from Canada;
3. Prevent pharmacy benefit managers from retaining all the discounts that they receive from manufacturers; and
4. Allow Medicare to implement an international pricing index to bring drug prices in line with what other nations pay.

Although he signed the fourth order, President Trump was holding it until Aug. 24 to give the industry time to “come up with something” to reduce drug prices. Health and Human Services Secretary Alex Azar stated that drug companies currently pay about \$150 billion in undisclosed kickbacks to middlemen and that the executive orders, when implemented, would save seniors about \$30 billion a year. Predictably, the Pharmaceutical Research and Manufacturers of America (PhRMA), called them a “reckless distraction” to the COVID-19 pandemic and a step towards socialized health care.

**TMR’s Take** – The 2016 Republican platform pledged to “Remove barriers to entry into free markets for drug providers that offer safe, reliable and cheaper products.” The second executive order is a step in that direction. It will take several months for implementing regulations to be drafted, commented on, finalized and issued.

[Pandemic may pound lopsided physician pay model into shape](#), by Ginger Christ, Modern Healthcare, 7/18/20



[Covid-19 will have lasting effects on providers, including how they operate and how they’re paid](#)

By Dr. Halee Fischer-Wright, Modern Healthcare, 8/3/20

**TMR Topline™** - The article and subsequent op-ed provide an interesting point-counterpoint on the pandemic’s impact on how physicians are paid. The article describes the dramatic effect that the pandemic has had on physician pay. Medical specialties that are normally in high demand were furloughed or saw pay cuts and layoffs as elective procedures were reduced or restricted. Compounding the effect, patients deferred

seeking care to avoid exposure to the virus. As a result, procedure-driven specialist income fell dramatically. Experts estimate that 18% of physicians who have treated COVID-19 patients have been furloughed or experienced pay cuts while 30% of those not treating these patients had their pay reduced or were furloughed by their health systems. Prior to the pandemic, physician compensation grew by 2% to 3% annually with specialists earning substantially more than generalists. From 2016 to 2019 surgical specialties increased by more than 8% and family practice and internal medicine increased from 2% to 7%.

Dr. Fischer-Wright, President and CEO of the Medical Group Management Association, points out that healthcare has been one of the hardest hit segments of the economy. The pandemic’s impacts on patient care were unanticipated and could be a factor for many years. In addition to patients delaying preventative and non-emergency care, the rapid adoption of telehealth changed the way providers will be paid in the future. Dr. Fischer-Wright believes more healthcare providers will be needed as the US population ages. The treatment challenges experienced during the pandemic further compound the stress on healthcare workers, suffering burnout at alarming rates. MGMA’s report on the financial impact of the virus found that, on average, practices have experienced a 55% decrease in revenue and a 60% decrease in patient volume.

2019 was a decent year for most doctors according to [Modern Healthcare’s 27th annual Physician Compensation Survey](#). The 2019 salary increases were largely due to productivity gains. However, 1.4 million healthcare workers were furloughed in April and larger health systems are beginning to realign their volume-based compensation models. Both authors believe that many health systems will begin to explore value-based compensation while others will work to rebuild their patient volumes while working to reduce their costs.

**TMR’s Take** – The pandemic has highlighted many long-standing problems of US healthcare system, including the imbalance between primary and specialty care, financing mechanisms broken beyond easy repair and a focus on curing, not preventing, disease. America needs to place more emphasis on public health and preventive care and address the growing shortage of primary care physicians. The US is the sole OECD member that fails to recognize universal access to healthcare as a basic human right, not a privilege for those that can afford it. The Eichhorn-Hutchinson plan provides a framework for a universal healthcare system that provides choice along with a public option and reduces administrative waste, drug costs and medically related bankruptcies.