

Current Perspective

DAVID W. PARKE II, MD

The Eye Care Tipping Point

We may be reaching U.S. health care's tipping point—that critical point in a system when the pace of change accelerates and the impact is unstoppable.

The problem with tipping points is that we generally recognize them only in our rearview mirrors—and when we have little opportunity to affect them. In such situations, we have no alternative but to ride the wave of radical change.

We've heard for years that "health care costs are unsustainable," "payment based on value will replace payment based purely on volume," "outcomes matter," and "much of health care will be delivered by teams, not by individuals in silos." Over the past decade, I've been to countless conferences devoted to aspects of this theme. We've all witnessed federal demonstration projects and gradual integration of hospitals and physicians, and we've lived through the incorporation of value-based payment metrics.

So, what is different *now* in this sector—which comprises nearly one-fifth of the nation's gross domestic product—particularly when CMS appears to be backing away from bundling payments? The difference is the markets. Consider just these 4 events, which occurred in the past few months:

1. CVS (nearly 10,000 retail pharmacies and 1,100 walk-in clinics with a massive pharmacy benefits manager enterprise) proposes to merge with Aetna (the nation's third largest health plan) in a \$69 billion deal. This potentially aligns drug costs with efficacy and more competitive insurance premiums.

2. Apple entered the health care arena with an application to integrate health records on an iPhone. What's different is that this isn't just Apple. They are using an interoperability standard that involves institutions like Johns Hopkins Medicine and Dignity Health and EHR companies (including Epic, Cerner, and AthenaHealth). We haven't seen that before! Digital integration in global health care has been estimated as an \$8.7 trillion opportunity!

3. Amazon, Berkshire Hathaway, and J.P. Morgan (3 companies without a history of collaborating) announced a joint venture to address the health care costs and outcomes of their collective 1 million employees (in their collective \$1.5 trillion businesses). Their press release refers to "scale and complementary expertise" through establishment of "an independent company." Warren Buffett commented,

"The ballooning costs of health care act as a hungry tape-worm on the American economy." It's worth noting that this announcement (despite little detail) caused health care stocks to plunge.

4. Four of the largest integrated systems (Intermountain Healthcare, Ascension, SSM Health, and Trinity Health, with 450 total hospitals, and consulting with the U.S. Department of Veterans Affairs) are creating a not-for-profit generic drug company to stabilize access to and cost of generic medications in their facilities.

Physicians, other providers, hospitals, drug companies, pharmacy benefit managers, pharmacies, employers, health care IT companies, and the financial services industry are all swirling around in new alliances for one goal—to implement new approaches to cost, access, and quality. Underlying it all is a sense of desperation—and of opportunity.

Does this all guarantee a seismic shift? No, because it's been famously said, "Nobody knew that health care could be so complicated." This doesn't address the unique issues of safety net hospitals, health care disparities, poverty, obesity, and the myriad factors that relate to substandard health outcomes.

I believe that, as stewards of our profession's future, the Academy must try to create tools, models, and predictive analyses that will generate opportunities. We have the IRIS Registry to provide data on outcomes and resource use. We are modeling the impact of various cost bundling approaches and alternative payment models on particular subsets of ophthalmologists. We are looking at ways to assess "value" in pricing of drugs and devices. Unless we make these efforts, the only alternative is to keep checking the rearview mirror and passively ride the wave.



**David W.
Parke II, MD**
Academy CEO