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**Intelligence Squared U.S.****Retail Alliances – Not Washington – Will Save the U.S. Health Care System**

For the Motion: Dr. Rajaie Batniji, W. Gregg Slager

Against the Motion: Dr. Lisa Bielamowicz, Rosemarie Day

Moderator: John Donovan

**AUDIENCE RESULTS**

<b>Before the debate:</b>	<b>After the debate:</b>
<b>30% FOR</b>	<b>49% FOR</b>
<b>36% AGAINST</b>	<b>47% AGAINST</b>
<b>34% UNDECIDED</b>	<b>4% UNDECIDED</b>

**00:00:00**

John Donovan:

Traditionally, we would go to doctors and who buy medicine, and who check in and out of hospitals have been known as "patients." But somewhere along the line, we patients started to be called "consumers," a term that suggests things like choice and competition and value for money.

And if we are consumers of health care, then who would know best how to provide to these consumers? Well, in the last year, we've seen a sudden surge of consumer-oriented companies trying to figure out how to get into health care in a big way, like Amazon partnering with a bank and with Warren Buffett, with plans to figure out their own health care system for their combined million plus employees; like CVS, the pharmacy, buying Aetna, the insurance company. Their idea, they say they know consumers, they know data, and they know how to deliver value. Are they onto something? Well, we think this has the makings of a debate. So, let's have it.

00:01:01

Yes or no to this statement: Retail Alliances - not Washington - will save the U.S. Health Care System. I'm John Donovan, and I stand between two teams of two who are experts in this topic, who will argue for and against the resolution.

As always, our debate will go in three rounds, and then our audience here at the Mayo Clinic's annual Transform Conference in Rochester, Minnesota, will choose the winner. And as always, if all goes well, civil discourse will also win.

Our resolution, Retail Alliances - not Washington - will save the U.S. Health Care System. Let's meet our debaters, starting with the team arguing for the motion. Please, ladies and gentlemen, welcome Rajaie Batniji.

[applause]

Rajaie, welcome to Intelligence Squared. You are a physician, you are a political economist, you are the cofounder and chief health officer at Collective Health. But before all of this, you spent a lot of time in academia. You studied history at Stanford. You went to med school. You studied political economy -- economics at Oxford.

00:02:00

So, tell us, why did you leave academia to start a startup.

Rajaie Batniji:  
Impatience.

[Laughter]

Rajaie Batniji:  
In all seriousness, creating a company to create the change that we need in the health care system allows us to move at a much faster pace than, frankly, writing a paper and hoping it lands on the right desk.

John Donovan:  
And has it been worth it?

Rajaie Batniji:  
Absolutely.

John Donovan:  
All right. Good to hear. Ladies and gentlemen, once again, Rajaie Batniji.

[applause]

And, Rajaie, you have a worthy partner. Please welcome, ladies and gentlemen, Gregg Slager.

[applause]

Hi, Gregg. And welcome to Intelligence Squared. You are senior partner at Ernst & Young, a global health transaction leader and one of the founders of the company's global health sector.

Back in 1979, you were a business major in college, and you won the Calvin Talent Show's grand prize. For doing what?

Greg Slager:

Well, it was a rock and roll band at a conservative school that was used to acapela choirs and barbershop quartets.

00:03:05

So, set off quite the fireworks.

[Laughter]

John Donovan:

Shook things up, it sounds like.

Greg Slager:

Yeah.

John Donovan:

All right. Good to hear.

Greg Slager:

Good fun.

John Donovan:

We'll see how you shake things up here in this debate. I want to, once again, thank the team arguing for the motion.

[applause]

And, of course, we have two debaters arguing against it. Please, first welcome Dr. Lisa Bielamowicz.

[applause]

Lisa, welcome to Intelligence Squared. You are a physician. You're cofounder and president of Just Health Care. You have said that you are passionate about increasing the pace of transformation in health care. "Passion" is a strong word. Where does that come from?

Lisa Bielamowicz:

So, like almost every physician I know, when I was clinically practicing, I was frustrated on a daily basis that the system kept me from being able to do what I thought was best for patients. And like almost every doctor I know, I complained a lot. And I finally had a moment and said I could keep complaining or I could start to change how the system works. So that's what I'm trying to do.

00:04:02

John Donovan:

Something in common with one of our opponents, actually. Okay. Thanks. Again, ladies and gentlemen, Lisa Bielamowicz.

[applause]

And, one last opponent, a worthy debater, please welcome, ladies and gentlemen, Rosemarie Day.

[applause]

Welcome to Intelligence Squared, Rosemarie.

You are a founder, CEO of Day Health Strategies. And before that, interesting government work. You were the founding deputy director and chief operating officer of the Health Connector in Massachusetts and chief operating officer for the Massachusetts Medicaid program. Your forthcoming book is titled, "Get Woke About Health Coverage: Action Steps to Take for Yourself, Your Family and the Nation." So, tell us, in this context, health coverage, what does it mean to get woke?

Rosemarie Day:

It means that we need to get informed, and we need to get active.

John Donovan:

Simple as that.

Rosemarie Day:

Simple as that.

John Donovan:

Okay, ladies and gentlemen, the team arguing against this resolution.

[applause]

00:05:00

And so, let's move on to round one. In round one, we have opening statements from each debater in turn. The resolution again, Retail Alliances - not Washington - will save the U.S. Health Care System. Speaking first for the resolution, please welcome Gregg Slager, senior partner and global health transitions leader at Ernst & Young. Ladies and gentlemen, Gregg Slager.

[applause]

Greg Slager:

Thank you, John. When we talk about saving health care, what we're effectively talking about is achieving the AAA, reducing unsustainable cost, increasing access to care, and improving clinical outcomes. My partner and I believe that retail alliances, which are the convergence of health care with retail, technology, and consumer product companies, and not government are capable of changing the system. It's saving health care.

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We all have a lot of pain in the system. We've all experienced that. I won't take you through it all. But we have the fragmentation of care. We have inform silos. We have difficulty getting -- getting access to care and getting appointments. And then the bills come in, too, and they keep coming in. And you can't figure them out, too. But that's because we have costs that are out of control. With respect to the costs, you know the statistics. \$3.3 trillion in health care expenditures in 2016.

Eighteen percent of our GDP, \$10,348 per person. That's not per family or per county. That's per person that we spend on health care. It is out of control. And the sad thing is -- is that outcomes rank last against comparable countries in similar developed nations with similar economics as ours, too. We are last, last, last. Had the highest mortality rate amenable to health care. We have the highest error rates.

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We have the longest wait times with the exception of Canada and then we also have twice as many avoidable emergency room visits as any other country. One of the things that John mentioned is the rise of consumerism and we think that this is a really important facet here. So, we have been trained. We have been trained by our online experience, what we want out of consumer interaction and we want that experience in health care, too.

So, what customers are looking for, they're looking for choice. They're looking for choice in care. They're looking for quality. They're looking for costs. And we don't have that now. We don't have that transparency, too. So, the government isn't very good with consumers. When's the last time you went to your DMV to try to get a license? If you want to see the consumer experience there. So, we need new delivery models. The old ones aren't working.

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And our position is -- is that consumer centric retail alliances will help drive access and convenience, enhance the customer experience, and actually kick up innovation as well. You heard about some of this earlier, too, on the stage at the beginning of the -- at the beginning of the session here, so retail health models, they're a key step to cost-effective care any time, anywhere.

Retailers have scale. They have the ability to make these changes. They can also activate through multiple channels the engagement that they have with their customers. It's through their stores, through their clinics, through their doctors, through their nurses, through their websites, through their apps, through the email, through the texts, and even old mail, too. We still get those flyers in the mail I'm trying to get rid of. The other thing is innovation.

00:09:00

With innovation tech and consumer product companies are creating amazing devices, wearables, implantables, digestables, things that can measure many of the vital signs that can give early indications of care conditions or diseases. Same thing with apps. We have 200,000 apps out there. You have apps now that can diagnose your disease by coughing into them or they can tell by your gait when you walk down -- walking on your carpet whether your gait is impaired and what that may lead to.

It also can measure your care adherence. It also can tell if you've fallen down and it can help you get the appropriate help, too. So, I'm not saying that government doesn't have a role here. Government has a very, very important role, but it's to support retail. It's to support innovation. It's not to drive the cart, it's to help push it, too. They need to get behind promising initiatives. They need to also align incentives and then most importantly they need to put the infrastructure in place to gather evidence to implement appropriate regulation, because what we need in our transforming business right now is we need regulation at the speed of innovation, not innovation at the speed of regulation.

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So, in closing, I would say that the retail alliance advantages are many.

They have the appetite and the will. They have the appetite and the will. Does government have the will to change the system to make the changes necessary here? They aren't

encumbered by the legacy costs and the legacy inefficiencies, the inertia that's caused by all those people that profit off the inefficiencies. They also have previous experience in adoption and use of technology. This is really important for this business that is a lagger [phonetic] from an industry perspective, too. And then the customer centricity and engagement, which can actually nudge people into healthy behaviors, into healthy choices as well, too.

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So, lastly, they are agnostic to politics. It's not going to change every four years. It's not going to change every two years. These are ongoing long-term investments to really make a difference in the health care system, too. So, it's time for a new approach to health care and I hope that you will support our proposition that retail, not Washington, will help save healthcare. Thank you.

[applause].

John Donovan:

Thank you, Gregg Slager. And that is our resolution: Retail Alliances – Not Washington – Will Save the U.S. Health Care System. And here to speak first against the resolution, please welcome to center stage Dr. Lisa Bielamowicz, co-founder and president of Gist Healthcare. Ladies and gentlemen, Lisa Bielamowicz.

[applause].

Lisa Bielamowicz:

I want to start with a little self-help moment.

00:12:02

Hello, my name is Lisa. I'm a doctor, and I take my kids to the CVS Minute Clinic. It happened two weeks ago. You know how it is. Your kids start school. I have an elementary school student -- a 10-year-old in fifth grade. She comes home one weekend, Friday evening: sore throat, fever to 102. You guys tell me; what does she have? Strep throat. Absolutely. It's Friday evening. She needs antibiotics. I don't prescribe anymore.

So, of course the doctor's office is closed. So, what do we do at 8:00 p.m.? We go down to CVS. We put our name on the list. We mill around, looking at magazines and hairbrushes for the better part of an hour. We get seen by the nurse practitioner. We are out in an hour-and-a-half, antibiotic in hand. She's back in school on Monday. Seems like it was fantastic, right? Now, while I was sitting there, I was remembering that I am going to be coming to you and defending the negative -- that retailers aren't going to be the ones to transform healthcare.

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So, I started thinking, you know what? There was something with this visit. It hit a very important note, but was it going to the doctor? Is it going to replace my daughter's pediatrician? Absolutely not. You know what it felt like? It felt like we were meeting with the nurse across a card table in a broom closet in the back of CVS. So, serve to point.

But is it truly transformative? And I'll be the first one to admit that I am not up here to convince you that Washington and the government is going to be the main change agent. But I want to give you some thoughts about what retailers would have to do if they're going to truly transform healthcare. I think there's two things that are really important. Simply: are they in it to really change the system? What's their motive for getting into healthcare? And then, second, are they going to tackle the really big problems and the big cost drivers that are the reason that we are 30 percent more expensive than the next highest spending Western country?

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And more importantly, will patients like you trust retailers to help them make those big healthcare decisions? So, I've been really blessed in my time working in healthcare to get to work with a lot of providers, doctors, hospitals, health systems -- including Mayo Clinic -- as well as several of the major retailers.

And I've gotten an inside window into their strategy in healthcare. Take CVS. These guys have been at it for a long time. Did you know the first Minute Clinic opened here in Minnesota 20 years ago? They are still doing the Minute Clinic thing. Haven't really expanded much past it. You talk to them and you say, "Well, why haven't you been able to grow this as quickly?"

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"Well, we were [unintelligible] testing out different business models. We're not sure where we want to go with it. And we have found real obstacles to growth right inside the store." You know who their biggest obstacle is? The store manager. That guy is bonused on revenue per square foot -- how much dog food and shampoo you buy when you are in CVS. He doesn't like a dozen people with the flu mingling around in the back of the store.

Now take Wal-Mart. I spent some time with them in Bentonville [spelled phonetically], Arkansas. Wal-Mart will tell you -- why are they interested in healthcare? Yeah, there's a lot of money there. They think they can make money on it. But they're more concerned about you and how much your healthcare costs.

They think we are spending so much money as individuals that it is hampering our shopping power. They think if they can lower healthcare costs, they could in fact increase their revenue

by three to five percent. They want to get into healthcare so that you can buy more junk from Wal-Mart. That's their value proposition.

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It goes back to the same retail game. Quick care leading to quick profits. Any of us who have been in healthcare know that change doesn't come quickly. It's frustrated venture capitalists. We're not like any other industry. They come in. They want to turn profits around quickly. It doesn't happen. Retailers are going to get frustrated. And if they're going to really make a dent in healthcare, it can't just be about primary care. That's seven percent of total healthcare spend. I think we all agree it should be more, but it is what it is.

It can't even just be about pharmaceuticals. That's about 10 percent of health care spending. You have to tackle the big stuff: Hospital care, specialty care, the 10 percent of patients who account for 80 percent of costs who have really big, significant problems going on. And I started to think about that visit to the Minute Clinic. We all trust CVS or Wal-Mart or Walgreen's or a virtual interaction with a retailer when we pretty know -- much know what's going on.

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I knew my daughter had strep throat. You knew my daughter had strep throat with one sentence. But I would ask you, if they're really going to transform health care, are they interested in figuring out which hospital you should go to? Are you interested in having them tell you which hospital you should go to? So, to vote yes, you have to believe they're serious about that and that you would trust them to be your partner when it's your turn to walk through the hospital door. Thank you very much. And I hope you will consider our defensive position.

[applause]

John Donovan:

Thank you, Lisa Bielamowicz. You have heard the first two opening statements and now on to the third to debate for the resolution, Retail Alliances - not Washington - will save the U.S. Health Care System. Please welcome to center stage, Dr. Rajaie Batniji, cofounder and chief health officer at Collective Health. Ladies and gentlemen, Rajaie Batniji.

[applause]

00:18:01

Rajaie Batniji:

Nobody knew health care could be so complicated, so explained President Trump last year. He continued. "Let it be a failure. We'll blame it on the Democrats."

Ladies and gentlemen, Washington is broken. And a broken Washington cannot save our health care system. The results speak for themselves. Washington responds more to the interests of pharmaceutical companies, big health insurers, and hospital systems than it does all of us who are accessing care. Hospital payments since 2000, up 60 percent. Pharmaceutical costs, up 69 percent. We see -- I looked last night to look at the stock price of the major publicly traded health insurers, 300 percent of where they were just five years ago. Now, this isn't a red state issue or a blue state issue.

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It was a Democratic administration that took affordability out of the Affordable Care Act and gave a multiyear, multibillion-dollar concession to big insurers so that they would support the bill. It was a Republican administration who gave up Medicare's ability to negotiate drug prices for seniors.

The result, insulin, which cost \$20 a few years ago for a senior, the same medication now costs that senior and his payer \$700. Now, Washington is broken. Can we trust it to fix health care? There are two beacons of hope that I see; the first is the American employer and the alliances that employers are forming today. Keep in mind American employers are paying 88 percent of private health insurance costs. 88 percent.

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And when they pay for health care, they're paying at a rate of 189 percent of Medicare according to the Congressional Budget Office. So, employers have effectively become the piggy bank that is financing the runaway growth in health care spending in this country, paying for that proton beam machine the hospital didn't really need because there's a very suitable one right next door, paying for that fancy new wing.

And this cost comes back into our Medicare costs and our Medicaid costs because now the federal government also has to keep these hospitals afloat who have built these institutions of exploitation to get more revenue from the private sector because they could. They were unchecked and unrestrained.

Employers are beginning to take action. And I see this in what Amazon, Berkshire, and JP Morgan are doing.

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And when Warren Buffett says that he and his fellow CEOs are attacking the hungry tapeworm that is eating at the American economy, they mean it. And every CEO in America has woken up and begun to pay attention to their health care costs, recognizing that we can move from a system of health care that is sponsored by employers, to one that is driven by them, that goals

toward the outcomes, that focuses on improving the health and wellness of our people and the bottom lines of our economy.

There's another beacon of hope, too, that I see. And that is what we see in retail. Like employers have an incentive to drive towards radical transparency and direct first-dollar payment, so, too, do retailers.

Right here in Minnesota, we saw, for the first time, that retail clinics produced costs that were 40 to 80 percent cheaper than urgent care as their primary care as in a study, and with no worse quality.

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We've seen the same thing happen everywhere insurance ends and retail begins, areas that aren't covered by traditional insurance.

Look at the cost of Lasik eye surgery, down 30 percent over the last 10 years. Nothing else in health care decreases in costs. Look at the cost of in vitro fertilization. As technologies improve, the costs have come down. We always see the inverse in health care.

Even specialty surgeries. Look at the Surgery Center of Oklahoma where you can get on Google, and you get a price list for a knee replacement, and it's 20 percent of the cost of the competing institution. We see this across the board.

The question tonight is about who will have the incentives to reshape pharmaceutical distribution and care delivery and move us out of a world of secret negotiations where the winner negotiates the best deal into a world where we are rewarding the best service. And normally, this would be an important question, but it's particularly acute in today's political climate.

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Over the last two years, Washington has moved to defund the Children's Health Insurance program, defund Planned Parenthood. Today, the House passed a bill that seeks to remove \$1.5 trillion from Medicaid and 500 trillion -- \$500 billion from Medicare.

A court system that is set on taking away a woman's right to choose.

Ladies and gentlemen, Washington is coordinating an assault on the health of women, children, the elderly and the poor. We have an American economy and a set of incentives in retail and employer enterprises that are looking to take it back. Will Washington save our system? Please join me in voting for the motion to prove that America can save the health care system.

[applause]

00:24:00

John Donovan:

Thank you, Rajaie Batniji. And our final speaker will be arguing against the motion, Retail Alliances - not Washington - will Save the U.S. Health Care System. That is Rosemarie Day, founder and CEO of Day Health Strategies. Please welcome Rosemarie Day.

[applause]

Rosemarie Day:

So, the United States has some of the most innovative, life-saving treatments in the country -- in the world. But, for the 28 million uninsured Americans, those treatments are completely out of reach. And for the 82 million Americans who have health insurance but can barely afford what they've got, they are deferring care and actually not getting the care they need, which actually puts their lives at risk. So, who are these people that are being left out of our health care system? It's actually the American workers who are fueling our economy. It's the delivery drivers who bring Amazon's packages to your door, and other people in the gig economy, which happens to be one of the biggest growing segments in our economy.

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For those people, they don't have health insurance, and their only option for health care is to either cross their fingers or show up in the ER.

So, in this lack of access to health care, we lag way behind comparable countries.

We lag behind in other measures. You've heard the other debaters talk about this cost in quality. In fact, we actually spend twice as much in this country, and we get half the results.

So, these measures, cost, quality, and access, those are really the measures of how an entire health care system is performing. And we could be doing much better in these measures. In fact, we're failing in many of them. We do need to save the U.S. health care system. And the question on the table is, will retail alliances save us? I'm here with Lisa, my partner, to argue that, no, in fact, they will not.

The bottom line is that if you want to address cost, quality, and access for all, then retail is not enough.

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Let's start with cost. We spend 18 percent of our GDP on health care. Other countries spend 10 percent. If we want to reduce our health care spending, retail is not enough.

As Lisa mentioned, if you go to CVS they can provide you with some convenience and that's great, but that's not actually addressing the major cost drivers in our system. If we look at quality measures, things like hospital admissions from preventable disease or life expectancy, we lag behind other countries. It's frankly kind of embarrassing. To improve those quality measures, we really need to invest outside of health care into the social determinants of health. If we want to bring in terms of access our hundred million American workers, including those Amazon drivers, into the system, retail is not going to solve that. And why isn't retail enough?

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The first is that -- the first reason is that retail alliances are for profit. There are really three main reasons, for profit, they leave people out, and they don't have the scale. So, in terms of for-profit business, a retailer's bottom line is really not society's bottom line. They are not oriented towards doing the common good. They need paying customers.

They take a short-term view. They have to. Their priority is their shareholders, not what's good for society. So, if you're a low-income Medicaid customer and you have a lot of different complex needs or you're an Amazon driver in between gigs, retailers don't really see you as a money-making opportunity. And that's not to say there aren't a lot of for-profit companies doing great things, but again, their priorities are their shareholders. If we turn to employers, let's look at what they're doing. They actually leave out most of the population. They insure less than half of our population. That's 151 million people, which is a lot, but the scale of the employers who can actually drive change is very small.

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It's less than half of that and when you look at the alliances like Amazon, Berkshire Hathaway, J.P. Morgan, they only cover a tiny fraction than a million people.

So, providers are not going to make changes if they don't feel like they've got the people coming in the door who are really going to be able to affect that change and I submit that employers don't have that scale. In fact, it's government that has that scale. Government is playing an increasingly large role in the role of payer, both for Medicare and Medicaid and if we look at that silver tsunami that's coming at us, that's only going to grow. So, ultimately retailer's and employer's scope is limited. Retail alliances are not enough. Washington actually has to be part of the solution and I would submit that Washington is us. Our health care system is vast and complex, but it does require systemic solutions.

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Washington won't solve all of our problems. I run a for-profit health care consulting firm, I admit, and I know that Washington and government can hinder private enterprise. But I've also seen firsthand how government can work. When I helped start up the Health Connector in Massachusetts, we served as a real catalyst for change and we found a way to collaborate.

We found a way to bring industry and the government together to build a model that ensured hundreds of thousands of people. We were a convener. We leveled the playing field and we ensured equity through subsidies. So, when you look at the health care industry it is unique. It's actually full of market failures like monopolies, short-term incentives, all kinds of things that the private sector won't solve on its own. We need Washington at the table. So, I'm excited about the debate. I'm a big fan of innovation. I think that that is part of the equation, but it's not going to address cost, quality, and access for all.

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For a health care system as vast and complex as ours, we have to have retail employers. They are necessary, but they're not sufficient. We need government at the table and we need to see that other developed nations have actually made that successful. They provide overwhelming proof that this can happen.

We don't need scattershot solutions. We need a better functioning system. So, I urge you to vote no on the motion that retail alliances will save us.

[applause]

John Donovan:

Thank you, Rosemarie Day. And that concludes round one of this Intelligence Squared U.S. debate where our resolution is Retail Alliances - Not Washington - Will Save the U.S. Health Care System. Now we move on to round two and in round two the debaters address one another directly. They also take questions from me and from you, our audience here at the Mayo Transform Conference. The resolution again, Retail Alliances - Not Washington - Will Save the U.S. Health Care System. We have two debaters arguing in support of this motion, Rajaie Batniji and Gregg Slager.

00:31:04

They are arguing that Washington is broken, that the U.S. in too many categories is last, last, last, that the government does not know how to serve consumers, but that retail outfits do, that there are so many lessons to be taken from the online experience in dealing with choice, with care, with quality -- that the retailers know how to scale; that they have multiple ways to reach customers, and not just their employees, but also their customers.

They ask rhetorically the question: "Who really has the incentive to fix the problem and to reward the best service, and do so with transparency?" And their answer to that is the

American employer, with an emphasis on the retail sector. The team arguing against the motion -- Lisa Bielamowicz and Rosemarie Day -- they say they are not arguing that Washington is the sole solution, but they are definitely saying that retail is not the solution. They say that going to a clinic, such as Wal-Mart's, may be convenient, but it's just not the same thing as going to the doctor.

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They question the motives of these retailers. They say that they cannot scale, that the kind of medicine that needs to be delivered -- the kind of healthcare that needs to be delivered systemwide is not just primary care, but really, the big, big problems. And they don't see these companies getting interested in that.

They -- bottom line, they say, is that a retailer's bottom line is not society's bottom line. So, a lot of area of disagreement. And I want to work through some of it. But I want to start -- I want to go to the side that's arguing for the resolution and take to you, Gregg Slager, your -- both of your opponents argued that the fact that retail companies' ultimate loyalty -- I think they're saying -- is to shareholders; not to the health of their employees or the health of their customers. It's just a fact of life. Really kind of gives the lie to the whole notion that we should be trusting them to take on this job. What's your response to that?

00:33:01

Greg Slager:

Well, I think -- first off, I think that if you're lowering your healthcare costs for your employees so you can buy more goods -- she called it junk; there's a big portion of America that doesn't think it's junk and it's survival for them -- I think that that's important, because what you've done is you gave them choice. You've reduced healthcare costs, which is not a choice, and you gave them choice.

So, I think that's important. And I think also -- you can look at some of the exercises that some of these retailers have gone into. CVS took cigarettes out of their store. \$2 billion of sales. Gone overnight -- two -- because they want to be viewed as a health provider. And also, two, I think -- you know, they are building trust too. I think, if you think about retailers and what's going on in the market today, is that they're becoming more mission based. They're trying to build trust. And what that -- want that to do is they want to be able to serve more of their communities' issues and problems too.

00:34:01

And frankly too, I think -- you know -- when we look at some of these big problems as well, John, I think, you know, part of this is not sick care. This is healthcare. This is helping them live

healthier lives. This is nudging them. This is helping them with nutrition. This is keeping them -- those are the big problems. I mean, you look at diabetes and heart disease --

John Donovan:

Well, let -- actually, let me stop you there --

Greg Slager:

Yeah.

John Donovan:

-- because you've made quite a few points. I just want to let your opponents respond to some of what you're saying --

Lisa Bielowicz:

If you're talking health and wellness, I mean, is CVS really interested in that? I'll agree that they waived the flag on cigarettes, but I was out in one in California a couple of weeks ago. There was still liquor and Cheetos all over the place. They are still selling those high profit items. And I agree. Giving patients -- low income or high income -- the choice of a \$60 cash primary care visit versus going to the doctor -- which, if I have to pay cash for, it is probably 120, 150 bucks -- is a very important choice. But by changing that calculus, are we going to tackle the really big cost driver's in healthcare?

00:35:00

Rajaie Batniji:

Yeah.

John Donovan:

Rajaie.

Rajaie Batniji:

If I may, you know, Dr. Bielowicz, you make a -- you made a great point in a few pieces that you wrote recently. You know, four months ago, you wrote an article titled, "Wal-Mart will Bring Everyday Low Prices to Healthcare," where you actually made the case the Wal-Mart wouldn't just provide healthcare services in their stores; but they were going to be able to provide primary care, low-cost insurance products, steering members to preferred hospitals.

You took the argument further than I would. You were quoted just two months ago, explaining that Amazon's -- and I quote -- "Amazon's scale will allow them to negotiate prices in a way that the drug industry has never seen before." And you continued, "They have a company ethic of returning these kinds of savings to consumers." So, Dr. Bielowicz, I think you've made our argument more impassionate --

John Donovan:

All right. So, it's –

Lisa Bielowicz:

Yeah.

John Donovan:

-- the old "use the debater's words against her trick."

Lisa Bielowicz:

Well, I mean –

John Donovan:

So, go for it.

Lisa Bielowicz:

-- there is no doubt that these companies are going to affect change in parts of the [unintelligible] -- the exact same two that I said when I was giving you my opening remarks.

00:36:03

Primary care is seven percent of healthcare spend. They are definitely going to change the way that primary care is delivered. I hope, both as a consumer and a physician, that Amazon comes in and pulls the rug out from drug companies.

That at best, 10 to 15 percent of spending. Remember how much of the drug spend is stuff that actually happens in pharmacies. A lot of it is in other places. Amazon's not going to touch that. When you look at other retailers, look at CVS. What are they in addition to being a retailer? Well, let's look at their balance sheet. \$177 billion of annual revenue, 120 billion of that comes from being a pharmacy benefits manager, one of those secretive middle men who makes tons of money off of you and me and the employers by negotiating and coming up with secret drug prices. I would argue, are they a retailer, or are they a middle man? When you actually –

John Donovan:

All right.

Lisa Bielowicz:

-- look at the company.

00:37:00

John Donovan:

Let's take Gregg Slager into some of that. And some of what I think your opponent is saying is that the benefits that you're talking about that the retailers may provide are real to the extent that they go. But she's saying that they touch such a small part of the problem. The resolution

will save the US health care system. It's a big, big target. So, what about her basic response? And also, Rosemarie Day made the same point, that retailers can't scale to the real size of the problem.

Greg Slager:

Well, I don't -- I don't agree with that. I mean, if you look at the top two pharmacy chains, they have 20,000 retail locations amongst them. So, we have 5,500 hospitals in this country. If you look at, you know, the large retailers like the Wal-Marts and others, you're adding another 10 or 15,000 locations here, too. So that's one thing.

In terms of getting care to the communities, I think it's really important. And a lot of them are in rural locations, too, that are underserved, that can't get to a doctor. Forty percent of them don't have primary care physicians. So, this is the only place that they're going to get their care. So, it's very important to them.

00:38:01

And a lot of them have these -- they're diabetes, they have heart disease, they have the big contributors to the five percent that make up 50 percent of our health care dollars. So, if they can engage with them, and they can help manage behaviors, and they can do more preventive type -- type activities, regardless of whether, you know -- whether or not it makes more profit to them because they buy more things, I mean, if it's reducing our costs of care, that's big, okay?

John Donovan:

I'm going to take it to Rosemarie Day.

Rosemarie Day:

Yeah. So, I think there's actually evidence that the retailers in these clinics and such do not try to locate in areas that are underserved. And so, it goes back to my point about that complicated Medicaid patient. We have -- we were looking at a study in Chicago that showed that there were actual complete almost blackout areas where the retailers wouldn't go because they don't see it as a money-making place to have a clinic.

00:39:02

And so, we've actually ended up seeing some pharmacy deserts to go along with the food deserts that we talk about in urban areas.

John Donovan:

Rajaie, what is -- on your -- your team is arguing that the retailers come with specific skills and advantages that can be scaled.

But I want to talk about what those skills and advantages are. What are they good at in dealing with the consumer? What do they know about consumers? What about their relationship, past relationships with consumers, and also the use of data, that you are arguing gives them an advantage?

Rajaie Batniji:

So, I think -- and my partner, Gregg, made this point. You know, retailers, when you go, and you're going to that retail clinic, they -- they know who you are, they know about you, they're very familiar with you. But that's actually not the entirety of the story. It's actually more, to me, about how their incentives are aligned and how they're competing. They're competing to be the most convenient solution. They're competing to be the lowest cost solution for you.

00:40:02

And that is really important if you think about the fundamental care issues that face us, whether it's chronic disease management, and I think even retailers are getting into more advanced things. I think, to me, the definition of retailer isn't just a pharmacy store, it's anybody who's bringing a retail approach to health care. That could be a surgery center. That could be an employer who has worked with a local provider system to change the dynamics of the game.

John Donovan:

Why is that better?

Rajaie Batniji:

Why --

John Donovan:

Why -- what's the benefit of having that -- that perspective on it?

Rajaie Batniji:

Because your incentives are fundamentally aligned. In today's world, who gets rewarded is who strikes the best backroom deal. And in the future, who gets rewarded is who provides the best service at the best price and takes care of the member and delivers outcomes.

John Donovan:

Okay.

Lisa Bielamowicz:

I would --

John Donovan:

Let me take it back to Lisa.

Lisa Bielowicz:

I really find it interesting. You mentioned in your opening remarks Surgery Center of Oklahoma. I know those guys. They're a bunch of orthopedic surgeons who opened an ambulatory surgery center and are doing something very interesting with transparency and reference pricing. I don't think anyone would call them a retailer. I agree that they are applying

--

00:41:10

John Donovan:

Hang on just a second.

Lisa Bielowicz:

-- some retail tactics.

John Donovan:

I just -- we'll come back. I -- just one sentence, do you consider them a retailer for the sake of your argument? I just want to know what --

Rajaie Batniji:

Absolutely.

John Donovan:

Okay. Back to you, Lisa.

Lisa Bielowicz:

How are they paid?

How much of their business is cash?

Rajaie Batniji:

All of it.

Lisa Bielowicz:

Oh, no, that's not true. They don't take insurance? That is absolutely not true.

Rajaie Batniji:

It is true.

Lisa Bielowicz:

No, they --

Rajaie Batniji:

Now, what happens is –

Lisa Bielamowicz:

The Surgery Center of Oklahoma –

John Donovan:

We need a fact check.

Lisa Bielamowicz:

-- takes your insurance.

Rajaie Batniji:

Employers contract with them, and then they have a defined price. But there's no negotiation. The price list is the price list.

John Donovan:

So why are you not considering that retail? What's -- what's your –

Lisa Bielamowicz:

Because they're still operating within the traditional confines of employer-sponsored insurance. They do see Medicare patients as well. They do contracting with the State of Oklahoma. Again, are they a retailer who is transforming health care? No. They are a very traditional provider that has existed for decades, who is very smartly taking some ideas from the retail world and applying them to make the traditional system better.

00:42:11

John Donovan:

All right. You've made a -- quite a strong point, actually. I just want to know how you respond to it.

Rajaie Batniji:

I think this point is sort of beyond the context of the debate.

Whether or not Surgery Center of Oklahoma is a retailer or not, they are bringing a retail approach to health care. And that's what we need. That's what every employer in America is driving toward. When Amazon, Berkshire, and JP Morgan announced their initiative, what they seek to do is to do exactly that, to reward quality, to work directly with provider systems so that it's easy for them all to replicate what we've created in the retail space of clear, simple transactions and rewarding for value.

Lisa Bielamowicz:

I agree that Amazon, Berkshire Hathaway, JPMorgan has some Amazon juju. But why haven't other employer alliances like the Health Transformation Alliance, which had IBM, HCA, over two dozen large companies, they haven't done anything –

00:43:02

John Donovan:  
Okay.

Lisa Bielamowicz:  
-- apart from cutting a few drug company contracts.

John Donovan:  
I want to let the other two voices into the conversation here now. Rosemarie, your opponents are arguing -- you made the point that a retailer's bottom line is not society's bottom line. They're sort of saying actually those two things are not in conflict with each other necessarily, that in fact what they're saying the incentives are aligned and that a CVS or any other provider at this scale would have absolutely every motive to have happy customers, happy consumers getting the health care they want, they need, and that in fact there isn't that conflict.

Am I correct that you're making that -- yeah, so there's not conflict there.

Rosemarie Day:  
Well, I think the key is who can actually be a customer. It has to be somebody who has a way to pay for something. They have to have an ability to pay. And so, whether that's their -- coming out of their pocket or the employer that's covering their insurance, or they're on the Medicaid program and that's actually a government subsidy, somehow there has to be some money for the transaction.

00:44:03

And there are a lot of people who don't have access to any of those things I just mentioned, and so they're shut out. So, we don't have a hundred percent customer base. And that's where retail's bottom line is, not society's.

John Donovan:  
But they -- but they've been making the argument that in fact it's -- it's people of lesser means who are able to take advantage of things like a minute clinic at a Wal-Mart or a CVS, that they're not cut out, that they're actually -- they have more opportunity and choice than they would otherwise.

Rosemarie Day:  
To some limited extent. But there are still people who simply can't even access that.

John Donovan:  
Gregg Slager.

Greg Slager:

They're -- they can't -- if they can't access that, they probably can't access other -- other care facilities as well, too. So, I think there is a better chance that they can access care -- care in a retail environment, too, because think about retail as well. I mean, the reason why they're lower costs is because they're subsidizing the bricks and mortar. They don't have these towers. They don't have these ivory towers full of doctors that they -- that get baked into the prices.

00:45:05

They're -- you know, the \$4 generics or the -- or, you know, \$4 for the employers or \$40 visits, those are -- those are rock-bottom prices, too. There's many more areas of the continuum of care that they are being cut out of currently in the way that the old model works.

Lisa Bielamowicz:

And we talk about the ivory tower. What about the ivory ICU. I don't see Wal-Mart having a \$4 ICU or a \$4 operating --

Rosemarie Day:  
Thank you.

Lisa Bielamowicz:  
-- room.

Rosemarie Day:

So that the better point for me to make is actually that it's not just about the sniffles and the kind of low-hanging fruit, if you will, that a minute clinic can deal with. It's the more intensive needs that they're shut out of.

John Donovan:  
Rajaie.

Rajaie Batniji:

I don't think we're arguing that you're going to go and get a, you know, triple coronary bypass in a Target dressing room. Nor are we arguing that government should completely abdicate its role. And, Rosemarie, with all due respect, the argument that employers are only covering half of America and therefore can't exert change on the system just doesn't hold water.

00:46:10

Employers are the largest payer in the health care system. 151 million Americans compared to 50-some million Americans on Medicaid, 60-some million Americans -- I'm sorry, 50 some million Americans on Medicare, 60 some million on Medicaid.

Employers are the biggest payer in the system and they're the business class passengers. They're paying the highest prices to these provider systems. Employers do have the ability to exert their power and finally start acting like the biggest purchasers in the system and get prices under control and federal programs will benefit from that by having lower prices and a more responsible system where we contain runaway growth.

Female Speaker:

Well, that's really interesting because why are they paying almost twice as much as Medicare for the exact same things? That actually suggests that government has got more of the power to influence prices, if you will, than the employers have shown to date for as big as you say they are.

00:47:08

Male Speaker:

What it actually proves is that employers –

[applause]

--- have worked not directly, but rather through intermediaries that keep them totally in the dark about pricing and that's what these employer alliances are all about.

It's about getting employers to work directly with the provider systems and finally exert their control and that will drive down costs.

Female Speaker:

I mean, when you talk about employers exerting control, I am all for it. What your company does in partnering with large employers to exert more control is fantastic work, but when you get right down to it large employers are only a third of all employed Americans. My family owns a John Deere dealership outside of Houston, Texas. My mother, who manages the benefits, doesn't have the time, bandwidth, or knowledge to not go through an intermediary to help them find good health care for their couple of dozen employees. Completely different game for the folks who work for small business.

00:48:07

Female Speaker:

And I would add that insurers I think is the missing name here, have been that intermediary and they've often been accused of having a lot of power, maybe sometimes too much in some certain markets.

And yet they struggle when they go up against some of the large provider systems that have been increasingly consolidating and assembling their market power and almost in a sense being able to set prices.

John Donovan:  
Okay.

Female Speaker:  
So –

John Donovan:  
I want to –

Female Speaker:  
Where can an employer alliance it feels a little like David and Goliath to me.

John Donovan:  
I want to let the other side respond. Which of you would like to respond to that? Gregg?

Greg Slager:  
I would. I would. So, so to address that issue, and that's a good -- those are good points that you're making here, too, but when you're thinking about saving you're thinking about the future, not the past. And when I think about, you know, innovation and tech companies and consumer product companies and what they're bringing to the table here, too, are these demand aggregation platforms and the whole purpose of these, you've seen them disrupt other industries. They disrupt travel. They disrupt media. They disrupt retail.

00:49:07

Sixty percent of purchases are made through a demand aggregation platform online from a retail perspective and we're building those things to try to drive similar disruption. Aggregating employees demand will encourage provider and supplier platform involvement, too, and it's a virtuous cycle. We've seen it happen many, many times. This is where technology can help. It's a virtuous cycle. The more employers that come on board than these alliances, and these small ones and your family's business, they could get on a platform. They could have care and supplies and what not delivered more price competitively and more transparently -- transparency can really --

John Donovan:  
I have to jump in so we can move on to audience questions and if you could tell us your name, too, please.

Male Speaker:

Thank you all. My name is Vanc Belanconda [spelled phonetically]. I live here in Rochester. I function as an emergency doc. I'm -- my question is to both sides and what you think the government and retailers could do for the homeless and others who currently are being underserved.

00:50:04

We've heard a lot about how the middle America group has easy access in retail. What about the homeless people?

John Donovan:

I'll take -- which side would like to go first on that?

[applause]

Rajaie or --

Female Speaker:

I'd like to hear from them.

Greg Slager:

If you don't mind. I think that's a great question and as we talk about transforming the health care system, too, we totally agree that government has a role in here, too, and I think one place where we fail in this country that other countries do a much better job of is in our social care and in our social network, and creating those safety nets.

So, I personally think that the government and retail should work together to figure something out like that, but I really do think that social care is really something that we really need to invest in.

Rajaie Batniji:

If I may add just briefly --

John Donovan:

Yes, please.

Rajaie Batniji:

I work as a physician. I used to work at homeless clinics in San Francisco, a city that is plagued by a significant homeless problem.

00:51:01

You know, I asked the question, and Rosemarie made the point that, you know, Medicare and Medicaid are great negotiators. But I'd ask -- you know, if I'm running a homeless clinic -- which

I've done in the past -- would I prefer to pay Medicare and Medicaid prices for a bandaid and Tylenol, or would I prefer to pay Amazon prices? And I think that the change in the distribution that we can have is going to be meaningful. And it's going to allow us to provide better care for the poor. And it's going to free us up to provide -- invest further in our social safety programs, to expand Medicaid. Government has a very important role to play in the future of our system.

Our point is that government isn't going to save our system, but rather retailers and employer alliances are going to drive costs down, and the homeless will benefit from that, as will the weakest of all Americans.

John Donovan:

From the other side? Response to that question?

Rosemarie Day:

So, I think that you know, there's still going to be the forgotten people until they actually have some money to put on the table.

00:52:04

And so, government needs to play that role, to not forget about the folks -- and particularly folks who are homeless. That is absolutely where we need to have a social safety net. And our country does very poorly relative to others, in terms of our investment in social services. So, that's something that we have to have the collective will to do. And I do think that retailers can partner in that. I think there are innovative programs where -- I know in Boston, sometimes the doctors are prescribing food and other basic things. And they partner with local retailers to be able to offer that in a convenient way in an urban area, so that we don't have a food and a pharmacy desert.

John Donovan:

Okay.

Lisa Bielamowicz:

I do like the idea of a trickle-down healthcare benefits to the homeless -- employers and retailers are going to lower costs, and it'll make its way to --

Male Speaker:

Nobody made that argument. [laughs]

Lisa Bielamowicz:

What I would like to give every homeless person access to is a federally qualified health center, which provides fantastic primary care and mental health benefits to a lot of Americans.

00:53:03

[applause]

Federally qualified.

John Donovan:

If you can tell us your name too, please.

Male Speaker:

I'm Bob, a [unintelligible] practitioner from [unintelligible] Minnesota. And this is directed at the four people. Are the retailers thinking about having comprehensive, direct primary care or is this just going to be more urgent care and walk-in clinics?

And I hope you know what direct primary care -- it's, you know, set price for -- a transparent price on a monthly basis for preventive and primary care services.

John Donovan:

Would you like to take that?

Rajaie Batniji:

I can certainly speak to it.

John Donovan:

Okay.

Rajaie Batniji:

I think it's definitely the latter. We're moving to a system where everyone recognizes that having direct primary care that's comprehensive is important. It's not only occurring in the retailers that you think of as, you know, drug stores and otherwise. But employers are increasingly offering that kind of care at their facilities.

00:54:02

I see this in the employers I work with that offer on-site clinics that go beyond just urgent care, to primary care, behavioral healthcare, and some even going further than that -- and imaging centers and so on. And so, I think that the transformation that you're seeing of where care occurs, and to ensure that it occurs at the best possible price point and the most convenient location goes beyond having just urgent care. It's all encompassing, and it also is reflected in how employers and others are working with provider systems to create those kind of risk arrangements.

John Donovan:

Okay. I'm taking that as a light-shedding question as opposed to a debatable question. Sir, you're up.

Male Speaker:

Yeah, thank you. My name is Spencer Merchant [spelled phonetically] from Minneapolis, Minnesota. I work for the insurance side. Great debate so far. I'd ask the side for the retail, how are the retail agencies going to transform clinical care? You've spoken mostly about price points and negotiation, and a little bit into access. But versus government agencies that have the VA clinics, and they have social services, and universities that deliver care. How will retail –

00:55:09

John Donovan:

What does this future really look like? Nuts and bolts sense -- yeah. Gregg, do you want to take that?

Greg Slager:

Well, I think it's going to evolve. I mean, it's certainly going to evolve as we talked about -- as we talked about this -- yeah, more money is going into consulting rooms and expanding the care facilities in these large retailers. So, I -- yeah, my expectation is that it is going to continue to go -- some of these -- some of these entities, I mean, there are -- there are food deserts and there are pharmacy deserts, too. But some of these retailers, they're the -- they're effectively the community centers. They know all the people in the -- in the neighborhood. They come in - - Wal-Mart has 150 million visitors to their stores every -- every year. The -- you know, the engagement that they have with the folks in their community I think is really, really important.

00:56:00

I think it's going to help them in terms of, you know, preventable -- preventable care. I think the health care as opposed to sick care, I think it's going to stop ER admissions, too.

And I think they're going to continue to evolve in that. They've got a -- they've got a built-in advantage, I mean, because people are going there. They've got the convenience, they've got the access. They're also subsidized as I mentioned. I mean, their buildings are subsidized so it can continue to drive lower cost care throughout the continuum.

John Donovan:

I'd like to get the other side to respond on that. The reason I -- in my own reporting around the country, there are parts of the country I now go to where the downtown, small downtown, is gone because Wal-Mart came to town. You know what? Wal-Mart replaced it. Wal-Mart is the village square. People do go there, and there is a social life, and there's a -- there is say sense of community there. So, your opponents are arguing that that sense of community is a real tangible positive thing to be taken into account in this debate. I just want to see what your response is to that.

Rosemarie Day:

So, it's hard for me to judge whether Wal-Mart really is creating a sense of community compared to like that mom and pop pharmacy where they knew you over the long term.

00:57:06

Lisa Bielamowicz:

And now pop's out of a job?

Rosemarie Day:

So, you know, maybe in some spots, that's true. But I really see Wal-Mart as a pretty big corporation cycling, you know, millions of people through its doors every day.

I'm hard pressed to see a true community there, unlike what we talk about with the federally qualified health center or a doctor who has a long-term relationship, you know, with their -- with their patients. So, I do think it's difference. And I want to just comment, I think there have been some really interesting things coming out of government in innovation and been really the center for innovation that's part of CMS that helped spawned the ACOs, and all of that change in clinical approach has actually come from government. I don't think we've seen as much of that originating in the private sector at least yet.

00:58:01

John Donvan:

I want to go to a question here.

Female Speaker:

Hi. I'm Hannah Barton. I'm from the University of Wisconsin Madison. And we've spoken a little bit about how you need money to access the system as it exists today and how you would likely need that in any system that's going to forward.

But what about the incentive that retail has to actually create a future where you then have money to -- you know, to participate in retail? So, you know, I access care now which might cost retail money, but in the future then I'm, you know, able to participate in a way that would --

John Donvan:

But are you seeing that dynamic as an argument to support the "for" side or is a question -- as a challenge to the "for" side?

Female Speaker:

It's a question for both sides, what the --

John Donvan:

Okay. Let's take -- the reason I asked that question is I thought I actually heard this side arguing that that's the -- that's the only reason that Wal-Mart is interested in bringing down health care costs is so that you would have more money to spend on other products in Wal-Mart. You didn't actually argue whether that's a good thing or a bad thing, but -- phenomenon.

00:59:09

But I want to take it to the other side first.

The question about the dynamic of these retailers, I think, having a motive of -- or just an effect of putting more spending money in people's pockets because their health care costs have gone down.

Greg Slager:

As I mentioned, I think that's a good thing because what you've done is you've moved something that was not by choice to something that is by choice, something that's a burden to something that's an opportunity. So, I feel strongly about that, that -- and, you know, we have to think about those families and what they're -- what they need in their life. Do they need to pay more for health care or more for other food and essentials to create the kind of -- help the social determinants and help the other impacts on health outside of just visiting the health system.

John Donovan:

So, Lisa, why is that a bad thing if they drive down costs and you can buy more stuff at Wal-Mart? Why is -- so what --

01:00:03

Lisa Bielamowicz:

So, there's two points that I would make, first being, okay, they might free up a little bit of your disposable income by changing how you buy a drug or get a flu shot or a sore throat visit.

That's a fantastic thing. But if they're really going to transform the system, you're going to have to trust a retailer to partner with you on something like cancer care. Are you ready for that? Are you going to like Wal-Mart telling you where you have to go to get your chemotherapy? That's just a question you have to consider. Second, I would also not go directly to retail as the only solution that can free up more of our disposable income from health care. As my opponent said, employers working in different ways could do that, too. It may not be my necessary political stance, but a lot of people are arguing that Medicare for all would do that for the average American. So, I think there are myriad ways we could get there.

01:01:01

John Donovan:

Okay. I would love to continue with the question and answer section, but we are out of time. That concludes round two of this Intelligence Squared U.S. debate where our resolution is, Retail Alliances - not Washington - will Save the U.S. Health Care System.

And now we move on to round three. And round three are where each of the debaters makes a closing statement. It will be two minutes for each of the speakers. First, making his closing statement, Gregg Slager, senior partner and global health transaction leader at Ernst & Young.

Greg Slager:

So, I'll just -- just as a follow-on to that question actually, too, so I mean, I just want you to imagine Irene. And everybody knows an Irene. So, Irene is 56 years old. She lives with her husband. She's on a fixed income. She's got diabetes, and she's struggling with high blood pressure. She goes to her retailer once or twice a week with her husband. She's enticed to come there to buy products that she typically buys, that the retailer knows through its intimate relationship and engagement and through using data analytics.

1:02:04

So, they bring her in. While she's in, she goes to the pharmacy, she refills a script, she buys some insulin strips. She stops to get her blood pressure tested to compare to her home results.

She's got one at home. And it's been spiking a bit, so she goes into the -- to Wal-Mart, and for free, she gets her blood pressure taken. It's -- it's high. So, she stops by the clinic to get some questions answered. And what they do is they put her on a telehealth monitor with a doctor who talks to her about her -- asks her about what's going on, any other kind of things in her life that may be causing these things and then gives her a new -- new prescription. So, she goes and she pays for a generic \$4. So, the retailer then sends her texts on care adherence and nutrition suggestions and whatnot, too.

So, what the retailer is doing here is trying to address the chronic disease issues.

01:03:02

It's trying to address the long-term disease issues, which are big cost considerations for our system. It's also keeping her out of the ER. I mean, because 40 percent of these people that show up in these retail clinics don't have a primary care physician.

They are serving a need, and they are really making an impact on cost of care.

So, contrast this with the old model of care. And the government can't do it. And the old model care, too, is "We'll build it. You will come wherever we are. You'll pay whatever we are." That's not what retail is all about. So, we want you to understand that retail can fix this problem much better than government.

John Donovan:

Thank you, Gregg Slager. That's an applause line. Thank you.

[applause]

The resolution again, Retail Alliances - not Washington - will Save the U.S. Health Care System. Making her closing against the motion, Lisa Bielamowicz, cofounder and president of Just Health Care.

Lisa Bielamowicz:

Well, we are a long way away from of a retailer providing comprehensive health services.

01:04:01

Remember my visit to the retail clinic? Nurse practitioner across a card table in a broom closet. Retailers will continue to up the game for convenient care.

They might completely change that part of the system. You know, what retailers are doing, though, is they are starting to create different motives from traditional providers. I work with a lot of doctors, hospitals, health systems, insurers who are now thinking about how they should provide telemedicine solution, different in-kind access that isn't going to the hospital or the doctor.

But will retailers actually transform the system? Are they going to tackle the big cost drivers in health care, which are very sick patients coming in for very intensive care needs? Changing primary care is fantastic. It needs to be done. It's 7 percent of all health care spend. But I would ask you, if you're going to vote yes, you would have to feel comfortable going to Wal-Mart when you're worried you might have cancer and having them potentially direct you to a lower cost provider.

01:05:11

I love everyday low prices. I am all four saving money and living better, but I don't know if that will include my cancer care. Will you trust a retailer with your end-of-life health care decisions? Remember what large percentage of our country's health care spend is end-of-life. If you're going to truly transform the system you can't just provide a telemedicine visit. You can't just provide a for cost -- \$4 low cost generic drug and you can't just be quick care. You have to be motivated to provide care to really sick patients and if you're not willing to answer yes to that question for yourself personally, then I think you have to vote no.

John Donovan:

Thank you. Lisa Bielamowicz.

[applause]

Again, the resolution Retail Alliances - Not Washington - Will Save the U.S. Health Care System. Making his closing statement against the motion, Dr. Rajaie Batniji, cofounder and chief health officer at Collective Health.

01:06:11

Rajaie Batniji:

I see the urgency of fixing our health care system in every patient that I treat. And I recognize, like many of that work in health care, I've been part of the problem. I've ordered a \$1,200 bag of saline to save a patient's life knowing that it cost my hospital \$1 or \$2. I know that I've created financial distress for my patient as he's been sent to collections and that bill has my name on it and I'm not proud of that. I know I've contributed to the profits of companies that have manipulated our governments and our markets. We simply can't afford a theoretical debate about who can fix health care. It needs to be a conversation about who can actually save it. What's it mean to save something? I remember as a kid I was rescued from the water. I like to go out over my head sometimes in the surf and the lifeguards threw me a read flotation device and said, "Hang on to this thing like it's your mother," and he pulled me to shore.

01:07:09

He didn't pay for my college education or my high school education or food or anything like that.

My family and the government did. And that's what it means to save something, to pull it out of the turbulence and put it on dry land. Today we're faced with a health care system that needs saving. I have not heard my opponents make a single argument about how government can save our health care system, not a single one. We've made several arguments about how retail can save our system and how employers working directly to take this system from a world of obscure contract and negotiate and dark smoke-filled rooms and clear out the smoke and turn on the lights and turn this into a transparent system where we know what we pay for and we pay for value. So, let's turn on the lights and clear the smoke. Please join us in this motion and vote for the resolution.

01:08:07

[applause]

John Donvan:

Thank you, Rajaie Batniji and that resolution one more time, Retail Alliances - Not Washington - Will Save the U.S. Health Care System. Here making her closing statement against the motion Rosemarie Day, founder and CEO Day Health Strategies.

Rosemarie Day:

So, I want to close with a story. Gregg had Irene. I have Eloise. I'd like you to meet Eloise. She's someone I actually met when we were implementing health reform in Massachusetts. She was a 50-year-old woman, a single parent who had worked hard as a cleaning woman her whole life. She had no health insurance and she was struggling to put her two sons through college. She was a very proud woman, but she wasn't proud of her fainting spells which would happen at work and sometimes keep her from working and these spells had gone undiagnosed obviously because she didn't have a way to get to a doctor, even though she was working. She wasn't part of any retailer's picture and she wasn't part of any employer alliance.

01:09:01

But she was finally able to buy some affordable coverage once we launched the health connector and she was able to see a doctor and get diagnosed.

It turned out she had epilepsy and it was treatable. When she came to tell her story at our board meeting she held up the bag of pills which she was now able to buy through the retailer and that was what was keeping her healthy and productively employed. On every front she was doing the right thing and we were supporting her in that and she was so happy to report on top of that that now she was going to be able to do the work it took to put her sons through college. I see this as a huge success story and it's an example of where government insurers and retail all came together to address those big things that are the ultimate measures of our system, cost, quality, and access. Are we providing that as a society? Why wouldn't we want to have 28 million more Eloise's? I think we can do that if we have the will.

01:10:01

We talk about Washington as kind of this thing over there. I want to say that's us and we have to actually harness the collective will to demand that of our system because if we have that, we can address and drive change. We can do that in conjunction with retailers, but it needs to come from the polis. And that's us.

John Donovan:

Thank you, Rosemarie Day.

[applause]

And that concludes closing statements on the resolution: Retail Alliances – Not Washington – Will Save the U.S. Health Care System. And now it's time for you to vote a second time.

I just want to say a couple of things while we're waiting for the results to be tabulated, which will take just a couple of minutes. The first thing is, once again, I said at the beginning that it's such a pleasure to work with Mayo on this project.

It's been fantastic. You are a fantastic partner, so thank you for that. And I also want to thank these four debaters. It's clear that they all come from positions of commitment and passion. They disagreed. And yet, you sat down, and you argued this out with civility and respect, and you brought arguments, and you brought proof. And we need much more of that. I want to congratulate you for setting a specific -- a terrific, spectacular example of doing that. So, thank you very, very much.

01:11:13

[applause]

So, I just have a question I'd like to very quickly put to all four debaters -- very, very briefly -- because we were asking all of you to listen to these debaters and be willing to change your mind. I'm just wondering -- if we could start with you, Rajaie, and go down the line -- did you hear anything from the other side that you actually found persuasive, that made you say, "I'm going to think about that again?"

Rajaie Batniji:

Well, I think the interesting thing is that we actually agree on a number of points.

John Donovan:

Yeah.

Rajaie Batniji:

And I fully agree that government needs to provide a very robust safety net for the poor. And that's an argument that I made and that our opposition made. You know I think -- what I found, you know, persuasive, perhaps, and something that I think I fundamentally agree with -- is that, you know, that the retail alliances are going to improve care access for the middle class. And you made the point that they're not going to improve care access for the poor. And that's clearly where the government fits in.

01:12:14

John Donovan:

Okay. And let me jump to the other side, and I'll come back. How about you, Rosemarie?

Rosemarie Day:

Well I'm a big fan -- I'm impatient. I like that -- what you said at the beginning. And I'm a big fan of getting things done. And I know that government doesn't necessarily do that quickly. And there's a ton of reasons for that. It can occasionally -- and I think we need to not malign government and do, you know -- find those places of innovation. All that being said, it is compelling that there are awesome things happening in the private sector side, you know, with the help of venture capital and things where people are just racing to get to some really cool solutions. I just want them to be available for more people.

John Donovan:  
Gregg?

Greg Slager:

Yeah. Well, I agree with Rajaie, in terms of the safety net, too. I think -- you look at our cost of healthcare, and you look at other countries, but you look at their costs of social care when it's added to healthcare, and it gets a lot closer to what we're doing.

01:13:09

And I think that drives a lot better outcomes. So, I think our -- the -- where our money is going needs to be re-allocated to -- from care to social care, from healthcare.

But we need to get those systems to be talking to each other, because it's not the priority of either one -- of the other two. So, and I'd love Silver Tsunami too.

[laughter]

John Donovan:  
How about you, Lisa?

Lisa Bielamowicz:

Yeah. You know, when you think about what is actually going to transform healthcare -- and let's be honest. Healthcare is a big, byzantine industry. It's turning a battleship. And you know, I think both sides made fantastic arguments. We need the innovation of retail infused into traditional settings, sparked by changes in how insurers and the government pay everyone, all coming together in concert if we're really going to turn the battleship.

01:14:03

John Donovan:  
All right. Well, thank you for all that.

I want to announce our results. Remember, we have you -- I'll do -- back this up. I want to announce our results. Our resolution again, Retail Alliances - not Washington - will Save the U.S. Health Care System. Remember, you voted once before the resolution and once again after the resolution. It's the difference between the two votes that determines who our winner is. Here are the results. Before, in the preliminary vote, 30 percent agree with the resolution, 36 percent were against. 34 percent were undecided. That's pretty much a three-way split. And again, those are the first results.

It's the difference between that result and what I'm about to announce that determines our winner on the resolution, Retail Alliances - not Washington - will Save the U.S. Health Care

System. On the second vote, the second vote, the team arguing for went up 40 -- to 49 percent. They pulled up 19 percentage points, which is the number to beat. The team arguing against the motion, their first vote, 36 percent, their second vote, 47 percent. They picked up 11 percentage points. But that was not enough to win.

01:15:01

It means the team -- we're declaring our winner is the team arguing for the resolution, Retail Alliances - not Washington - will Save the U.S. Health Care System. Our congratulations to them. Thank you from me, John Donovan, and Intelligence Squared US. We'll see you next time. Thank you.

[applause]

[end of transcript]

**This is a rough transcript. Please excuse any errors.**