

# **Selling Sickness: People Before Profits**

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Good morning.

Thanks very much for inviting me to be with you this morning ... on this final day of your impressive conference.

As a life-long consumer advocate, I'm delighted with all I've heard about the work you've been doing here this week.

There are three main messages I want to talk about and leave you with today.

First, conflicts of interest, lack of transparency, and insufficient misinformation – given to consumers of medical services and products – threaten the quality, safety, and affordability of health care ... for you, for me, and for everyone who at some point will be a health-care consumer.

Second, the frequency and extent of the conflicts of interest, lack of transparency, and misinformation is greater, I expect, than any of us realize ... and I'll give a few examples.

And third, it doesn't have to be this way. We can do something about it – with the collective action of the many against the powerful influence of the few. It seems to me that a commitment to action – followed by real action – is a key component of putting “people before profits”.

I love the motto for this conference: “People Before Profits.” It strikes a powerful chord with me.

“People Before Profits.”

How many times have you heard someone in the health-care industry say: “Of course, we put people first. We put patients first.”

Yet everyone in this room knows that, so much of the time, that’s not what happens.

It’s marketing ... and advertising ... and expanding markets ... and growing the bottom line. That’s what so often gets put first by the big players and special interests in health ... profits, not patients.

That’s why this conference is so important -- to shine a spotlight on what’s really happening far too often in

the health-care industry today, and to mobilize for action to make it better.

Throughout the health-care system, there is an egregious lack of transparency ... and widespread conflicts of interest.

Just last week, the New York Times reported on hip replacements, and how you have to be some combination of the CIA, Sherlock Holmes, and the Energizer Bunny to find out how much they really cost.

A researcher asked dozens of hospitals how much they would charge – what the price would be – for a hip replacement.

The quotes ranged from ten-thousand dollars at one hospital to one-hundred-thousand dollars at another.

For starters, it took a huge amount of effort, often unsuccessful, to get prices from different hospitals in the first place. That's because throughout the health-care system there is so little transparency when it comes to price.

Heck, our folks at Consumer Reports – and you as consumers – can easily get comparative prices for a car, a TV, a gallon of milk. But health care? Almost impossible.

Economists call this “information asymmetry.” One party to a transaction has all the information, the other party has almost none ... Who do you think has the power in that transaction?

So, these are the kinds of things that bring us together for a conference like this.

And let me tell you a little bit about myself.

For me, being President of Consumer Reports, advising consumers and advocating on their behalf, is not simply a job. It's a lifelong passion.

Far too often we see everyday people who lack power and influence getting mistreated by all kinds of special interests.

Too often, we see institutions that take unfair advantage of consumers because they have more power in the marketplace, and more influence on the political levers of power, which in turn becomes a multiplier effect against the consumer interest.

Early on, I decided to commit my life to tipping the

balance of power in favor of the little guy – man or woman – the regular, everyday consumer.

By a fortunate quirk of circumstances, I got a job as the Banking and Insurance Commissioner in the State of Vermont ... Which was great, because banks and insurance companies were near the top of my list of large institutions that often fail to give consumers a fair shake.

I had a terrific experience turning Vermont's Banking and Insurance commission into an aggressive consumer-protection agency.

Next I was elected Secretary of State of Vermont, and turned that agency into a statewide citizen ombudsman office. Then later I ran a series of nonprofit organizations. And in 2001, in another

quirk of circumstances, I had the good fortune to become President of Consumer Reports.

I've had a lot of interesting jobs in my life, but this one is the most interesting, challenging, sometimes frustrating, but the most satisfying of all. I consider myself tremendously fortunate to be doing what I'm doing – and especially fortunate to be part of a movement of consumers, like I see here in the room along with your colleagues back home, to improve the safety, quality, and affordability of health care.

So that's how I got to this place. And now that I'm here, I want to tell you a bit about Consumer Reports and the work we're doing, with the others, to try to improve and reform the delivery of health care in the United States.

As you probably know, Consumer Reports is the



world's largest independent, nonprofit organization for testing products and evaluating services for the sole interest of consumers.

We rate thousands of products every year. We have auto experts who test cars. Electronics experts who test TVs and digital devices. And a whole team of health-care experts who research, gather, evaluate, and compare drugs, hospitals, health insurance plans, and more.

We publish our findings in CONSUMER REPORTS magazine and on our web site *ConsumerReports.org*. We've got more than 8 million subscribers and nearly 20 million users who see our content each month.

I want to underscore something that's especially relevant at this conference, where we're talking about, among other things, the destructive effect of

advertising by the health-care industry: Consumer Reports does not take **any** advertising, not one penny.

We don't take free samples – in fact, we have anonymous shoppers around the country who buy products at retail, just like you and me.

In a nutshell, we're a non-profit, totally independent, test-based, evidence-based provider of information for consumers about products and services. You know you can trust that when Consumer Reports makes a finding or recommendation, it's based on scientific testing, objective evaluation, and no commercial influence.

As I said, we don't take advertising ... and we don't let companies use our Ratings for their advertising.

We simply call it like we see it – the good, the bad, and the ugly.

We also have an advocacy division -- Consumers Union -- with pro-consumer lobbyists here in Washington and other cities fighting for consumer rights, including health reform.

A key component of our advocacy effectiveness is that over the last few years we've recruited and developed a grassroots network of more than one million what-we-call "e-activists". They communicate with us and each other through email and social media, and they help us and themselves pressure the powerful to do right by consumers.

Now, I've learned many lessons through the years – since that flight across the Pacific – but the one I

really want to underscore for you today is that **all of us, both individually and collectively, can make a huge difference for the public good. There is no act that's too small and there is no dream too big.**

It's our commitment to dreaming big, and taking actions large and small to achieve those big dreams, that brings me here today. It's why I believe so much in the mission of the "Selling Sickness" conference.

At Consumer Reports, we know from experience about the lengths that some advertisers will go to manipulate consumers ... whether it's the fabricated ailments they peddle, expensive drugs they hawk, the unnecessary treatments they push, and so much more.

We've been advocating for better health care since the first issue of CONSUMER REPORTS in May of 1936. And today, we're working harder than ever to

make a difference in health care for patients and for consumers generally (almost all of whom, of course, are future patients).

So, let me tell you some of the things we're doing right now, how we can help you, and how you can help us:

First, there's the Choosing Wisely campaign -- launched less than a year ago, and already amazingly successful. The program was written up yesterday in the Washington Post.

We start with the fact that about one-third of what we spend in the United States on health care is unnecessary.

- o Tests you don't need.
- o Medicines you don't need.

- o X-rays, CAT scans and MRIs that unnecessarily expose you to radiation

- o Other test and treatments that in many cases are unnecessary.

Unneeded, wasteful tests and treatments hit you right in the pocketbook. And they can put your health at risk.

The Choosing Wisely campaign was started to address this problem of waste and mistreatment in health care.

The goal of the national initiative is to bring patients and doctors together to talk honestly about your options as consumers of health services ... get the tests and treatments you need and avoid the ones you don't.

The initiator of Choosing Wisely, and our partner in the initiative, is the American Board of Internal Medicine Foundation. They've gone to almost all of the specialty medical societies and asked them to come up with things that doctors and patients should question and discuss before deciding, because there's strong evidence of overuse.

They came back with examples like:

- You don't need an EKG before minor surgery
- You don't need antibiotics for sinusitis – in fact, although they're widely prescribed for sinusitis, the clear evidence is they don't work.

The experts have told us many dozens of things like this that very often are unnecessary and overprescribed.

And the fact is that every medicine ... every X-ray ... every treatment ... carries some sort of risk as well as potential benefit.

If it's not necessary ... if it most likely won't help ... you need to know that, and you need to be able to talk about it with your caregiver.

Consumer Reports is taking all of this professional society research, putting it into easy-to-understand language, and helping distribute it to people from all walks of life.

You can check out Choosing Wisely at the Consumer Reports website *ConsumerHealthChoices.org*.

Here's another example of unneeded medical tests from the cover story of the March issue of CONSUMER REPORTS.



We took a long, hard, evidence-based look at cancer screening tests. And the truth is ... several cancer screenings are being oversold. The benefits are heavily advertised, but you don't hear enough about the risks.

Indeed, there's a whole industry of marketing campaigns for screenings, for example.

You might see a bus parked outside a sporting-goods store, inviting men to come in for a prostate test. Or maybe you've been invited to a "mammogram party" at a friend's house for food, wine, and a screening.

These campaigns may be far from altruistic. They may be bankrolled by clinics and hospitals that benefit from the new crop of customers.

More importantly, they're sending a message that anyone and everyone needs to be screened, even if they have no risk factors and no symptoms.

Make no mistake, some cancer tests can make a big difference ... but others may actually pose more risk than benefit.

Tests can produce false alarms. They can steer you to treatments that have serious side effects, or procedures that lead to infections.

The decision to get a cancer screening should always be made in an honest, open exchange by an individual patient and a doctor with full information about risks and benefits.

By the way, when we looked at the research we found three cancer tests that are especially effective:

- Cervical cancer screenings for women 21 to 65.
- Colon cancer screenings for people 50 to 75.
- And breast cancer screenings for women 50 to 74.

At the same time, we found other tests may very well not be the right path for you, unless you've already got risk factors or other indications.

I know this is a big change in what consumers have been told about screenings, but I believe – Consumer Reports believes – that it's critically important to question traditional assumptions that are not supported by evidence.

It all goes back to what I keep saying: When marketing takes precedence over a patient's individual needs, it leads to a huge distortion of

health care. That is certainly not putting patients first.

Now I want to tell you about the Safe Patient Project that Consumers Union has been conducting for the last several years. Lisa McGiffert is director of the Project. She's here with members of her team, both staff and volunteers ... and they know firsthand the problems with medical devices ... drugs ... preventable medical errors ... and other dangers.

We started the Safe Patient Project initially to address hospital-acquired infections. Every year, nearly 2 million people go into the hospital for a procedure, and end up with an infection they didn't have when they entered. Nearly 100,000 people die each year from hospital-acquired infections. If you add up all preventable medical harms, like medical errors and

infections, the number rises to more than 220,000 deaths a year.

We set out to require that hospitals disclose their infection rates to state health authorities and that those rates be made public. When we started, one state had a law requiring disclosure. Now, as a result of the campaign, 30 states and the District of Columbia, require hospitals to report infection rates, and under the Affordable Care Act, the Centers for Disease Control will be collecting and publicizing the rates.

This now-public information is part of the data Consumer Reports uses to create consumer-friendly hospital ratings.

Consumer Reports and our advocacy arm Consumers Union focus on lots of other patient-safety issues as

well. We're pushing hospitals to report medication errors and other types of preventable harm, like leaving objects inside surgical patients.

To help illustrate safety problems and persuade policy-makers to act, we've gathered thousands of stories from people about serious harm that they or their loved ones have suffered that never should have happened.

Some of them, like Kim Witczak, have joined Consumers Union's network of patient safety advocates. They help us pass laws, serve on state advisory committees, consult with federal agencies, educate the public, and carry out safety campaigns at the state and local level.

We're also pushing to make state medical boards do a better job of holding doctors accountable when they

provide poor quality care. And we're pushing to persuade or require hospital boards of directors to be more transparent in their business and to include patients and consumers..

On this point, it should be a matter of common practice to have more consumers on state medical boards, advisory panels, hospital boards, and more. One sign of partial progress: In Massachusetts they now have a law mandating that every hospital must have a Patient and Family Advisory Council and that the council must report directly to the hospital's board of directors.

Today one of the biggest targets of our Safe Patient Project is the oversight of medical devices -- like artificial hips, heart defibrillators, and others.

I'm sure most people assume that when a doctor puts a medical implant in your body it's been thoroughly tested to make sure it's safe and effective.

Actually, that's rarely the case. The lack of vetting of medical devices is a scandal, and a dangerous one at that.

In essence, the only "testing," if you can call it that, is inside the bodies of unsuspecting patients – many of whom have come to us with heartbreaking stories about implants and devices that were supposed to help, and wound up severely injuring them.

I might add that the monitoring that goes on after medical devices are approved is equally weak.

I'm glad to say that there is some, albeit it small, progress to report. Last month, the FDA issued a new proposal to require that metal-on-metal hip



implants go through a more rigorous review. And efforts are finally underway to require certain implants to carry a unique identifier, so if there's a safety problem, the FDA, manufacturer, and doctor can quickly find the patients who have these devices inside them.

Still, there is so much more reform that's needed in this area. That's why the Safe Patient Project is so busy out there, working with you and for you.

Finally, as we sit here a few blocks from the Capitol, I want to talk about health reform and the Affordable Care Act.

Passing the law was a long, hard battle, and implementing the law presents many new challenges as well.

Yes, the law is controversial. Some people think it goes too far. Some think it doesn't go far enough. It's certainly not a perfect law, but there are many real reforms that have been needed for a long time.

Right now, Consumers Union advocates are talking with the federal government and several states on implementation of the law. We're talking with them about how to set up these new health exchanges, to make it easier for people to get good information about their insurance options so they can make truly informed choices. There are good things going on California, for one, that we hope other states will follow.

The law also requires insurance companies to provide a summary of the benefits and coverage they offer, in an easy-to-use form and plain language that people can understand and compare. That way, people know

what's covered and what's not, and it helps them compare plans. As experts in communication to consumers, we've worked closely with the Department of Health and Human Services on these summaries.

Another element of the Affordable Care Act we like is the "medical loss ratio" provision. It limits how much insurers can take from your premium dollars to spend on things that don't directly provide you any care ... Things like marketing, advertising, administrative costs, executive salaries.

If an insurer goes over the limit, it has to refund that money to customers. More than a billion dollars in rebate checks have already been paid to consumers, and we're spreading the word.

At Consumer Reports we've put a lot of effort into reforming health care. As I said, it's been a priority since we started in the 1930's. And in recent years we've been working to mobilize activists, tell their stories, and promote real reform.

The summer before the health reform debate in Congress, we sent two organizers and a videographer in an RV across the country to gather health-care stories from real people. Later we brought a lot of those folks here to Washington to tell Congress ... and the nation ... consumers deserve better.

But there's still a long way to go, and we're going to keep at it, to make sure you get the reform you deserve.

So, in closing, I want to mention four things all of us here can do to make a difference.

First of all, you're here, and that's good. We need gatherings like this to bring consumers, activists, experts, and interested citizens together for action.

Second, we at Consumer Reports and Consumers Union would like to hear from you. If you have a story to tell, we want to hear it. Your story, combined with others, are a powerful influence on lawmakers and regulators.

The other side may have the power and the money and the advertising, but we have the stories -- the personal stories of people like you, that when mobilized together can help turn the tide in our favor.

Stories like yours make all the difference. So, if you haven't told us your story, come find us here today,

or find us online at *ConsumersUnion.org*.

Third, I urge you to become one of the hundreds of thousands of e-activists whom Consumers Union can mobilize as a powerful voice for change.

We have a wide range of targets: lawmakers ... manufacturers of defective medical products ... hospitals ... drug companies ... and others.

You can sign up to be part of all of this by going to our advocacy website *ConsumersUnion.org*.

Lastly, remember that when it comes to achieving systemic change in health care, it starts with each of us individually. We all have to be smart, skeptical consumers, and we should encourage our friends and family to do the same.

When someone recommends a treatment, or you see an ad on TV, ask yourself the five key questions from the Choosing Wisely campaign:

- Do I really need this test or procedure?
- What are the downsides?
- Are there simpler, safer options?
- What happens if I do nothing?
- How much does it cost?

The key to being a good consumer in the 21<sup>st</sup> century is to be a good asker of questions – about the pros and cons of treatments being offered, and about who and what is behind the information you're getting.

Get engaged. Get smart. Get energized. Press for transparency. Expose conflicts of interest. Fight the special interests.

And let me conclude with my own personal motto in life when I see a wrong and am determined to make things right: “Don’t take no for an answer.”

Thank you so much, and keep up the good fight!