



It's unwise to pay too much, but it's unwise to pay too little, too. When you pay too much you may lose a little money...that's all. When you pay too little, you sometimes lose everything because the thing you bought was incapable of doing the thing it was bought to do. The Common Law of Business Balance prohibits paying a little and getting a lot...it can't be done. If you deal with the lowest bidder, it is well to add something for the risk you run, and if you do that, you will have enough to pay for something better.

– John Ruskin

8 February 1819 – 20 January 1900

Welcome

Who is here (110 total)?

54 Medicare providers

20 Auction experts

18 Government agency

11 Students

4 Congressional staff

2 Journalists

1 Investment banker

Auctions if done right can be an effective method of pricing certain types of Medicare supplies and services.

88 Agree

22 Disagree

Motivation

Unfunded Medicare expenses

About \$70 *Trillion!*

Diabetes Medicare costs

2007 Total Estimated Healthcare Costs for Medicare Beneficiaries with Diabetes

\$115 billion

In-Hospital, ER, Outpatient and Home Care Costs

\$24.2 billion
Prescription Medications

\$14.3 billion
Physician Office
Visits & Tests

\$2.5 billion
DMEPOS
Test Supplies
& Equipment

Managing health at home
and keeping out of the
hospital is essential to
controlling costs

(Assumes 9 million beneficiaries with diabetes; extrapolated from 2007 Lewin Group data)

Obama Executive Order of 18 Jan 2011

Section 1. General Principles of Regulation. (a) Our regulatory system must protect public health, welfare, safety, and our environment while promoting economic growth, innovation, competitiveness, and job creation. ***It must be based on the best available science.*** It must allow for public participation and an open exchange of ideas. ***It must promote predictability and reduce uncertainty. It must identify and use the best, most innovative, and least burdensome tools for achieving regulatory ends.*** It must take into account benefits and costs, both quantitative and qualitative. ***It must ensure that regulations are accessible, consistent, written in plain language, and easy to understand.*** It must measure, and seek to improve, the actual results of regulatory requirements.