A-KINS ANALYSTS AND PROJECT MANAGERS

Mission:

To build a network of international workforce, mobilizing communities to be self-sufficient, executing effective and efficient assessments, feasibility studies, and implementing projects for the complete physical, mental and social wellbeing of all.
–Optimal Wellbeing.

What do we do?

A-Kins Analysts and Project Managers, a minority woman owned community based small business, is a specialty provider of Health Consulting Services including:

- Health Impact Assessments
- Health Care Projections & Forecasting
- Preventive Health/Health Economics Consulting & Project Management

Executing efficient and effective, successful international Business Projects.

"Successfully implementing impossible projects in impossible places"

INSIDE THIS ISSUE:

A-Kins Newsletter

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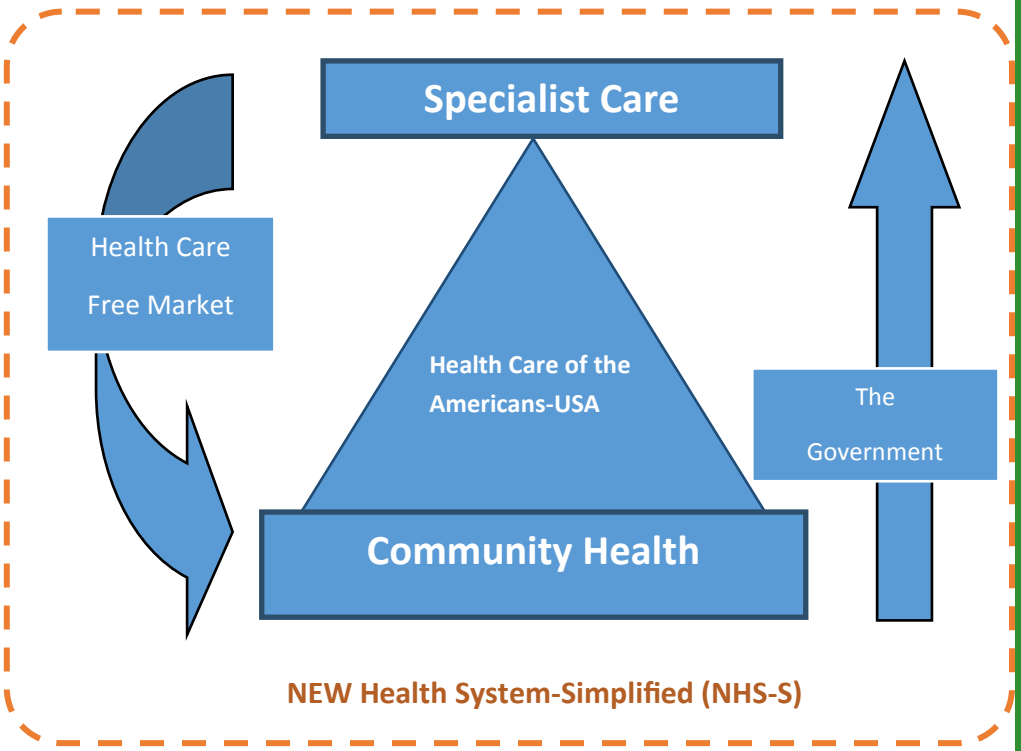
US –Health Care in Reform.....continued

All legal residents of the United State of America have a legal right to Affordable Health Care (ACA) within their communities.



US Health Care

The end product of US Health Care is to bring wealth and empowerment to the people, "Optimal Wellbeing of All". The duty of the government is to transform failed markets and re-open them as fair play-free market. The Monopoly and Oligopoly of Health Care has caused the foundations of health care to suffer. Only the government can **re-open** the Health Care **FREE MARKET**, "empowering and protect the people".

C

Community Health Centers become the Medical Home of Americans, and the Center Piece of the New Health System- Simplified (NHSS), the foundation of Health Care System in US.

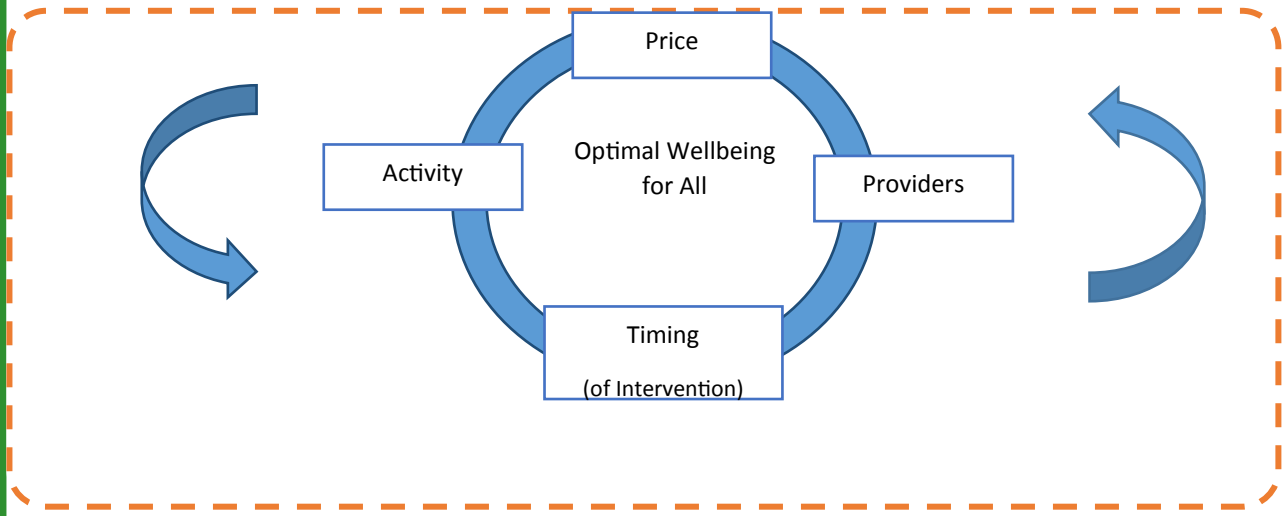
Customer Value: "The Community"

Community Health Centers: In order to create effective and efficient health systems, there needs to a **DECENTRALIZATION** formula that gives power to the people, "Community Health Care". The Community Health Centers will answer to the community, and no one else. The healthier the community members, the less money spent on cost drivers and cost pool in the community. The centers may use excess funds to expand their centers or build their community's economy. Community Economy is a social determinant of the community's health.

B

Boot the current, and simplify the health system with Community Health as "Center piece".

NHSS: New Health System –Simplified



Pricing: The pricing of health care in US has gone on a 360 degree cycle. From the rich being the only ones to afford comprehensive health care, to Obama care, with mandated tactics to bring down the healthcare price. As of today, most health care companies still use Obamacare mandate as a reason to organize mergers and acquisitions, monopolizing the health care systems in of the Americans, in order to achieve the Affordable Care Act (ACA) Mandate and maximize profit while at it.

Affordable Care Act and Obama Care are not there yet, the people have to be empowered, not the Health Care Companies. In order to achieve Optimal Well-being of all, Women's Health has to be taken care of; and we cannot keep stealing from the Children to feed the Elders. The care of the American Elders has to be taken care of after the health care system has broken even. They deserve to be secure at their age, haven worked so hard and lost a lot to Wall Street.

Solution? Separate the categories, and watch the price of health care drop. Category #1 and #2 should be dealt with separate from Category #3 (Please see prior newsletters for the definition of the categories).

Category #1#

Primary Prevention: Keeping Healthy People without Disease for as Long as Possible –*Least Expensive*

Category #2#

Secondary Prevention: Keeping Ill People Alive for as Long as Possible –*More Expensive*

Currently, the government pays health companies and institutions via Medicaid and Medicare, there is no reason why all institutions cannot be paid for all peoples at the same time by the Government.

The government should name its price for each category, and while collecting these fees in Taxes, should be the one paying off the health care companies based on performance, in order to secure and re-open the "**free Market**" of the health care system of the Americans, US.

The Gross Domestic Product (GDP) of US, that is, the size of the US Economy has shrunken over the years due to the cost of War and Health Care. In order to balance the budget, and expand the economy one more time, the government must at least break even on health care.

Cost: Activity, Timing and Provider Cost Allocations The costing of health care should be based on patient care activity, time and provider cost (direct cost). All middle men (indirect cost) are classified in the SGA classification cost category, which is known as Sales/General/Administration.

Healthcare cost driver and cost volume should actually be patient care. The Healthcare cost object is also patient care and this drives the cost pool categories. The indirect costs, that is, SGA, is often mixed in the cost pool of patient care. This should not be the case (Please see tables on next page #4/5).

Ideally, patient care should drive the cost pool and cost volume of health care. All other costs should be in the SGA category and be paid only after the Government has broken even on its Primary and Secondary health care prevention costs. This gives the healthcare institutions including the Community Health Centers an incentive to keep people healthy while making monetary profits. This is ETHICAL money making and should be endorsed by the government as "good". That is, the less spent on the healthcare of the sick/ill in the communities, "the people", the more monetary gains will be available for the Government to share with the Health Care Institutions. The ill being fully taken care of at breakeven cost.

Breakeven and Performance Ratios in Healthcare and Business

Factors & Ratios	Fixed Cost	Variable Cost	SGA: Sales/ General/ Administra-tion	Marginal Cost/ Contribution	Breakeven	Profit (Operating)
Health Care: **Health Economics**	**Category #1#** Secondary Prevention	**Category #2#** Primary Preven-tion	Administra-tive Cost (SGA) Paid from Profits	-	Secondary Prevention Primary Prevention	Funds after breakeven, which pays for SGA
Business: **Managerial Accounting**	Costs that do not vary much over time/ activity i.e. SGA	Costs that do vary much over time/ activity i.e. Health Care Cost	Regard SGA as Fixed costs Fixed costs = SGA	Contribution Marginal (Revenue-Total Variable Cost)	Fixed Costs Contribution Margin Ratio *(weighted for Multiple Products)*	Contribution Marginal – Fixed Cost
Business: **Financial Accounting**	SGA: -Sales -General -Admi-nistration	Cost of Goods Sold	Regarded as SGA Sales/ General/ Administra-tion	Gross Marginal (Revenue- Cost of Goods Sold)	Same or Fixed Costs Gross Margin Ratio	Gross Marginal - SGA

Cost Allocation in Healthcare and Business

Cost Factors	Cost Volume	Cost Driver (Cost Object)	Product Cost (Direct Cost)	Period Cost (Indirect Cost)
Health Care: **Health Economics**	Patient Care Category 2# >1# Secondary > Primary Prevention	*Patient Care Category 2# >1# Secondary > Primary Prevention	Patient Care and Provider Cost	Paid from Profits Administrative Cost (SGA)
Business: Managerial & Financial Accounting	Currently SGA Sales/General/ Administration	**Currently SGA Sales/General/ Administration	Currently Variable Cost = Patient Care and Provider Cost	Currently Fixed Costs = SGA
End Product	Optimal Health of Patient	Optimal Health of Patient	Optimal Health of Patient	Monetary Gains of Health Institution

**Cost Object in Health Care is Patient Care; Secondary Prevention in greater need of Health Care than Primary Prevention.*

***Cost Driver Should Be the Patient Care not SGA, but looking at the current cost allocation, SGA seems to be fixed and drives the cost higher. The Cost Volume is usually determined by the Cost Driver, while Cost Pool is determined by the Cost Volume.*

Provider cost allocation should however be based on patient care, that is cost volume. For providers attached to other institutions apart from community health center, the institutions are free to share the healthcare incentives of the healthy communities with their providers after the breakeven point. These institution, that is the non-profits, will also be able to at least breakeven on patient care with less likelihood for bankruptcy. The excess funds from healthy community incentives will go a long way to help pay for the SGAs, The excessive SGAs, the redundant middle men should however be cut off.

The community health centers with healthy people will also gain from the "Health Cost Volume" incentives, and are free to either expand or invest in their communities.

Direct Health Care Cost: What can be directly allocated to patient care should be defined by the government and the people. These costs are directly allocated to the patients' health care cost in a cost pool fashion based on the cost volume.

Indirect Health Care Cost: Where the indirect cost pool are charged to should be regulated by the government. Which middle man is paid from indirect costs should also be well defined. This makes cost allocation simple and efficient. It quickly becomes clear what costs should be removed from health care pricing and which middleman should be cut off.

A

All: Optimal Wellbeing of All

Our Senior Citizens should be in their own optimal category. Their Optimal Wellbeing should be based on health care and economic care, that is, social determinants of health.

They have worked so hard, they deserve their retirement. They should not be left to worry about being taken care of in their old age. In most countries and nations, the wealth of a nation is measured by how healthy the children are and how well the elders are taken care of. It is also said that taking care of the elders brings future blessing to a nation.

Senior Citizens have no business working in minimum wage jobs, in order to improve their current economic status, or co-pay medical care. They should never be found begging for food.

At this age, almost all senior citizens are in the **3#** Tertiary Prevention category because of their **age**. It is our duty to keep them alive, enjoying life, and reflecting on the past in a joyous mood. The social determinants of health is the only factor keeping them alive and healthy for as long as possible. All other medical care neither prevent nor cure their health issues, hence the Category, tertiary prevention.

Tertiary Preventions is the ***Most Expensive*** form of health care prevention only if we are looking for a way to **prevent or cure** the illness in elders. It is delusional to think one can prevent or cure illness in elders at this age.

It is in fact cheap to keep elders at optimal wellbeing, helping them overcome the social determinants of health and cope with their illness. Allowing senior citizens the option of community settlements and community care with subsidized living facilities (all utilities and meals paid) and full access to covered health care is a better way to help **drive this the Tertiary Prevention category costs towards Secondary Prevention costs** (a more stable and less variable cost).

Senior Citizens will keep each other Company in these facilities, volunteer within the community and be safe. Their current minimum wage jobs will go to the youth, who need to work their way through school.

This is a better way of spending money than triple bypass heart surgery for a 90 year old or orthopedic hip replacement in a 94 year old. The "Years of Use Gained" and "Years of Active life Saved" should be calculated before these procedures are approved.

Simplify Health Care for Senior Citizens. No more part A, B, C, D, E, F, G. No more Medicaid/ Medicate. Just good old plain NHSS-New Health System – Simplified.!

How do we calculating NHSS Cost/Benefit, Return on Investment and Performance Incentives?

…….to be continued.

The Best of Two Worlds: Bar Beach, on the Island, Lagos Nigeria

Published Letters to the Editor

Author: Folorunso Akintan MD MPH MBA

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Looking forward to hearing from you!