

Ukiah Valley Medical Center



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Local Health

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Health Care Reform – Where'd It Go?

I've held off writing this article in hopes of some clarity with respect to health care reform. At this point (late August), a lot of health care reform momentum has been lost. What started out with a lot of transparent, broad support has become a question of whether any real reform will clear Washington, D.C. this year.

Was there ever any momentum towards true reform? I clearly see the answer as "yes." I sensed at one point that, in general, the different segments of the health care industry were actually contributing to the discussion.

Health care reform as it has been discussed in Washington includes:

- 1) Development of an insurance or Medicare-like program for those currently without insurance.
- 2) Implementation of best practice standards throughout the health care industry to improve outcomes and save money.
- 3) An increased emphasis on primary and general medical services towards more care management, which has been shown to be more beneficial and cost effective.
- 4) Increased use of and funding for technology to increase efficiency (medical record automation) and reductions in funding for clinical technology such as new specialized medical equipment, scanners, etc.

From my limited vantage point, it appeared many of the major sub-industries making up the health care industry seriously engaged in a fairly transparent dialogue.

I am proud to report that on a regular basis the American Hospital Association and Premier Healthcare, our group purchasing partner and a very large "buyer" of hospital supplies and equipment, continue to actively communicate the need for all of us to stay engaged. They have proactively developed and agreed to long-term cost-saving strategies, as well as voiced support for covering those citizens who are currently uninsured.

Several health care industries, notably pharmaceuticals and insurance, didn't seem to engage in active discussions of what the future will require, let alone what they could really do to make the

future better. I'm sure there have been components of these industries that have participated, but as I see it, the mission of self-optimization trumped system improvement.

I mentioned in my last article that the pharmaceutical industry, according to a leading congressman, had reported a "tremendous contribution to health reform" by offering to give discounted drugs to the Medicare recipients who were "caught in the donut hole" of their drug coverage (Part D benefit). This great "gift" was wrapped in a loud announcement, but it appears the details still prohibit Americans from paying the same for drugs as Canadians and Europeans, who pay a small percentage of what we do for medicines. Filling the donut hole wouldn't really save that much, and simply avoids the reductions needed to bring us to parity with Canada and Europe! Instead, it's a new discount program from a very high list price.

The insurance industry has been present publically to support some type of reform which ultimately they participate in. Privately, it is clear that they have levered their lobby to keep control of the group health market, while giving up the less profitable individual insurance market.

An interesting side to "single payer" and "government sponsored plan" champions in Congress has been their uniform desire not to be a part of the very plans they are advocating for everyone else. As I understand the current legislative proposals, no one in Congress would ever get to have this level of benefit, or rather would ever be forced to accept this level of benefit. Further, all federal employees would be exempted from these proposals. It concerns me that they don't want to be part of this new plan. In California, the most recent proposals to create a "single payer" plan also excluded State employees and legislators. When I've discussed this with people familiar with Washington's reality, they simply state that the exclusion of state and federal employees is already locked in, not worth discussing. In general, the "play or pay" options outlined for smaller employers and individuals appear to drive them from their current plans.

So, what might come from Washington? Looking at the priorities 1-4 above, it appears that the first priority (Medicare-like insurance for all) is, today the least likely to have substantial progress. As discussed in previous articles, it does involve costs, and ultimately taxes. As discussed above, it also involves a second-tier structure where Washington seems to know what the nation needs but is unwilling to accept that medicine for itself. Today, at least, this pill appears hard for the country to swallow.

Priority 2 (Standardization) stands some likelihood of moving forward. The evidence supporting the higher quality and lower cost of standardized care is fairly clear. Using standardized, deliberate processes improves care for each patient, regardless of the uniqueness of each case.

Priority 3 (Primary medical services) is unlikely to succeed without a federal health program which would provide a clear connection between care standards, care coordination and cost control. The various specialties in medicine all have vested interests, which today are motivated to protect themselves.

Priority 4 (Increased focus on technology to automate coordination/Decreased focus on technology related to higher intensity scanning) is going to move forward, hesitantly at first, but deliberately. The government has realized that it increased its cost by paying for medicine “one click at a time.” In some communities, such as Fresno and Sacramento, strategically placed imaging centers are all over the community. The government believes the proliferation of these centers has a) increased operating costs for them, and 2) diverted technology capital from their priority of improving operations. Today, they want information systems that talk to one-another and electronic transactions that add efficiency and reduce costs. They want out of the fancy gizmo business!

I continue to see our Congressman truly connected to this process and actively soliciting input. He sees the difficulty in paying for another benefit without clear funding sources and understands that California’s challenges financially will pale if the federal government keeps writing checks off of our grandchildren’s future earnings. Keep him and our other leaders in your thoughts and prayers! I do.

In summary, keep reading and listening. I’m not sure that many in Washington have read what’s been proposed so far. My observations shared above are at best good guesses, and at worst, total misses. I try to learn from informed people and good reading sources and welcome learning from you. Contact me at 463.7360 or BurnsTM@ah.org.