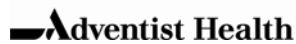


# *Ukiah Valley Medical Center*



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## *Local Health*

By Terry Burns, UVMC President/CEO

### **Health Care Reform – Something’s Coming!**

The forces for health care reform are growing and it feels like the winds of change are nearing. I’m going to describe the forces creating pressure for comprehensive health care change in America, and also list some of the barriers to change.

Our health care system is really a collection of many (at least 17) distinct industries, including the obvious ones like hospitals, physicians, drug makers, home care, skilled nursing, clinics and a very large health insurance industry (including our government). We don’t normally think about a number of important industries such as medical equipment manufacturing, computer systems for health care and even hospital construction. Taken together, the industries above comprise our health care system.

A quality expert once said, “Our system of care functions exactly how it is designed.” It appears to me that there has not been much true “systems design” applied, and I’m pretty sure I’m in the majority on this. Almost everyone realizes that health care is really a disjointed and dysfunctional collection of industries sort of working together, but not really aligned with strategic goals focused on creating and maintaining a healthy nation.

At times, regulations seem as if they were prepared for the Coliseum in Rome! “Pit hospitals against physicians or clinics against home care – see who wins.” In my career, I’ve learned that when I put my organization’s success on the backs of physicians or other care providers, what I thought was a “win-lose” proposition has become a “lose-lose” proposition. This zero-sum gain (win-lose attitude) has brought us to where we are today and we have to change.

So, why are the forces for health care reform growing? Why is the pressure up?

First, the obvious answer – the current global economic crisis has taken more than its share of every new dollar the federal and state governments had hoped to collect, and it has simultaneously reduced, through reductions in real income nationally, the very tax revenue being relied upon to fund the health care system “cure.” Also, on May 19, California voters rejected all five of the ballot propositions presented by the legislature and governor as “solutions” to our current budget crisis. This was really a referendum on our legislative process, but it didn’t provide any more health care dollars.

Second, the separate health care industries (hospitals, physicians, home care businesses, and even the drug companies and insurers) must do more than care for the patient, they must work *together* for the care of the patient. Today, each segment of the health care industry is trying to optimize its segment instead of the entire health care system. There are no true, shared and agreed-to national health care strategies. All health care industries want adequate (vaguely defined) reimbursement to assure their success.

So, how did we get where we are? I think our tax policies and the establishment of Medicare/Medicaid (MediCal)-type government programs have caused most individuals to be distanced from the actual cost of care. Those of us provided with health care through our employers are largely shielded from our impact on the system. Those who pay for their own health care are shocked and numbed by their health care experience.

While there are many factors involved, it appears to me that the intersection of the worldwide economic challenge, coupled with the lack of understanding about the whole health care system – including its complete cost, has created a painful disconnect between citizens and government and employees and employers. A real “death spiral” is underway. If we don’t begin to pull out, the system will crash!

Does health care have the courage to learn from other industries? Industries outside health care have recognized the need to standardize. This does not mean an end to innovation, but simply, everyone should consider hardwiring excellence. It forces innovation into a discipline where parts are changed when they are better, not when they’re fancier or simply newer. This would save lives and money.

Can American health care learn from those abroad? Currently, as a percentage of our national Gross Domestic Product (GDP), America is spending two to three times as much as other high quality of life nations for health care. During these serious economic times, these nations are still struggling, but the reduced national health care costs give them flexibility that America simply doesn’t have today. Many of these nations have developed a true national consensus on health care. These systems aren’t perfect, but they appear to have a leg up on us.

If we have the courage to learn, how do we start? Many incredible examples are available for our review. We can take the best from each. When I hear people speaking about health care reform, they fear socialism, communism, or long waits like those in the Canadian system. I believe, however, that we can learn something from Canada. A lot in their system works well. We can also learn from Germany, Sweden, England, Taiwan, and Japan. The news magazine *Frontline* has a great presentation on health systems called, “Health Care Around the World.” It was interesting to learn that Taiwan’s system was designed by Americans!

Now the good news... beginning last year, President Obama began bringing together a large group of representatives from virtually all of the separate industries we call health care. While every one of the industries has something to lose – we all have something to gain. This work will only be successful if a higher objective is established and embraced by all of the participants. Success will depend on putting a healthy nation above the self-interested goal of a healthy bottom line. Clearly, health care must be financially viable, but not at the expense of others in the industry, and certainly not at the expense of the patient.

Recently, I received a copy of an article in *Sonoma Medicine* magazine, from their Spring 2009 issue, written by Bo Greaves, MD. Although we haven’t spoken, his article, “Cautious Optimism on Health care Reform,” speaks very similarly to my understanding. He describes one of the public forums, sponsored by the Obama folks which occurred in Sonoma. He also describes the type of decisions which could come forth from this input, which has and is occurring on a nationwide basis. I would be happy to work to secure you a copy of Dr. Greaves’ article if you would like to read it.

The bottom line – expect more! Work for national and State health strategies that consider the needs of all our citizens and have a transition plan to move toward alignment of the various industries in a way that optimizes the entire system, not just the components. I welcome you thoughts at [BurnsTM@ah.org](mailto:BurnsTM@ah.org).