

HEALTH REFORM DIALOGUE

A Dialogue on U.S. Health Reform

A Time for Reform

While most people agree that America's health care system needs dramatic change, opinions on exactly how to reform it have divided lawmakers for decades. At the same time, organizations on the front lines of national health policy — groups representing employers, workers, health care providers, consumers, insurers, public health professionals, and others — have long held to their preferred reform ideas, with little flexibility or compromise.

But now more than ever before, most leaders share the sincere belief that fundamental reform of the nation's health care system is a critical necessity — right now, this year — and is essential for every sector of American society. Starting with this shared belief, several widely diverse, national organizations began a series of unique discussions six months ago to exchange ideas and see where their agreements and differences lay.

These facilitated, structured discussions have yielded fruit, identifying shared views on many policy issues, including methods of expanding meaningful health coverage for everyone, system reforms to promote more effective and efficient health care, and the need to lower the health cost growth curve.

This health reform dialogue was never intended to cover every issue likely to arise as health reform is considered in the ensuing months. Some issues currently elude consensus. Nevertheless, the participating organizations are committed to resolving them through the political process; each agrees that failing on health reform in this Congress is unacceptable and is committed to working cooperatively.

Current Thinking

INCREASING COVERAGE AND ACCESS

Most Americans today have some type of health insurance coverage, usually offered and largely paid for by their employer. Despite this, the most recent government statistics (2007) show 46 million people are uninsured in the United States, more than the combined population of 24 states.

Regarding coverage, reform should build upon the key pillars of health care coverage today — employer-sponsored insurance and public safety-net programs for low-income people and families.

We should seek to ensure coverage for all; strengthen public safety-net programs for low-income families; make private health coverage more affordable; and provide fair and adequate reimbursement for care.

To do so, we should:

- Improve Medicaid and Children's Health Insurance Program (CHIP) outreach and enrollment.
- Establish a nationwide floor for Medicaid eligibility for all adults no lower than 100 percent of the federal poverty level.
- Provide federal funding to the states for expanding Medicaid.
- Set standards for additional federal Medicaid funding during economic downturns.
- Restore legal immigrants' eligibility for Medicaid coverage to mirror CHIP.
- Give individuals eligible for Medicaid and CHIP the option to utilize those dollars to purchase employer-sponsored insurance, so long as full Medicaid or CHIP wrap-around coverage is available.
- Provide advanceable, refundable tax credits or other subsidies on a sliding scale for individuals and families to purchase adequate and affordable coverage, which includes effective preventive services.
- Provide additional assistance for out-of-pocket costs for low-income people and families.
- Provide subsidies for small businesses to provide health insurance for their employees.
- Provide a fair and transparent marketplace for purchasing insurance regardless of health status, age, or other factors.
- Enact reforms necessary so that all individuals will purchase or obtain quality, affordable health insurance.
- Ensure adequate payment to clinicians and providers by public programs to assure access to care.

STRENGTHENING WELLNESS AND PREVENTION

Experts agree that America must dramatically increase its focus on health promotion and disease prevention in order to reduce illness, disability, and premature death. Primary care is the provision of integrated, accessible health care services by clinicians and providers who are accountable for addressing the large majority of personal health care needs, developing a sustained partnership with patients, and practicing in the context of family and community. The Centers for Disease Control and Prevention estimate that eliminating three risk factors — poor diet, inactivity, and tobacco use — would prevent 80 percent of heart disease and stroke, 80 percent of Type 2 diabetes, and 40 percent of cancer.

A paradigm shift is necessary to focus attention and resources on wellness and prevention, and primary care. Their recommendations would significantly help ensure that more people received the most effective preventive services; provide incentives to communities and providers to use health information technology

to help more people receive the right preventive services; establish health promotion and disease prevention as core priorities for health systems, businesses, and the public sector; and work with individuals and stakeholder groups to share information on how best to improve people's health behaviors.

To do so, we should:

- Identify effective clinical preventive services.
- Facilitate patient utilization of effective clinical preventive services.
- Promote coverage of effective clinical preventive services.
- Encourage clinicians and providers to deliver effective clinical preventive services and follow-up treatment, as indicated.
- Ensure a sufficient primary care workforce through an ongoing, dynamic, national planning and development process.
- Continue to invest in health information technology (HIT) that supports wellness and prevention, both on the individual and community levels.
- Identify existing health promotion “promising practices” and barriers to implementation.
- Identify where there are gaps in knowledge about the most effective health promotion practices, and invest in research to fill those gaps.
- Collect and disseminate information on wellness and health promotion.
- Further encourage businesses to support healthy behaviors.
- Encourage communities to be healthy.
- Eliminate disparities in health.
- Help individuals improve their health.

ENSURING QUALITY AND VALUE

The Institute of Medicine defines quality health care as care that is safe, timely, effective and patient-centered, and delivered in an equitable, efficient manner. In many ways, the system works: Americans enjoy the best clinical outcomes in the world, and life expectancy is rising, even though risk factors like obesity are on the rise. Nonetheless, experts agree that the U.S. health system's performance must improve substantially to consistently produce the best possible health outcomes.

The ultimate public policy goal is to increase *value* for America's health care consumers and the system as a whole, that is, the highest quality of care delivered in the most efficient manner possible: significantly improving treatment of chronic disease; researching the effectiveness of comparative treatments; paying for *quality* care, not quantity of care; providing relief for patients, clinicians, and providers caught up in the web of medical liability processes; encouraging public reporting of information that clarifies the performance of individual clinicians and providers; creating a robust health information technology infrastructure; and beginning to significantly transform the health care delivery system through some much-needed payment reforms.

To do so, we should:

- Develop infrastructure to close gaps in quality and outcomes.
- Conduct comparative clinical effectiveness research (CER) studies via a public-private partnership to provide additional information that can help improve care decisions.
- Expand and accelerate the development of meaningful quality measures.
- Expand reliable data sources to build an evidence base for quality care.
- Fund state demonstrations of alternative medical liability reform models.
- Develop standards to guide clinician and provider performance reports to ensure the accuracy, reliability, and utility of such reports and the measures used to develop them.
- Build on current efforts to provide federal support, including clinician and provider incentives, for implementation of a strong HIT infrastructure that has the capabilities needed to improve patient care.
- Consider the potential effect of new payment methodologies on medical innovation.
- Develop clinician and provider incentives, aligned to evidence-based practices, based on measures and standards created and endorsed by professional membership societies and other bodies and through a multi-stakeholder process.
- Research, develop, and implement Medicare payment reforms to improve prevention and facilitate coordination of care.
- Improve billing efficiencies to reduce confusion and duplication for patients, clinicians, and providers.
- Reduce administrative costs.
- Align incentives to promote patient-centered care including innovative delivery models, including but not limited to, the patient-centered medical home model.
- Address barriers to investing in quality improvement.
- Work to reduce geographic, racial, ethnic, and gender disparities in health care delivery.
- Ensure an adequate health care delivery workforce, including funding for training and loan forgiveness programs and payment reforms directed at primary care, public health and nursing, and other high-priority areas facing imminent shortages.

Context for Financing Health Care

The Congressional Budget Office (CBO) estimates that total health spending will rise from 16 percent of Gross Domestic Product (GDP) in 2007, to 25 percent in 2025. Reforming America's health care system, therefore, is critically important — not just to achieve better health for the people of our country — but also because of the impact health care has on the nation's economy and future prosperity. If little or nothing is done, growing costs will stifle America's competitiveness in the global economy, make health care unaffordable for families, and crowd out funding for other key government functions.

Cost efficiencies can be gained by improving health care delivery.

There are many ways to make the health care delivery system more efficient while improving the quality of care. Value can be enhanced for patients while also making health care delivery more sustainable for the long-term. Many of the steps cited above would both increase quality and save costs, or better leverage dollars between the private and public sectors.

Methodologies for quantifying long-term cost savings can be improved.

The Obama Administration and Congress have already stated that improving health and investing in health care are important to the American economy. This commitment will need to be reinforced with the CBO and the Office of Management and Budget (OMB), stressing the importance of evaluating the longer-term impact of reform ideas rather than just short-term results. Gauging policy decisions on short timeframes, where costs may be higher than returns on investment, means that the system may never make the essential changes required to achieve higher value. CBO's approach to estimating costs and calculating savings from proposals that have the potential to significantly improve the health status of the U.S. population, should consider improvements in economic activity and productivity, as well as reductions in health care utilization, like reducing avoidable emergency room visits and hospitalizations.

To jumpstart health reform, additional investments in U.S. health care will be needed.

The participants in this dialogue recognize that the recommendations are not fully financed. Additional sources of funding will be required at least in the short-term, and, in order for health reform to be successful, costs must be spread equitably across stakeholders.

The proposals suggested require upfront investment. A more flexible approach to financing health reform is required that reaffirms the importance of offsets, but accommodates the need for significant short-term expenditures and will help set the health system on a path toward significant long-term savings and improvement in the long-term fiscal future of our country.

Enacting meaningful health reform requires a careful and balanced approach of fiscal prudence, accompanied by efforts to contain costs, increase savings, and enhance efficiencies. Such investments will enable transformational changes to be achieved – and those transformational changes will ultimately place the United States on a path toward greater financial and health care security.

Organizations endorsing this document include:

AARP

Advanced Medical Technology Association

America's Health Insurance Plans

American Cancer Society Cancer Action Network

American College of Physicians

American Hospital Association

American Medical Association

American Nurses Association

American Public Health Association

Blue Cross and Blue Shield Association

Business Roundtable

Catholic Health Association of the United States

Families USA

Federation of American Hospitals

Healthcare Leadership Council

National Federation of Independent Business

Pharmaceutical Research and Manufacturers of America

U.S. Chamber of Commerce