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# COLLABORATION HEALTH CARE

## ALIGNING IDEAS WITH COLLABORATION TO IMPROVE HEALTH CARE TODAY



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### Health Care Reform- The Long Wait Continues

We generally try to steer-clear of talking politics in these newsletters. We've found that talking politics will generally get you immediately labeled into one of the two major camps. And, when you're labeled on one side, the folks on the other side don't listen anymore. We want both sides to listen. Such is the life we lead in partisan politics.

That aside, health care is too important of an issue for us. So, we have to talk about it. Please, just don't label us in a particular camp.

In 2007 Comptroller General David Walker told 500 attendees at a meeting held by the Federation of American Hospitals, "If there's one thing that can bankrupt America, its health care." Especially with the fragility of our economy today, we all have a stake in this one. And, something needs to be done.

With the 2008 Presidential Election in full-swing we wanted to take a look at where both of the major-party candidates stand today in the health care debate. More important, we wanted to assess the likelihood the proposals both parties have on the table will have in making a dent in the health care crisis (yes, we believe it is a crisis) we are experiencing today. We were just curious.

Our opinion? We don't see a lot of promise from either side for implementing the radical changes that we all think may be necessary- and both sides are professing. Health care will continue to be debated and discussed, but the reality is that there are too many other hot-topic priorities existing today that will bump health care from the top of the list. Any radical reforms of our current structure are going to need to come from innovation and creativity from the inside (including the consumers). We think some changes will take place- just not in the magnitude that may be necessary.

So, we'll likely continue waiting for any major radical transformations to the existing health care system- unless some crisis unfolds (and with the way things are going- who's to say that can't happen?) Waiting for reform to make the changes that need to be made is not accepting the reality or the brutal facts concerning the situation we're facing. It could be a long wait.

And there may be more carnage along the way- and we don't need any more carnage.

### Health Care Reform? Let's Focus On What We Already Agree On

Since 1900, seven different presidents have initiated 8 different proposals to reform the health care system in our country. Starting with Woodrow Wilson's proposal to enact a single-payer system in the early 1900's to G.W. Bush's Medicare prescription drug coverage in 2003, our government has had some hand in attempting to provide basic health care coverage to citizens. It has to today. Health care expenses now comprise over 16% of our Gross Domestic Product and growing. It's too big an expenditure to not be involved in someway.

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### Health Care Is Not A New Topic

For over 100 years, our Presidents have attempted to initiate new approaches to address the complexities of delivering health care to individuals in our country. Some have worked, some were shot down. But, regardless of the outcome, the evolution of attempts create the situation we find ourselves in today.

#### Our Presidents Over Time

Woodrow Wilson- 1910's; Single payer system; Shot down

Herbert Hoover- 1930; Creation of the Veterans Administration; Implemented

Harry Truman- 1949; Single-payer system; Shot down

Lyndon Johnson- 1965; Creation of Medicare and Medicaid; Implemented

Richard Nixon- 1971; National health-care strategy; Shot down

Richard Nixon- 1973; Legitimized HMOs; Implemented

Bill Clinton- 1993; "Managed Competition"; Shot down

George W. Bush- 2003; Medicare prescription drug coverage; Implemented

Source: Fortune Magazine; June 11, 2007

## Focus On What We Agree On (con't)

In almost all the cases over the past 100+ years, the initiatives that supported more limited or specific reforms (establishment of the VA- Hoover, Medicare and Medicaid- Johnson, Legitimizing HMOs- Nixon) succeeded over those that attempted an all-out reform of the entire system (Single-payer system- Wilson, National health care strategy- Nixon, Hillary Care- Clinton).

The reasons seem pretty obvious. Our society and the political infrastructure that surrounds it is simply resistant to making fundamental changes in health care. We've found from recent events (think; financial markets, housing market, energy, and the Middle East) that fundamental departures only take place in the event of a crisis. When the real crisis occurs- we all get on board and try to fix it- regardless of the politics. Unfortunately, we simply haven't reached the "crisis" point in health care that warrants making the changes that need to be made. We talk about it a lot, we know we're in "crisis-mode", but we don't take the steps that we really need to take to change what needs to be changed.

McCain and Obama are both proposing dramatic reforms to the entire system. As should be expected, the ways they achieve their stated goals are different.

McCain is focused on revising the current tax code and withdrawing the current tax exclusion of employer payments for health insurance. He is introducing an individual and family tax credit for the purchase of health insurance, and will be deregulating the sale of health insurance across state lines.

Obama is focused on creating a National Health Plan (NHP) and a Health Insurance Exchange to distribute health insurance throughout the marketplace. Individuals needing help would be eligible for a subsidy that would be adjusted based upon income.

The logic supporting both plans is spread throughout all of the campaign literature. McCain relies on the free-market and competition as a primary method to achieve cost savings and efficiencies. Obama uses consolidated market-power in an attempt to achieve the same results.

Both of the plans have their critics. If you really want to get the critic's view of both plans, take a look at the two articles in the most current issue of Health Affairs ([www.healthaffairs.com](http://www.healthaffairs.com)). Each side is given the opportunity to evaluate the other. It's quite interesting. According to the respective authors- neither plan will work.

In the June, 2007 issue of Fortune Magazine, former Intel CEO Andy Grove submitted an "Open Letter to the Candidates" where he proposed a simple idea to fix our current health care mess. He suggested; "Fix specific problems of the system. Leave big-time changes for later, after you've demonstrated that you can solve more limited problems."

While the McCain/Obama proposals differ in their approach, there are commonalities that could provide a basis to use Grove's approach for some specific issues to be addressed regardless of the financing method that is used or which candidate ends up in the Oval Office. These include:

- Change provider payment methods to integrate outcomes, results, and quality into the reimbursement formula (value-based purchasing)
- Support transparency of both price and quality/results to the external marketplace

- Recognize the importance of prevention, health, and chronic care management in the health care continuum of each individual.
- Support the need for more consumer education and accountability
- Support improved information technology coordination into the delivery system
- Support initiatives that improve the coordination of care for the patient

By following Andy Grove's advice, focusing on these common issues may not solve all of our problems, but may get us started in developing a system that levels the playing field, and ultimately leads us to a more efficient system than is in place today.

In 2006 we outlined our Big Hairy Audacious Goal (BHAG) of assisting to create a more collaborative health care system than exists today. We aren't professing to be prophetic, but the principles we laid out coincide with the commonalities identified of both platforms and emphasize the basic needs of our marketplace even more today than they did in 2006. (Go to [www.collaborationhealthcare.com](http://www.collaborationhealthcare.com) if you want to see it).

We need to keep in mind; financial assistance of the government will not be there to support the cause. Our country simply has too many big bills and a huge deficit that will only be increasing in the foreseeable future. Any health care proposal without guaranteed savings won't fly very far in the current political environment and the savings identified in both the Republican and Democratic proposals is fuzzy at best.

That means providers, consumers, health plans, and employers should focus their strategies and approaches on developing new ideas and innovations that will address the commonalities that already exist. We need to focus on spending the dollars more efficiently as opposed to creating additional expenses.

Reforming our health care system has been talked about for some time. Health care will continue to be a significant issue for our economy no matter who is in the White House next January. Let's hope we can work together to create a more collaborative system that focuses on what needs to happen to better organize, innovate, and communicate with each other and not wait for the government to legislate what it feels needs to happen. We may be waiting a long time- and we don't have the time to spare.

Maybe we were more prophetic in 2006 than we thought.

## Think About It:

*"All humanity is divided into three classes: those who are immovable, those who are movable, and those who move!"*  
Benjamin Franklin

*"If you dreamed it up, it's possible. You're the only person who can say, it's impossible."*  
Carlo Menta

*"Take calculated risks. That is quite different from being rash."*  
George S. Patton Jr.