

Health System Reform—Old Challenges, New Solutions

by Robert E. Stone

Citizens from across the demographic spectrum are calling for immediate and effective health care reform—a widespread appeal that has gone largely unanswered. The United States' health care system ranks as No. 37 in the world and our present economic downturn has only intensified the ongoing call for reform. According to Peter Orszag, director of the Office of Management and Budget, “The principal cause of the nation’s long-term budget problems is rising health costs.” Despite our ranking and current economic situation, real progress will not occur unless and until there is a common objective with respect to what we want a reformed system to accomplish, and one upon which all stakeholders agree. Further, in reaching that agreement, all stakeholders must abandon the implicit, yet impossible, demand that reform must not diminish anyone’s portion of the economic pie.

Progress toward reform is also being inhibited—as it has been countless times before—by the often nebulous nature of the vocabulary used and misused in the dialogue. The words we use—affordable, equitable, accessible, transparent and quality—have different meanings for each and every stakeholder in the debate. Health and health care are used interchangeably, despite their distinct definitions. We regularly speak of the payment system and the delivery system as if they were one, although we clearly know they are not. We talk of the under-insured and uninsured as if no one is actually paying for the cost of their care. In short, we are unable to articulate, with a single voice, precisely what we really want the system to accomplish. As a result, we have a 70-year history of not getting it. Perhaps these are the very reasons that caused Senator Edward Kennedy to state, “Reform is urgently needed.”

Old Challenges

This debate is not unique to our times. It began more than 70 years ago when President Franklin D. Roosevelt engineered a broad social agenda that ultimately led to the passage of the Social Security Act. While a national

health plan was originally included in the Act, President Roosevelt killed the plan in the final hours to ensure passage by Congress. Commenting on that decision, Roosevelt said, “I am confident that we can devise a system which will enhance and not hinder the remarkable progress which has been and is being made in the practice of the professions of medicine and surgery in the United States.”

Clearly, the intervening 70 years have not hindered the progress President Roosevelt anticipated. Unfortunately, in many cases, the value of that progress has been overwhelmed by ineffective health care policies that have driven apparently inexorably higher costs without meaningful increases in quality or health outcomes. Arguably, our country’s overall health has suffered as a result.

The U.S. health care system, as it exists today, is a result of the stakeholders’ collective inability to define one paramount objective for what they want the system to achieve. As a result, the debate consists of varied and often conflicting opinions from all sides, including providers, patients, insurance companies, academic experts and government. At the same time, however, demand for acute and chronic care is growing so quickly that it will soon completely overwhelm the ability of the delivery system to respond. Yet, we have focused almost all of our considerable efforts and resources on the supply side of the health care equation and in providing capabilities to interact with people after they get sick. Until we expand our focus on preventing or reducing the demand for services, meaningful progress is unlikely to occur.

Barriers To Reform

We cannot continue to simply tinker around the edges of the U.S. health care system. We have adjusted payment, coverage, manpower and facilities policies, but have yet to see the desired results in terms of either cost or quality. Despite our best intentions, our decisions in past reform debates have been predominantly based upon the prevailing political winds or in-vogue ideologies of the time. We have,

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as a result, limited ourselves to treating the symptoms of our ailing system, and we now seem to be going down the same road again.

All of these issues center on the fact that, as an industry, as concerned citizens, as a country, we have become our own greatest barrier to reform. If we cannot agree upon what we want, what our nation needs, and what type of approach will most likely succeed, we will certainly fail to define—let alone execute—satisfactory reform. We can no longer afford to make incremental changes at the edges of the system or expect results from titrating system features like access and affordability. That approach has not worked for over seven decades, and I submit that it is unlikely to work now.

The Path To Successful Reform

President Dwight D. Eisenhower recognized this fact when he wrote, “We succeed only as we identify in life, or in war, or in anything else, a single, overriding objective, and make all other considerations bend to that one objective.” Our objective, I suggest, should be that our ranking will improve from today’s No. 37 to No. 1 within the next 10 years. It’s clear; it’s simple; and it’s easy to measure. To achieve that objective we must focus our reform efforts on assuring that the new system does three things.

- First, it must help keep healthy people healthy.
- Second, it must help people mitigate or eliminate the health risks associated with unhealthy lifestyle behavior choices.

- Third, it must ensure the provision of evidence-based care to those who are ill.

With these endpoints in mind, we can begin to think about how we will reorganize the payment and delivery systems to support reaching them, a very different approach than those we have tried in the past, or seem poised to try again today.

In order to support this focus on becoming No. 1, we must also create a single measurement that allows us to assess the total well-being of both large and discrete populations over time. This single measurement will help us to effectively guide and focus our efforts and investments.

Once we have the system designed and migration underway, we must create and introduce targeted interventions, at scale, that will improve the health and well-being of the nation and each of its citizens, lower direct health care costs, and improve productivity and business results.

With the inauguration of the new administration, we have entered an era in which change is anticipated and progress encouraged. The United States can no longer afford to provide the same solutions and expect different results. This paper suggests a different approach, but successful implementation is in all of our hands. Ultimately, to achieve the No. 1 system in the world, we must agree to that objective—and why would we settle for less—and then rigorously bend all other considerations to that objective.

Robert E. Stone is the executive vice president and founder of Healthways, Inc. in Franklin, Tennessee. He can be reached at bob.stone@healthways.com.