



CHT September e-Newsletter 2007

Breaking News!

CHT Founder Newt Gingrich Rules Out Presidential Bid

Commitment to Health Transformation and CHT Contributes to Decision

CHT Founder Newt Gingrich announced on Saturday that he will not pursue a campaign for the Presidency, citing a desire to continue to lead transformation as a private sector leader and collaborator rather than seeking elected office.

Gingrich first announced his decision on FOX News Saturday evening, citing among his primary reasons the desire to continue to work with the Center for Health Transformation to develop “a whole new generation of ideas.”

“We need time to expand on the work which the Center for Health Transformation has been doing to develop a science and technology based and entrepreneurially led 21st Century Intelligent Health system,” Gingrich said on Sunday, in further discussing his decision.

“Newt has absolutely no second thoughts about this decision,” said CHT CEO Nancy Desmond. “He is excited about continuing to work collaboratively and closely with our CHT members to fulfill our shared vision of a 21st Century Intelligent Health System that saves lives and saves money for all Americans.”

Newt Notes

On September 18, 2006 CHT hosted our 3rd Annual “Creating a 21st Century Medicaid System” event, at the Mayflower Hotel in Washington, DC. It featured some of the most thoughtful, innovative, and transformational leaders in the country discussing how Medicaid can produce better health outcomes at lower cost. All of the speeches and related materials are archived here ([hyperlinked](#)).

Throughout the day, we were reminded that there are many successful new health policy practices evolving around the country. We shouldn’t be distracted by the incessantly negative chatter coming out of the political class in Washington, DC. The fact is that there are innovative solutions that are already working or being tested – solutions that are generally being created just about everywhere in America except inside the Washington beltway.

We were thrilled to hear from Minnesota Governor and chairman of the National Governors Association Tim Pawlenty, who outlined the ambitious list of action items that his administration is pursuing. That list includes initiatives near and dear to the heart of CHT – transparency of cost and quality, an aggressive push for electronic medical records, and the pursuit of market based reforms.

Former Florida Governor Jeb Bush addressed our event by live videoconference, making his first public comments since leaving office in January on the Medicaid reforms he championed. Governor Bush discussed his push for more competition and accountability in Florida's Medicaid program. He emphasized the need to prioritize individual health outcomes which are being stimulated by Enhanced Benefit Accounts that reward compliant behaviors.

We also heard remarks from four particularly transformational state officials – Arizona Medicaid Director Tony Rodgers, Florida state representative Aaron Bean, Kentucky health secretary Mark Birdwhistell, and Indiana health secretary Mitch Roob. All of these leaders are demonstrating commitment to a high tech, futuristic, results-oriented Medicaid system.

The Gallup Polling Organization released their second annual survey of people on Medicaid about their attitudes toward healthcare consumerism. The survey indicated a strong bias toward a new Medicaid that actively promotes wellness and prevention and includes financial incentives to improved health outcomes.

Project Spotlight

Health Justice Transformation Project

The first meeting of the Health Justice Transformation (HJT) Advisory Panel was recently held at the CHT office in Washington. Members of the HJT Advisory Panel include: Andy Owen, JD with the law firm of Owen, Gleaton, Egan, Jones & Sweeney in Atlanta; Bonnie Wilson, JD with WellStar Health System in Marietta, Georgia; Jon Eskelsen with the US Chamber of Commerce in Washington, Carmela Coyle, JD with the American Hospital Association in Washington; David Cook, JD with the Medical Association of Georgia in Atlanta; Gene Davidson, MD with St. Joseph's Hospital in Atlanta; Holly Snow with Piedmont Healthcare in Atlanta; Jeff Segal, MD with Medical Justice Services in Greensboro, N.C.; Jessica Montoya, JD with DaimlerChrysler Corporation in Washington; John Gill, MD with Dallas Sports Medicine Specialists in Dallas; Linda Kearney, JD with WellPoint in Austin, Texas; Michael Gorton with TeleDoc in Dallas; Rosi Sweeney with the American Academy of Family Practice in Washington; Sam Li with the American Medical Group Association in Alexandria, Virginia; Temple Sellers, JD with the Georgia Hospital Association in Atlanta; and Vicky Wicks with sanofi-aventis in Bridgewater, N.J.

The advisory panel will assist with the development a fair and effective system of compensation; the establishment of healthcare accountability which encourages disclosure; the creation of a system which provides incentives for the implementation of best standards and protocols of health delivery which promotes good, rather than adversarial, physician-patient relationships; the development of a system which provides resolution at less overall cost and ensures that a larger share of the total settlement goes to the injured patient.

The advisory panel heard presentations by Philip Howard, Founder and Chairman of the Common Good on health courts; Dr. Jeff Segal, CEO of Medical Justice Services on Do-It-Yourself Tort Reform; Dr. John Gill of Dallas Sports Medicine Specialists on the Texas Tort Reform movement;

and a panel including David Cook, Holly Snow and Temple Sellers on the Georgia experience regarding civil justice reform.

The advisory panel developed a series of next steps including:

- the development of a white paper which would share tort reform success stories at a state level;
- the creation of a mechanism to highlight truly frivolous law suits; and
- the distribution of best practices and transformational solutions which will increase patient safety efforts.

The Center for Health Transformation closely follows and monitors health justice transformation efforts in all 50 states. On CHT's Web site, you will find an interactive 'state transformation map' which provides state-specific measures that have been adopted in each of the states. In the near future, the Center will be creating a HJT Resource Center to provide state leaders with information about the need to develop and implement a 21st Century Intelligent System of Health Justice. For more information about the HJT Project, contact Wayne Oliver, Health Justice Project Director at woliver@gingrichgroup.com or (404) 201-7907.

Transforming Examples

Pfizer Health Solutions Florida: A Healthy State Program

Case Situation

Medicaid programs often impose access restrictions on pharmaceuticals, to manage drug spending, such as:

- Step therapy or fail first (requiring a generic or preferred brand before allowing a patient access to other medicines within therapeutic class);
- Preferred drug lists;
- Prior authorization;
- Therapeutic substitution within class (substituting different drugs, or chemical entities, within a therapeutic class of drugs);
- Hard limits on the number of medications per month (automatically deny scripts above the limit);
- Soft limits on the number of medications per month (requiring approval for new scripts after the limit is reached);
- Annual spending caps.

Efforts focused solely on pharmaceutical spending reductions can lead to worse health outcomes, such as an increase in hospitalizations or medical visits.

- Medicaid programs should aspire to focus on total health management, abandoning cost containment measures based solely on budget silos that are often ultimately self-defeating.

A study of Medicare +Choice beneficiaries whose annual drug benefits were capped at \$1000 found worse outcomes for patients subject to the cap (ER visits, non-elective hospitalizations, and mortality were all higher). Patients subject to the cap who were taking anti-hypertensives, anti-hyperlipidemics, or anti-diabetics also had lower adherence. (Hsu et al, NEJM 2006,354(22):2349-59).

- After one state introduced a preferred drug list (PDL) that restricted access to certain anti-hypertensives, there was a jump in outpatient hospital visits and physician office visits (Murawski &

Abdelgawad, AJMC, 2005,11:SP35-42).

Data has demonstrated that Medicaid access restrictions disproportionately impact patients and physicians located in poor neighborhoods.

- The administrative burden to physicians of dealing with Medicaid preferred drug lists and prior authorization for cardiovascular medicines alone are estimated to cost \$1000 per physician practice per year; over \$2000 for practices with numerous Medicaid patients (Ketchum & Epstein, 2006, Pharmacoeconomics Special Issue, forthcoming).
- Physicians who treat a large number of Medicaid patients tend to be located in minority neighborhoods. So the administrative burden for physicians in minority neighborhoods will be especially high (Headen & Masia, AJMC 2005, 11:SP21-26).
- High administrative costs may discourage physicians from accepting Medicaid patients, and discourage them from prescribing the optimal therapy for their patient.

Different patients respond to the same drug differently.

- Patient response to a drug varies, as does patients' ability to tolerate side effects (Burroughs et al, J of the Natl Medical Association, 2002, 94(10 Suppl):1-26).

It is important to maintain patient choice over medications. Allowing physicians and patients to select the optimal drug for each patient can increase adherence and improve outcomes.

Case Solution

In 2001, Florida's Agency for Health Care Administration (AHCA) and Pfizer Inc partnered to create a statewide disease management program — the first and largest of its kind in Medicaid — to address multiple chronic diseases with a community-based care network at its core. Initially designed as a two-year pilot, Florida: A Healthy State provided education and support to fee-for-service Medicaid beneficiaries with asthma, diabetes, heart failure and/or hypertension, with the goal to lower the state's healthcare costs through improved beneficiary health. Due to the program's success from both a clinical and financial perspective, Florida's disease management efforts continue in partnership with Pfizer and now encompass three additional disease states: ESRD, COPD, and sickle cell.

PHS believes that disease management creates sustainable improvement only when each of the steps in the process below are achieved. Though we focus our activities on coaching and educating participants about their health, we continuously monitor the impact of our interventions on participant behaviors and clinical, utilization, and cost metrics.



Coaching and education

- In 2005, program participants received by mail over 400,000 health education pieces. These are multi-lingual, culturally relevant, and readable at a fourth grade level.
- Annually, our nurse care managers make over 65,000 direct contacts with intensively care managed participants. These contacts are educational conversations and clinical assessments occurring face-to-face or on the telephone that ultimately empower the beneficiary to become a more proactive health manager.

Behavior changes

- Peak flow meters are an important tool helping asthmatics monitor their symptom severity. At baseline (initiation of care management) 32% of asthmatics used a peak flow meter at home. At the most recent follow-up assessment, 64% were using them at home. (n=1,218)

By closely monitoring their weight, congestive heart failure (CHF) patients can quickly identify changes in their “comfortable” weight. At baseline, 13% weighed themselves daily, while at follow-up 46% did so. (n=718)

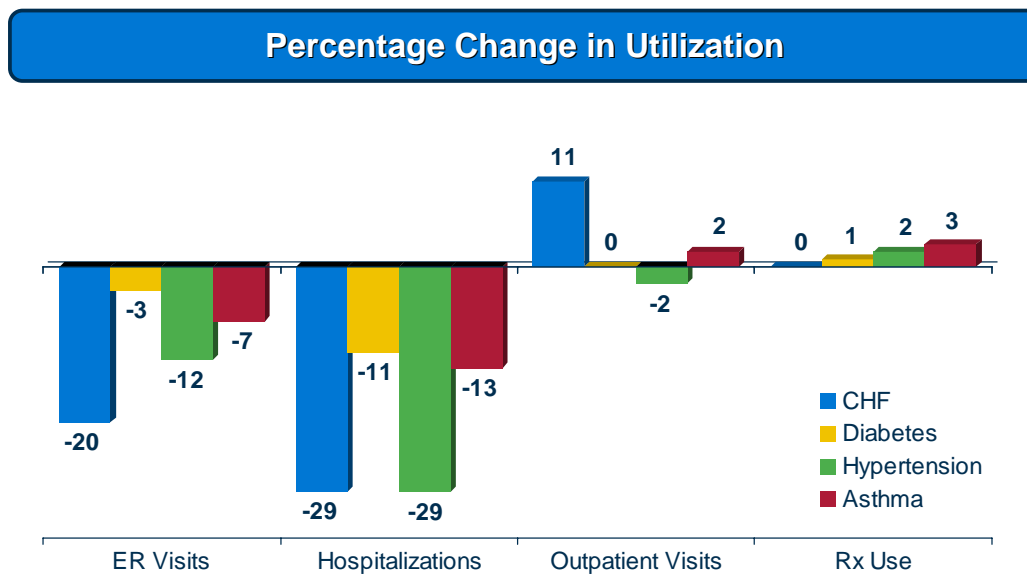
- Diet changes can significantly reduce blood pressure and its health risks. 61% of hypertensives followed a special diet after care management versus 49% before.
- Care management improved certain self-care metrics to near perfect, with 99% of diabetics checked their feet for problems at their most recent follow-up.

Clinical changes

- The percent of asthmatics classified as mild or intermittent based on NHLBI guidelines more than doubled from 21% at baseline to 45% at follow-up
- Over 77% of CHF patients improved or maintained their New York Heart Association (NYHA) disease severity classification at follow up.
- Diabetics with normal HbA1c levels under 7.0 increased, from 43.9% to 50.0% at follow-up.
- Hypertensives with blood pressure under 140/90 increased from 52.6% to 68.7% at follow-up.

Utilization

The above behavioral and clinical outcomes have had a major effect on utilization. Care managed beneficiaries have shown significant drops in more severe, emergent, and expensive utilization categories such as ER visits and hospitalizations, along with increased utilization in preventive areas such as outpatient visits and prescription drugs.



Methods: Direct-adjustment, high-risk care managed vs. high-risk non-care managed. Shows all utilization, both disease-related and non-disease-related. Shows impact after 12 months of care management.
 * Data collected 11/2001 – 9/2005.

The net effect of the health improvements and utilization changes described above is considerable cost savings to Florida’s Medicaid system. Since program inception in 2001, Florida: A Healthy State has and

generated \$139.5 million in savings and investment, helping Medicaid beneficiaries improve their health through improved self-care skills and previously unavailable health care resources.

Better Health Lower Costs

Spending cuts that target pharmaceutical use can actually sometimes worsen health outcomes and increase overall costs. The results of Florida's Medicaid program show that access to pharmaceuticals, even growth in prescriptions, can occur alongside overall cost reductions due to reductions in ER visits and hospitalization. If patients and their doctors have the freedom to select the best drug for their specific circumstances, patients are more likely to be adherent. Patients with chronic conditions must adhere to their drug therapy in order to achieve the long-term health benefits of prevention (such as reducing the risk of nerve damage or blindness in diabetics, or heart attacks in high cholesterol patients). Medicines are a key component of managing chronic conditions and reducing the risk or preventing high cost complications in the future.

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CHT in the News

[The Future of SCHIP](#)

CHT Founder Newt Gingrich and Project Director David Merritt stress the importance for an 18-month extension of the SCHIP program. (politico.com)

1st in the Nation Healthcare Billing Policy Announced at CHT's 3rd Annual Medicaid Conference

Governor Tim Pawlenty announced that Minnesota is the first state to adopt such a policy in preventable medical errors or so-called "adverse health events." ([PRnewswire](#); [Pioneer Press](#))

Congress Can and Should Protect SCHIP Children

CHT Founder Newt Gingrich speaks to the Conservative Opportunity Society (COS) about the current debate in Congress over reauthorization of SCHIP. ([Press Release](#))

CHT Hosts Third Annual Medicaid Conference

On September 18th, Newt Gingrich and CHT hosted an interactive forum entitled, "Creating a 21st Century Medicaid System." ([Press release](#); [View the Webcast - Windows](#); [Real Player](#))

Gingrich Visits Inland Northwest Health Services

On September 14, CHT Founder Newt Gingrich praises INHS for their efforts in Health IT. ([KYLE-4](#); [Spokesman Review](#))

CHT Tours Henry Ford West Bloomfield Hospital

Newt Gingrich and the CHT Team bring the principles of health transformation to an on-site visit in Michigan. ([Freep.com](#); [C&G](#))

Prevention, Wellness and Self-management

CHT Founder Newt Gingrich comments on how to fix our dysfunctional health care system. ([Forbes](#))

Members Update

The Center for Health Transformation is pleased to recognize two new Associate members: Missouri Hospital Association and SSM Health Care.

We are also pleased to recognize Siemens for renewing their membership at the charter level and MinuteClinic, Piedmont Healthcare, and sanofi-aventis for renewing their memberships at the premier level.

Please visit the [list of members](#) often to keep abreast of who is joining the Center, as well as the "[Member News](#)" page to learn about the awards or honors won by our members.

Upcoming Events

Julie Eckstein to speak to the St. Louis University School of Nursing
St. Louis, MO
October 2, 2007

Newt Gingrich to speak to the Association of State and Territorial Officers
St. Louis, MO
October 3, 2007

Newt Gingrich to speak to the Gallup Healthcare CEO
Washington, DC
October 9, 2007

Jim Frogue to keynote at the Golden Rule Insurance Company Annual Lobbyist Conference
Indianapolis, IN
October 13, 2007

Newt Gingrich to speak at Healthways
Nashville, TN
October. 22, 20007