



## Center for Health Transformation E-Newsletters

Almost everyone believes that a 21st century transformed health and healthcare system would be characterized by every American having healthcare insurance coverage. Being uninsured is the biggest gamble in life. If you lose, you and your loved ones will suffer physically, emotionally, and financially. If your financial situation deteriorates to the point where you are eligible for Medicaid, American taxpayers also lose as they are footing the bill for your healthcare.

There is an enormous emotional stress with being uninsured, but as the Kaiser Family Foundation has reported in 2002, being uninsured also means you are much less likely to get the care you need. Consider the following:

- the uninsured receive less preventive care, are diagnosed at more advanced disease states, and once diagnosed, tend to receive less therapeutic care such as prescription drugs and surgical interventions;
- the uninsured are 30% to 50% more likely to be hospitalized for an avoidable condition; and,
- having health insurance would reduce mortality rates for the uninsured by 10% to 15%.

Agreement on the uninsured begins to breakdown on the question of how to achieve more coverage. At the Center for Health Transformation, we want to advance a market mediated healthcare system where the maximum number of people can afford and are incentivized to purchase private insurance. Some of the strategies you have seen us advocate in our writings and in our book [Saving Lives & Saving Money](#) are health savings accounts and other consumer directed healthcare vehicles, a national reinsurance pool, and tax incentives for individuals to purchase insurance for themselves and their families.

Over the last several weeks, we have become convinced that another major strategy to making insurance more affordable is to create a national insurance market, allowing individuals to purchase any healthcare insurance policy available in the United States regardless of their state of residence.

Currently, insurance is primarily regulated by the states. Every time a state institutes a new mandate, such as requiring that insurance cover certain treatments, the bottom line cost of health insurance for residents in that state increases. Despite how well-intentioned these mandates are, the reality is that they are increasing the cost of healthcare, making it harder for individuals to afford the most basic healthcare coverage.

The idea of buying health insurance across state lines is extraordinarily popular with the American people. A recent [Zogby](#) poll for the [Council for Affordable Health Insurance](#) showed that 72% of the American people support allowing someone living in one state to purchase

health insurance from another state if the insurance is state-regulated and approved. In addition, 82% said they would be likely to purchase a policy across state lines if they were paying very high rates and needed access to more affordable health insurance policies.

On October 12, [eHealthInsurance.com](http://eHealthInsurance.com), the nation's largest source of health insurance for individuals and families, released data from its semi-annual Cost and Benefits of Individual Health Insurance report that showed that Iowa, at \$1,236 for an average age of 35, has the lowest average annual health insurance premiums for single policies of any of the 43 states in which eHealthInsurance sells insurance. The average premium figures are derived from a sample of 82,000 individual and family health insurance policies purchased through its website, including policies that are PPOs, HMOs, point of sale, indemnity, and high deductible health insurance plans. The comparison of these average monthly premiums provides a fair approximation of the relative costs of health insurance among the states.

What would happen if we had a national insurance market? Using the eHealthInsurance data, we ran the numbers for New Jersey and New York, the two states that have the most aggressive mandates, guaranteed issue (insurance companies are required to issue all applicants a policy) and community rating (requiring policies be priced independent of age and/or health). The average monthly premium per single policy in New Jersey and New York is \$340 and \$295 respectively. If we had a national insurance market, residents of those states could go to a less expensive state to purchase their insurance, such as Iowa, where the average monthly premium per single policy is \$103. Individuals in New Jersey would save \$2844 and individuals in New York could save \$2304 annually.

Even in Arkansas and the District of Columbia, where there is not a guaranteed issue and community rating mandate, individuals could save on average \$1260 and \$1080 respectively if they purchased in Iowa.

A national insurance market will make single policy healthcare insurance more affordable for millions of Americans for whom coverage is currently unattainable.

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The Center for Health Transformation would like to welcome our newest Charter member, [Siemens](#) and our newest Premier member, **HELPS**.

We would also like to recognize [Novo Nordisk](#) who has recently renewed for 2005.

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

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# Project Spotlight

## CHT's 4th Quarter Member Meeting

CHT is proud to announce our 4th quarter member meeting will be held in conjunction with three extremely popular and highly respected conferences: [The Emerging Technologies and Healthcare Innovations Congress \(TETHIC\)](#), the [Consumer Directed Health Care Congress \(CDHCC\)](#), and the [Health Care Research and Innovations Congress \(HCRIC\)](#). Because of the importance of the topics being discussed, CHT is supporting these conferences through a platinum sponsorship. The networking, educational, and visibility opportunities make this event a must for anyone who wants to be a part of transforming healthcare.

**VIP RECEPTION & SUMMIT.** CHT is co-sponsoring a VIP summit where leading healthcare executives in technology, innovation, consumer directed healthcare, research and clinical trials join in a high level, invitation-only, think-tank discussion designed to address the healthcare empowerment of the consumer, the impact and promise of technology on the future of healthcare and the acceleration of innovation to practice. If you are not currently a Charter, Premier, or Associate member of CHT and would like to request an invitation for this elite forum, you must be at the CEO/CMO/COO level and submit requests by e-mail to [skip@tethic.com](mailto:skip@tethic.com).

**CHT SPONSORED PANEL SESSIONS.** CHT is designing three panel sessions featuring select Center members discussing transformational topics appropriate for the conference. These panel sessions will be open to the general audience of the conference and will be a highly visible way to communicate the transformational message.

**CHT MEMBER ONLY LUNCH & MEETING.** This portion of the day has been reserved for CHT's Charter, Premier, and Associate members only. CHT is arranging for an exclusive speaker during this time in addition to Newt Gingrich giving his quarterly update on health and healthcare transformation.

**CONFERENCE KEYNOTES.** CHT members will come together with the attendees of all three conferences for an afternoon of dynamic keynote presentations. CHT Founder, Newt Gingrich will speak during the opening keynote session with Congressman Patrick Kennedy (D-RI).

**EXPO HALL RECEPTION & NEWT GINGRICH BOOK SIGNING AT CHT PAVILION.** The exhibit hall will feature companies in all three of the conference areas. CHT will have its own pavilion during the entire three day conference where we will highlight different CHT members. During Monday evening's opening night reception, Newt Gingrich will be signing copies of [Saving Lives & Saving Money](#).

To register to attend the conferences, visit the conference website: <http://www.tethic.com/>.

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**Gingrich Optimistic About Healthcare IT Adoption.** [Read more.](#)

**National Commission for Quality Long-term Care Formed to Improve Quality of American Long-term Care.** [Read more.](#)

**Healthier Health Care.** [Read more about HSAs.](#)

Visit the [CHT in the News](#) section on the Center for Health Transformation's web site to read more!

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**November 16th (Ontario, Canada)** – Newt Gingrich to speak to the Ontario Hospital Association

**November 19th (Washington, DC)** – Newt Gingrich to speak to the National Association of Medicaid Directors

**November 29th (Washington, DC)** – [CHT 4th Quarter Member Meeting](#)

**November 29th (Washington, DC)** – Newt Gingrich to speak at the TETHIC, CDHCC, and HCRIC Conference & Expo

**December 3rd (Washington, DC)** – Newt Gingrich to speak at the American Telemedicine Association Strategic Business Meeting

**December 15th** – [CHT Member Teleconference](#)

For more information on these events or to view other CHT events, please visit <http://www.healthtransformation.net/events>.

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## Transforming Example Spotlight

The Center for Health Transformation is constantly seeking solutions that improve quality and lower cost. You may find numerous case studies on our website by visiting our [transforming examples section](#). We encourage you to submit your own transforming example via the website!

## Danville Regional Health System (DRHS)

[Danville Regional Health System](#) (DRHS) is the most comprehensive provider of healthcare in the Dan River Region of Virginia and North Carolina. With its roots dating back to 1884, DRHS has one simple mission: Providing healthcare excellence close to home.

The DRHS clinical staff began implementing [Siemens Medical Solutions'](#) bar code medication administration product, Med Administration Check™, in 2000 to support the entire workflow of medication delivery. Med Administration Check is an application that helps nurses verify and document medication administration at the point of care.

The computer is able to verify that the five 'rights' of administration are accurate – right medication, right dose, right time, right route, and right patient. If there is a discrepancy - for example, the medication that was scanned is the incorrect medication for the patient – an alert appears on the computer screen, warning the nurse that one of the five rights is being breached, preventing a potentially fatal error.

DRHS has documented an average of 118 potential medication errors avoided each month, and an average annual savings of \$943,805 due to increased efficiency. Through its online messaging capability, it has eliminated approximately 98 time-consuming phone calls to the pharmacy each month. Because of these positive results, all in-patient nursing units at Danville Regional Medical Center now use the system.

*To read more about the Danville Regional Health System (DRHS) transforming solution including some success stories, please visit the [complete case study](#).*



If you would like to become a member of the Center or are interested in financially sponsoring a specific project, please contact us at 202.375.2001 or [info@healthtransformation.net](mailto:info@healthtransformation.net) . Please also visit our website at <http://www.healthtransformation.net/>.

*The Center for Health Transformation, founded by Speaker Newt Gingrich is dedicated to saving lives and saving money through driving transformational solutions and policies throughout the system. These e-mails from Newt are updates about the Center for Health Transformation, providing an insider's view of key events and opportunities for transformation. Some of you have already signed up for membership in the Center. Others are being sent this email as an invitation to membership.*

*The Center for Health Transformation does not provide lobbying services nor directly or indirectly participate in lobbying activities of any kind. The Center for Health Transformation further does not render legal advice, perform accounting services, nor act as an investment advisor or broker-dealer within the meaning of applicable state and federal securities laws.*