



## Center for Health Transformation E-Newsletters

If you are interested in receiving the Center for Health Transformation's E-Newsletter, please contact us at [info@healthtransformation.net](mailto:info@healthtransformation.net)

**April 2007**

► In this issue:

---

- Newt Notes
- Members Update
- CHT in the News
- Project Spotlight
- Transforming Example
- Upcoming Events

### Newt Notes

One has only to look at the strain on the Medicare program to realize there is a tremendous need for real dialogue regarding the best approach to transforming the U.S. healthcare model.

It should have come as a surprise to no one that the Medicare Trustees reported this week that the program as currently structured is unsustainable – with the charge to serve 78 million baby boomers, Medicare is on track to collapse under the weight of its own unfunded liabilities.

The Medicare problem is indicative of a fundamental flaw present in nearly every aspect of the U.S health system: a lack of incentives to promote better health and more choices at lower cost.

The U.S. spends over 16% of the largest economy in the world on healthcare, and yet we still struggle to extend care to over 45 million uninsured Americans. Is the task truly so impossible? Can the most innovative nation in the world not find a way to demand an acceptable return on our healthcare dollars?

Here at the Center, we want to develop a new model of how to get to a 300 million-payer system. To better inform our discussions, we have launched a new online resource that will serve as a clearinghouse for uninsured policy ideas being proposed across the nation. (To view the [Healthcare Reform Proposals to Expand Health Coverage for the Uninsured page](#), visit the CHT website at [www.healthtransformation.net](http://www.healthtransformation.net).)

Our new page includes all major health proposals to expand coverage to the uninsured, including ideas from President Bush, every candidate in both parties, and congressional, state, and governors' proposals. Please be sure to let us know what we have not uncovered yet; we want this to be the definitive one-stop information source to keep you all up to date. Ultimately, this should be totally inclusive.

Contrary to the opinion expressed by many politicians and policy critics, the problem with healthcare is not a matter of financing. In fact, the U.S. spends plenty of money on healthcare. The real issue is that we waste so much money in the vacuum of our current financing model that we lose the opportunity to insure all Americans.

The current system can best be described as an engine of increased payments which do nothing to address the underlying inefficiencies in the delivery of care. The underlying social and cultural problems – such as exploding diabetes and obesity rates – are all but ignored.

Achieving 100% healthcare coverage is possible, but it requires transforming four distinct areas: the way individuals view their health and healthcare; how culture and society influences individual behavior; the way we deliver care; and, finally, how health insurance and healthcare are financed.

A central tenet of CHT's efforts to create a 21st Century Intelligent Health System is that we must give people tools to better manage their health. An acute-care-focused system misses the opportunity to help create a healthier, better life.

For example, people at risk of developing diabetes who exercise and manage their weight can avoid developing the tragic and costly disease. Any serious proposal to cover the uninsured must take into account the enormous potential of preventive measures to transform the landscape of the health system at large.

Incentivizing behavior change is essential to improving health outcomes and reducing healthcare costs. In addition, early detection, good self-management and provision of best standards of care are key to minimizing the physical and financial impact of diabetes and other chronic diseases.

One initiative that we hope will become a model for others to follow is our Healthy Columbus Project, a community-wide effort in Columbus, Georgia to prevent obesity and diabetes and to provide early detection and optimal management for those with diabetes. Just this week, CHT announced, as part of this project, a three-year program (a collaboration of Pfizer, the Columbus Research Foundation, the Columbus Chamber of Commerce and CHT) which will focus on altering the metabolic status of Columbus' working-age population that either has Metabolic Syndrome, suffers from related conditions such as diabetes, high blood pressure, and elevated cholesterol, or is at risk to develop these conditions. Educating area physicians based on national guidelines for diabetes care from the National Committee for Quality Assurance (NCQA) is also an important element of the project. In addition, worksite educational programs will be carried out in association with the Columbus Chamber of Commerce and major private employers in the area, including divisions of major area corporations, employees of the Columbus city government, and healthcare workers.\*

*\*Note: An update on the Healthy Columbus Project will be provided in the next installment of the Georgia Project e-newsletter, and will include details regarding the implementation of a uniform system of insulin delivery in Columbus hospitals, as well as a new Novo Nordisk-led coalition that will collaborate with CHT and the Columbus Research Center to launch a project with the goal of getting 100% of all eligible Medicare recipients in Columbus screened for diabetes.)*

## Project Spotlight

The Center for Health Transformation is proud to announce the launch of our newest initiative, the Missouri Project.

Julie Eckstein, former Director of the Missouri Department of Health and Senior Services, has also joined the Center for Health Transformation as Director of State Operations and of the Missouri Project.

Ms. Eckstein comes to us with an impressive background. In her most recent cabinet position in the Missouri Department of Health and Senior Services, she led an agency with 2000 employees and a budget of over \$840 million. Ms. Eckstein was part of both the legislative Medicaid reform commission and the executive Medicaid working group charged with transforming the state's Medicaid program (set to sunset in June of 2008). She also chaired the governor's Health IT task force and was highly involved in chronic disease efforts, including the launch of the Healthy Missourians initiative. ([Learn more about Julie Eckstein](#))

"It is a wonderful opportunity to be part of such a great organization with a mission that I strongly believe in – the need to transform our health and healthcare delivery systems," said Ms. Eckstein. "It feels like a perfect fit with the diverse background I have had in community and public health, along with many aspects of healthcare delivery in hospitals, outpatient rehab, long-term care facilities and community-based health."

Missouri provides an opportunity to replicate the successes of our groundbreaking Georgia Project; like Georgia, the Missouri Project will be a model for how to implement innovative solutions in a defined geographic area.

"Our Georgia and Missouri initiatives are critical to the Center's ability to accelerate system-wide health transformation," says CHT CEO and President Nancy Desmond. "In both of these states, we

have a unique opportunity to generate and monitor projects to test solutions that promote value-based health and healthcare, increase access, and reduce costs.”

### **CHT to Form Missouri Project Advisory Board**

To build the Missouri Project, CHT is inviting members who have a presence in Missouri, as well as others in the state, to join an advisory board to help guide the work. Next steps will include completing an environmental scan of what is already happening around the state, identifying need areas or gaps in leadership around critical topics, and prioritizing those opportunities.

The Center plans to hold its first meeting of the Missouri Project advisory board in late June. To become involved in the Missouri Project, contact Julie Eckstein at [jeckstein@gingrichgroup.com](mailto:jeckstein@gingrichgroup.com).

---

[Back to Top](#)

---

## **Members Update**

The Center for Health Transformation would like to welcome our newest Platinum member: [INTEGRIS Health](#), Premier member: [YTC, Inc. \(You Take Control\)](#), and Associate member: [AADE \(American Association of Diabetes Educators\)](#).

We are also pleased to recognize the following members for renewing at the Charter level: [DaimlerChrysler](#); at the Platinum level: [WellPoint Inc.](#); at the Premier level: [Emageon](#), [Quest Diagnostics](#), [Sheridan Healthcare](#), [Society for Neuroscience](#), and [WellStar](#); and at the Associate level: [InterAmerican College of Physicians and Surgeons](#) and [National Minority Quality Forum \(formerly National Minority Health Month Foundation\)](#)

The Center would like to extend a special thank you to [Allscripts](#) for renewing and upgrading from a Premier to a Platinum membership.

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.

---

[Back to Top](#)

---

## Transforming Example

### **Eli Lilly and Company**

To assist physicians and other clinicians involved in the care of schizophrenic patients, the Missouri Department of Mental Health (DMH) and the Missouri Division of Medical Services (DMS) partnered with Comprehensive Neuroscience Inc. and Eli Lilly and Company to implement a statewide project called Medical Risk Management (MRM) for Missouri Medicaid recipients with a diagnosis of schizophrenia. This program is a strategy for adapting disease management to behavioral health in Missouri.

### **Situation**

Schizophrenia is primarily an adult disease of significant duration that can lead to disability and long-term dependency on government payors – especially Medicaid. When both health and mental health costs are included, schizophrenia is among the most expensive diseases for a Medicaid program. However there are only a few population-based health management programs that have been developed for this problem and they are very limited in enrollment capacity, require voluntary enrollment, and are viewed as competitive with existing state case management programs and community based provider organizations. More important, current methods of identifying the cohorts of patients that would most benefit by special management have not yet proven effective in enrolling those most likely to be the greatest risk for relapse and to incur the highest annual Medicaid costs.

### **Solution**

Many of the sickest patients served in psychiatric practice have both severe medical and psychiatric illnesses. These patients can be challenging to serve due to their many healthcare conditions and their complex utilization patterns. To assist physicians and other clinicians involved in the care of these patients, the Missouri Department of Mental Health (DMH) and the Missouri Division of

Medical Services (DMS) partnered with Comprehensive Neuroscience Inc. and Eli Lilly and Company to implement a statewide project called Medical Risk Management (MRM) for Missouri Medicaid recipients with a diagnosis of schizophrenia. This program is a strategy for adapting disease management to behavioral health in Missouri.

The focus of the MRM program is to improve health outcomes and decrease overall cost of services to persons diagnosed with schizophrenia and other chronic medical conditions. The MRM program uses a predictive algorithm to identify patients who are more at risk of adverse health outcomes and higher services (medical, behavioral and pharmacy) costs than other Medicaid recipients. Once high-risk patients and their clinical providers are identified, MRM will provide summaries of recent health care service use from all providers and evidenced-based recommendations for current care needs based on the retrospective analysis of claims data. This information will be provided on a quarterly basis (monthly intervention will be mailed if clinical consideration warrants) to keep psychiatrists, primary care physicians and case managers alerted to both psychiatric and medical care issues such as:

- Medical and psychiatric outpatient visits within the past six months.
- Emergency room and hospital admissions within the past year.
- Comorbid diagnoses.
- Prescriptions filled within the past 90 days.
- Potentially dangerous drug-drug interactions or side effects.
- Patient failure to fill prescriptions in timely fashion.
- Emerging patient health risks.

MRM is an outgrowth of a pharmacy quality initiative, Behavioral Pharmacy Management (BPM), which is already in operation in the state of Missouri. While the BPM program focuses primarily on physician prescribing practices that fall outside established standards, MRM focuses more directly on the patient. The program is designed to keep all physicians and case management staff informed of both medical and psychiatric issues arising in his or her

care. By providing all healthcare providers with critical information about all the healthcare services and providers involved in a person's care, and by providing patients with community case management support to the follow-through on all of their healthcare needs, behavioral and physical health outcomes can be improved. In an effort to continually improve the mental and medical care of this population, DMH and DMS, in association with their established psychiatric and medical care provider systems, will also explore other ways to enhance care coordination for MRM patients.

### **Better Health & Lower Costs**

Fifty-one percent of the cases were female and they were primarily White (74%). The intervention cases ranged in age from 10 to 94 (mean 46.2 years; SD=13.2). The mean number of prescriptions per recipient in the six-months prior to enrollment were 69 (SD=40.3) and each enrollee had, on average, 3.3 co-occurring physical health conditions. The majority of the recipients suffered from cardiovascular disease (71%), hypertension (70%), respiratory disease (61%) and obesity (47%). The average total health care expenditures for this population in the six-months prior to enrollment was \$30,229.98 with \$16,623.85 spent on outpatient, \$7,698.82 on inpatient and \$5,913.31 on pharmacy services.

There were two important findings from this project. First, the predictive algorithm did identify the Medicaid recipients who have high medical services and pharmacy expenditures. Second, as hypothesized, this model also identified those patients who have both severe medical and psychiatric illnesses. Nearly 63% of the enrollees were dually eligible with Medicaid and Medicare and there was a high prevalence of several co-occurring conditions (e.g., obesity, cardiovascular disease, hypertension, substance abuse). Therefore, the predictive model was able to identify recipients who are very challenging to treat due to their multiple healthcare conditions and their complex and costly utilization patterns.

*For more information, visit the [CHT website](#) and view the [Transforming Example](#).*

## **CHT in the News**

### **CHT's GA Project Leads to Increase in Physicians Recognized for Providing Best Standards of Care for Diabetes**

CHT Founder Newt Gingrich presents the NCOA Diabetes Certificate of Recognition to Dr. Elizabeth Martin of Columbus, Georgia. ([Press release](#))

### **Gingrich Returns to GA to Expand Scope of Healthy Columbus Project**

At an April 25 luncheon meeting of the Columbus Rotary Club, CHT Founder Newt Gingrich discussed CHT's effort to build a community model of health. ([Press release](#); [Columbus Ledger-Inquirer](#); [WTVM News 9](#); [WRBL News 3](#))

### **CHT Moves toward National Expansion with Launch of MO Project**

The Center's newest project will be led by CHT's new Director of State Operations, Julie Eckstein. ([Press release](#))

### **CHT Hosts Capitol Hill Briefing on Personal Health Records**

CHT joins leaders from the health insurance industry to educate policymakers and the public about the important role that personal health records can play in transforming health and healthcare. ([Media Advisory](#); [United Press International](#))

### **Gingrich, Desmond Recognized in GA "Most Influential" List**

CHT Founder Newt Gingrich and CEO Nancy Desmond are named two of "Most Influential Georgians of the Year" for 2007 by [James](#) magazine.

### **Preparing for a Twenty-First Century Intelligent Health System**

In a new op-ed published in [James](#) magazine, Newt Gingrich and Nancy Desmond recommend essential steps healthcare

organizations must take in order to transform America's broken health system.

### **Gingrich Sees Computers Improving Healthcare**

CHT Founder Newt Gingrich speaks at the American Medical Association's medical communication conference in Tampa, Florida. (*St. Petersburg Times*)

### **Protecting Americans from Genetic Discrimination**

CHT Founder Newt Gingrich and Project Director Robert Egge write a new op-ed for the *Washington Times*: "Healthcare Re-Gifting."

### **Medicaid Redesign Needs to Meet Individuals' Health Needs**

*Healthcare Finance News* publishes an excerpt from the newly released book from CHT and SHPS, *Making Medicaid Work: A Practical Guide for Transforming Medicaid*.

### **Build Eisenhower's Highway System for Today's Needs**

CHT Project Director David Merritt contributes a new health IT white paper to *Healthcare Technology, Volume 4: The Digital Healthcare System*.

---

[Back to Top](#)

---

## **Upcoming Events**

### **Newt Gingrich to speak at Siemens' Twenty-Third Annual Healthcare Leadership Forum**

*Dana Point, CA*

Wednesday, May 2, 2007

### **Jim Frogue to be a panelist, "Transforming Health Care," SHPS Customer Forum**

*Louisville, KY*

Friday, May 4, 2007

### **Newt Gingrich to speak at The TransAtlantic Business Dialogue (TABD) Innovation Conference Healthcare**

*Berlin, Germany*

Tuesday, May 8, 2007

**David Merritt to speak at Ingenix 2007 Health Care Leadership Forum, "Price and Quality Transparency"**

*San Francisco, CA*

Tuesday, May 15, 2007

**Newt Gingrich to speak to Kaiser Permanente**

*Mayfield Heights, OH*

Wednesday, May 16, 2007

**Newt Gingrich to speak at SAS 2007 Healthcare and Life Science Executives Conference**

*Cary, NC*

Thursday, May 17, 2007

**David Merritt to speak at Collaborative Communications Summit: Transforming Health Care through Health Information Technology, "The HIT Landscape: Who Are the Major Players and How Can Your Organization Work With Them?"**

*Washington, DC*

Friday, May 18, 2007

**Newt Gingrich to speak at US Chamber's America's Small Business Summit**

*Washington, DC*

Thursday, May 24, 2007