



Center for Health Transformation E-Newsletters

[Newt Notes](#) | [Monthly Conference Call](#) | [Project Spotlight](#)
[Upcoming CHT Event](#) | [Transforming Example Spotlight](#)

Center for Health Transformation Update!

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.

If you would like to become a corporate/association member of the Center for Health Transformation or are interested in financially sponsoring a specific project, please contact us: (202) 414-1800 or info@healthtransformation.net. Please also visit our website at <http://www.healthtransformation.net>.

If you would like to be taken off of this distribution list, please reply to this message and write "unsubscribe" in the subject line.

Newt on Transformation vs. Reform

"This is not just a fancy use of language. We have lived through transformations, and they are profoundly different than reform. Reform is when you think the current system's basically okay but, if I could tweak it a little bit--a few fixes, it would work fine. You're not just tweaking and fixing the 20th century system. You're in fact, growing a brand new system...In June [2003], the state of Florida adopted a bill, which said, 'A written prescription for a medicinal drug issued by a healthcare practitioner licensed by law to prescribe such drug must be legibly printed. I just want to suggest to you, the idea in 2003, that we are trying to convince doctors to print legibly is not transformational.'" --- *Center for Health Transformation Hill Briefing to Congressional Staff, August 18, 2003*

CHT
Founder
Newt
Gingrich

Newt on eliminating the donut and the Medicare Opportunity:

The key to Medicare being a great achievement is to see the House and Senate bills as building blocks rather than as boundaries. The Agency for Healthcare Research and Quality (AHRQ) reported in June that a series of patient safety initiatives could save tens of thousands of lives and \$100 billion a year. These improvements range from e-prescribing to bar coding. If one-fourth of the savings were realized by Medicare and Medicaid, the savings would be about \$25 billion a year. Even if you cut the estimates by 80%, the Centers for Medicare and Medicaid Services would still realize a savings of \$5 billion a year. These kind of transformational solutions will not only save lives by eliminating errors, they will also help Congress solve the weaknesses in the current drug bill including the "donut" in prescription drug coverage-- the thing seniors most dislike and makes the least sense.

Paraphrased from Newt's white paper, "The Opportunity to Create a 21st Century Medicare System of More Choices Higher Quality at Lower Cost." The paper includes the chart featuring the AHRQ report highlights and can be found at

<http://www.healthtransformation.net/projects/suppdocs/Medicareaei803.pdf>

Newt on traditional Medicare verses a FEHB-style of Medicare

"Gingrich had a stern warning for fellow conservatives who...might want to move current participants out of traditional Medicare. ` You want to make traditional Medicare financially affordable by bringing fiscal accountability to people entering traditional Medicare born after 1953 ... the odds are very high, if you allow an FEHB-style plan (Federal Employee Health Benefits), that all the innovation, all the entrepreneurship, all the new approaches, all

the new techniques will, over time, make it substantially less expensive than the traditional system...You cannot change the current system for those who are in it. It's not politically sustainable. It's also not psychologically sustainable. Why would you go to an 89-year-old widow who's on a limited income and say, "If you manage to live long enough, we're going to make sure you're really broke?" This is an age-related change in benefits, not a date-related change.'" --- *Quote taken from CNS.com's website article on Newt's Transformational Workshop for Hill Staff on August 18.*

Newt on the current Medicare Debate:

The current Medicare debate is a dance that involves 6 elements.

1- AARP is the largest single voluntary membership organization in the US next to the US Catholic Church. They believe this is the best chance they have ever had to bring prescription drugs into the Medicare process. Their membership adamantly wants this solved, so in the end, my prediction is that AARP will find a way to strongly support the bill and get it to a signing ceremony with the President.

2- House Conferees and the House Republicans developed a bolder and more reform oriented plan because in the House if you get a majority of one vote in the House, you win. As a result, they can follow a strategy of writing a much more reform-oriented bill and still get it through the House.

3- The Senate Conferees and the Senate Republicans are playing under a very different set of rules. Since it takes 60 votes in the Senate to break a filibuster, there is less progressive thinking. The result is that Chairman Grassley had to employ a strategy of accommodating the Democrats to get the 60 vote majority he needed, thus creating a much less reform oriented bill, spending the money in a much more bureaucratic manner and as a result got a very large majority. Psychologically, the Senate conferees will want to keep the bill close to the Senate. However, if AARP supports a bill it is almost certain that that bill will go through the Senate even if it is not similar to the Senate bill.

4- The Bush Administration wants a bill and a signing ceremony in October. The internal debate for the Administration is whether the center of focus is on pleasing the Senate Democrats or on pleasing AARP. They can't possibly pass a bill that has both [groups] opposed to it. My bet is on AARP.

5- The conservative movement sees this bill as the single largest domestic program change since Lyndon Johnson's "Great Society" in 1965. Therefore,

they want the prescription drug benefit to accompany real reform in the program. They want to see the program designed much more like the Federal Employee Health Benefits Program. My guess is you will see a move toward this kind of model when Congress returns from the August recess.

6- The partisan Democrats are really torn. They really don't want President Bush and the House and Senate Republicans to get credit for a Medicare drug benefit, and on the other hand, they are not in a very good position to be opposed to AARP and the senior citizens. Therefore, you will see a very deep split, especially among the Presidential Candidates, between those who decide that they have to be against anything that makes President Bush look good and those that decide that they just can't afford to pick a fight with seniors on this and they are going look for something else to flight with the President about.

The bottom line: Conferees will come back in September. They will start negotiating around the 10th and not get to a conclusion until October but they won't leave without a signing ceremony.

--- Paraphrased from CHT Charter and Premier Member Only Conference Call, August 14, 2003

Newt on eprescribing

"The reality is our society has embraced the electronic delivery of important information—from ATM cards to smart gas pumps— for reasons that are no more significant than customer convenience.

In this situation, there are people dying and being harmed (7,000 people die annually from medical errors, 2 million adverse drug events per year) and still we have not mandated the use of a technology that has proven to save lives, electronic prescriptions. Not only have eprescriptions decreased medication errors, they also result in dramatic savings. Even if the incentive were purely economic, the systemic cost savings alone would warrant the switch to electronic prescribing. One study demonstrated a decrease in pharmacy costs of \$1.15 per member/per month and a 30% decrease in physician to pharmacy phone calls by the use of electronic prescriptions.

The Medicare bills passed in the House and Senate both have provisions for mandating eprescriptions for Medicare patients. Hopefully they will make it in the final bill. However, as a society, if we value the lives of individuals in health care as much as we do in other industries, lawmakers should mandate all prescriptions be electronic by 2005. *--- Closed Email to opinion leaders from Newt*

Exclusive Monthly Member Call - September 15th

Newt Gingrich will lead a briefing on the State Transformation Project, via conference call, with Premier and Charter Members of the Center for Health Transformation on Monday, September 15th from 10:00-11:00. Newt will take questions, share his personal insights and discuss such topics as:

- The current list of participating states;
- Why the states are participating;
- The strategy for our engagement with the states through this project; and
- The relationship between Center members and the State Transformation Project;

Access to this call is restricted to Charter and Premier Members. If you would like more information about how to become a Premier or Charter Member of the Center, please contact us at **(202) 414-1800** or info@healthtransformation.net.

This week the State Transformation Project was launched via conference call between Georgia Governor Sonny Perdue's Transformation Team, Newt Gingrich and other Center leadership. Georgia will serve as a model for how the Center will engage with the other transformation teams being assembled by participating Governors.

To date, eight Governors, both Republicans and Democrats, have committed to participate in the Project. Each Governor is selecting a three person transformation team to work both with the Center and with other states' transformation teams to develop and test new approaches and solutions that will accelerate a 21st Century Health and Health Care System.

The transformation teams report directly to the Governor and have influence over the three principle jurisdictions relating to health and health care:

1. The state as provider of health and healthcare for the poor, including Medicaid and other programs;

2. The state as an employer paying for health care including state employees, university system employees, local government employees and school board employees (collectively often the largest purchaser of healthcare in the state);

3. The state as a community with community-wide interests in the better health and healthcare of its residents.

The format for interacting with these teams will be a series of in person meetings, conference calls, and, thanks to the participation of PolyCom, videoconferencing. These planning meetings will be both between CHT and the governor's teams individually as well as larger brainstorming sessions where teams can interact with one another. An initial gathering of participating state transformation teams is tentatively being planned for October 1-2 in Atlanta.

General Project topics include:

- In depth discussions about the principles of transformation, the application of these principles to each particular state
- The sharing of best practices for transforming health and health care at the state level;
- The sharing of model state solutions and policies;
- Discussion and strategies for creation of transformational federal policies;
- Reviewing new ideas and new solutions that offer more choices and better outcomes at lower cost;
- The development of workshops and education programs and communications strategies and principles to bring all stakeholders into the transformational process;
- And the design of strategies for driving transformational policies.

You can find more information on the State Transformation Project by visiting our website: <http://www.healthtransformation.net/projects/stp.asp>

**Center for Health Transformation, a sponsor of The Emerging Technologies & Healthcare Innovations Congress conference
September 22-24**

The Center for Health Transformation is a sponsor of *The Emerging Technologies & Healthcare Innovations Congress* conference from September 22-24. Newt Gingrich, founder of the Center for Health Transformation will be a speaker on September 22nd. The Emerging Technologies & Healthcare Innovations Congress provides healthcare industry executives with an in-depth conference convening clinicians, healthcare executives, technology thought leaders and vendors to address the impact and promise of technology and innovation on the future of healthcare. This content-driven forum and trade show will address the relevance and role of a wide range of issues, including web-enabled business processes and medical devices, the telecommunications convergence, and advances in medical and bio-informatics. Event participants will have the opportunity to interact with technology providers and suppliers, and preview and demo new and innovative products in an exhibit setting.

To view other CHT events, please visit <http://www.healthtransformation.net/events>.

Quarterly Member Meeting

The Center for Health Transformation is in the process of scheduling its inaugural member meeting in Washington, DC for November 2003. The meeting is open to Charter and Premier members. For information on how to become a Charter or Premier Member of the Center, please contact us at **(202) 414-1800** or info@healthtransformation.net

Please stay tuned for more details regarding this event.

The Center for Health Transformation is constantly seeking solutions that improve quality and lower cost. You may find numerous transforming examples on our website by visiting <http://www.healthtransformation.net/cases/>. We encourage you to submit your own transforming example via the website.

The following is our Transforming Example Spotlight for this month.

Currahee Health Benefits Solutions

Situation:

Most people are familiar with the wellness programs offered by local

hospitals, community groups, and even some employers. Wellness programs generally reward individuals for adopting healthy lifestyle choices, such as losing weight, giving up smoking or reducing stress. These programs are effective in helping people who are basically healthy improve their quality of life, but there is another population of the working public that suffers from chronic illness – diseases like diabetes, asthma, heart disease, high blood pressure, or high cholesterol. In a typical company, these people comprise approximately 20 percent of the employees and dependants covered under the health plan.

Drilling down into a company's medical and pharmacy claims data, one can discover that the bulk of the expense of the healthcare plan – probably about 45 percent – goes to claims for chronic illness. In other words, 20 percent of the insured employees and dependants are responsible for 45 percent of the healthcare costs.

Currahee Health
Benefits

Solution:

Currahee Health Benefits Solutions is an Atlanta-based company that designs disease management and pharmacy management for employers who are savvy enough to recognize the financial and productivity benefits that come from a healthy workforce. Currahee's programs are designed to manage an individual's disease in the most cost-effective manner, while improving the quality of care and outcomes. The focus of these services is to target individuals with chronic diseases – many of which may be managed in the home and workplace – saving money and time through early intervention – before an acute care situation occurs. Once enrolled in the program, individuals receive benefits such as waived prescription co-pays, free medical equipment, and/or fitness center memberships.

Currahee is based on proven programs that include case management, educational services, utilization management, medication management, and coordination with the physician's office. Chronic conditions that are targeted include asthma, diabetes, digestive and cardiovascular disease.

Outcomes: Better Health & Lower Cost

Currahee seeks to provide health plan sponsors with a proven method of identifying and managing healthcare costs and to provide plan enrollees with proven disease management protocols to manage their disease states. For every dollar spent on disease management programs, employers realize a return of \$3 to \$5.

For more details about this program, please visit the full case study at <http://www.healthtransformation.net/cases/index.asp?ID=5>.

If you would like to be removed from this distribution list, please reply and write "unsubscribe" in the subject line. Ask us questions or send us feedback. info@healthtransformation.net or **(202) 414-1800**

Copyright © 2003 Center for Health Transformation. All rights reserved.