



## Center for Health Transformation E-Newsletters

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### Newt Notes - Transparency

In his [State of the Union](#) speech last month, the President proposed a health policy agenda designed to make American healthcare more affordable, portable, efficient and transparent. The President talked about the unsustainability of the current system, and called for tapping into the benefits of consumer-directed care, health IT, and HSAs. These are pretty clear steps in the right direction. We were very pleased to see that the Administration has captured the mood of the country with regard to the need for real health reform; rather than relying on a system of centralized bureaucratic administration and attempts to save the health system through rationing, the President's model is based on a market-oriented system characterized by transparency and choice.

As a supplement to the State of the Union, the White House this month released a new health policy booklet, "[Reforming Health Care for the 21<sup>st</sup> Century](#)." I strongly urge you all to review this document. This comprehensive proposal outlines the President's vision for the future of the American health system – and also broadly represents exactly the direction we have been advocating here at the Center. The agenda also complements the Center's [Right to Know Project](#), which aims to achieve better health outcomes at lower cost through transparency of information. (*See the [Project Spotlight](#) section of the newsletter for more information on the Right to Know Project.*)

It is encouraging to see that the President believes "empowering consumers is essential to improving value and affordability in healthcare." Transparency of cost and quality information in healthcare will be a cornerstone of a 21st Century Intelligent Health System that saves lives and saves money. Availability of and accessibility to accurate

health information is an absolute precondition to maintaining a true market-infused health system that promotes competition and thus increases health value by driving down costs and improving quality performances.

Center Members will be happy to learn that President Bush has been enthusiastically pushing his health transparency message. At a February 15 speech in Ohio, the President said that federal legislation may be necessary to guarantee that healthcare providers offer consumers more details related to health service cost and quality. During a health policy forum at HHS later that same week, the President sought support for transparency from representatives of the healthcare, insurance and business industries. Stressing that America's untenable healthcare inflation is a function of the lack of a mediating market, President Bush observed, "There's no consumer advocacy for reasonable price when somebody else pays the bills."

The Administration is now demonstrating that they grasp the scale of transformation necessary to preserve our health system. The President has acknowledged that a quality, sustainable and consumer-oriented health system will require many layers of change, and that cost and quality transparency is a primary concern, crucial to dismantling a disconnected third-party system. Part and parcel to the ideal of consumer-directed care is that individuals learn to make rational and responsible health decisions, and transparency is vital to that process. Evoking our popular analogy, the President lamented, "When you go buy a car, you know, you're able to shop and compare. And, yet, in healthcare, that's just not happening in America today."

If the President can effectively inform the country about transparency and its essential role in improving health value, his policy proposals for concomitant health savings account and health IT will gain influence as well. Now is the time for the public and private sectors to step up in a major way and contribute intelligent leadership to the development of the transparency movement. The private sector can supply much-needed resources and knowledge to the development of accurate, efficient, and user-friendly transparency models. Government, as the world's largest purchaser of healthcare, should become the model implementer of the next generation of incentives, knowledge, and choice; they can also assume a leading role in accelerating health transparency through the requirement of price and quality reporting.

America cannot afford to postpone genuine transformation of the health system. Each day that passes is a missed opportunity to help more Americans enjoy longer, healthier, more fulfilling lives. New data released this month by the [Centers for Medicare and Medicaid Services](#) indicates that the US health costs will double over the course of the next decade. National Health Expenditures for 2005 will exceed \$2 trillion (16.2% of GDP); by 2015, the US will be spending well over \$4 trillion on health (20% of GDP). According to the official score released by CMS in January, federal government health spending alone reached \$600 billion in 2004 (that's 26% of the federal spending, using the most recent [Congressional Budget Office](#) baseline budget projection); by 2015, CMS estimates that number will exceed \$1.4 trillion (36% of all federal spending).

Lacking price and quality transparency, our health system will forever remain incapable of meeting the needs and demands of modern society. The vast majority of Americans believe that the public has a right to know price and quality information before making a health decision. This is a salient issue which Americans understand, but real progress

depends upon the efforts of forward-thinking leaders to help mobilize national support for a consumer-oriented healthcare system that reduces cost through increased choice, quality and access. We have the technological tools to do this: government and private entities are now creating websites and other internet tools which promote health price and quality transparency and facilitate the consumer's decision-making process. *(Please visit the new CHT Right to Know Project [Leading Examples](#) page for links to websites devoted to health transparency.)*

At the Center, we will continue to educate and collaborate with leaders in government and the private sector about how to forge ahead and enact policies which promote transparency and health transformation. In particular, we are looking forward to next month's CHT-sponsored transparency briefing on Capitol Hill: "[Making Provider Healthcare Prices Transparent – The Key to the Success of Consumer-Directed Healthcare.](#)" *(See the [Project Spotlight](#) for more information)*

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## New Members

The Center for Health Transformation would like to welcome our newest Premier members: [America's Health Insurance Plans \(AHIP\)](#), [Covisint](#), [Emageon Inc.](#), [Inland Northwest Health Services](#), and [Quovadx, Inc./CareScience](#).

We would also like to welcome our newest Associate member, [MedRespond, LLC](#).

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 - Right to Know Project

### **CHT Capitol Hill Briefing: "Making Provider Healthcare Prices Transparent – The Key to the Success of Consumer-Directed Healthcare"**

Our [Right to Know Project](#) is growing more comprehensive by the day. The latest addition to our busy calendar is a health transparency briefing, to be held on Capitol Hill on March 7. The briefing, "Making Provider Healthcare Prices Transparent – The Key to the Success of Consumer-Directed Healthcare," will be co-sponsored by the Center for Health Transformation and the [Galen Institute](#).

The consumerism movement in healthcare can function only if individuals have access to accurate and timely data. The March 7 event will focus on determining methods and strategies for achieving more transparency in the healthcare sector. Specifically, we will be exploring how to promote the rapid dissemination of quality and price information so

that consumers will be able to determine the value of the care they choose.

At this time, confirmed speakers include CHT founder Newt Gingrich; Roy Ramthun, chief health aide to President Bush; Senator Tom Coburn (R-OK); and Congressman Pete Sessions (R-TX). Additionally, a three-person panel (including Merrit Quarum, CEO of [Qmedtrix](#) and Jim Oatman, Sr. VP of [Assurant](#)) will discuss what the private sector has done and will do with respect to making information available to consumers.

Co-hosting the event will be Jim Frogue of CHT and Grace-Marie Turner of the Galen Institute. The event will occur as a two-hour lunch, and we expect an attendance of approximately 75-100 Hill staff.

### **More on the [Right to Know Project](#):**

The mission of the Right to Know project is to ensure that individuals receive more accurate, relevant, and accessible information on price and quality as they make health decisions. Health transformation is impossible without an infusion of data transparency into the American model. If we want our health system to yield higher quality outcomes at lower cost, then we must restore to individuals not only the right to make decisions regarding their own care, but also empower them to make wise decisions by equipping them with price and quality information.

Health transformation will be achieved by capitalizing on the lessons derived from modern trends and movements. In 21<sup>st</sup> Century America, people's expectations of quality and efficiency are determined by their everyday experiences with the modern world. When seeking knowledge, individuals demand speed, accuracy and accessibility to be hallmarks of the information age. Our mission is to capitalize on these desires for the tools of modernity and re-imagine the individual's expectations of the health system accordingly. The Center for Health Transformation will promote and encourage a movement that motivates caregivers to adopt appropriate digital and online resources in order to learn about best practices, thus enabling individuals to make better health decisions and incentivizing providers to improve performance.

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## **Transforming Example**

### **SureScripts**

SureScripts was founded in 2001 by the [National Association of Chain Drug Stores \(NACDS\)](#) and the [National Community Pharmacists Association \(NCPA\)](#) to improve the quality, safety, and efficiency of the overall prescribing process. The SureScripts Electronic Prescribing Network is the largest network to link electronic communications between pharmacies and physicians, allowing the electronic exchange of prescription information.

### **Situation**

The nation's prescribing process presents four major challenges:

- 1) There is far too much time spent phoning and faxing to clarify prescriptions and authorize renewal requests;

- 2) Errors result from misread prescriptions or medications with similar-sounding names;
- 3) Physicians lack network-based access to medication history from a clinical source;
- 4) The tools available to physicians, pharmacists and patients for managing drug compliance are manual and severely limited.

### **Solution**

Over the past 30 months, SureScripts has established a neutral nationwide network for electronic prescribing by connecting the nation's numerous physician technology applications and pharmacy software systems, enabling physicians and pharmacists to communicate electronically. As a result, new prescriptions are sent directly from the physician's computer or PDA to the pharmacy computer – quickly, accurately and securely.

### **Better Health & Lower Cost**

Over the past two years, the SureScripts network has experienced enormous growth: the number of states live with e-prescribing has increased from 5 to 47, and pharmacy connectivity has increased from 50% to 90%. Using the SureScripts two-way connection, more and more physicians and pharmacists across the nation are automating new prescription and refill requests by eliminating the need for various combinations of manual data entry, faxing and phone calls.

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

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## **CHT in the News**

### **Gingrich Hosts Bird Flu Special**

CHT Founder Newt Gingrich hosted a Sunday night Fox News special, "Bird Flu: Fact and Fiction." (*Fox News Channel – 2/19/06*)

### **Health IT Seal of Approval?**

Project Director David Merritt cautions that health IT certification processes should be neither complex nor costly.

(*Government Health IT, 2/13/06*)

### **Fighting the Flu**

CHT Project Director Robert Egge observes that applying practical IT solutions in healthcare can aid in pandemic response planning.

(*Government Health IT, 2/13/06*)

### **U.S. Pharmacies to Make Secure Medication History Available to Consumers and Physicians**

(*Reuters/Yahoo!; SureScripts press release, 2/13/06*)

### **Health Transformation: An Opportunity, Not a Problem**

Speaking to the Kansas Chamber of Commerce, CHT Founder Newt Gingrich calls health

transformation a moral imperative.

*(AP/Kansas City Star; Topeka Capital Journal, 2/8/06)*

### **Easy on the Healthcare**

CHT Project Director David Merritt comments on the Administration's recent health proposals offered during the State of the Union Address.

*(Modern Healthcare – Cover story, 2/6/06)*

### **CHT Urges EHR Standards**

Project Director Jim Frogue discusses the benefits of health IT before the Medicaid Advisory Commission. *(Modern Healthcare, 2/3/06)*

### **Healthcare Systems Must Interoperate**

CHT Founder Newt Gingrich calls for health IT standardization

*(Information Week, 2/2/06)*

### **Saving Lives and Saving Money in the 21st Century**

CHT's most recent white paper on the principles of health transformation – by Speaker Newt Gingrich.

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## **Upcoming Events**

**3/2/06 – Newt Gingrich to speak at the "Transforming Healthcare" symposium – Atlanta, GA**

**3/7/06 – Capitol Hill Briefing from CHT and the Galen Institute: "Making Provider Healthcare Prices Transparent: The Key to Success of Consumer-Directed Healthcare" – Washington, DC**

**3/14/06 – CHT Member Meeting – Tallahassee, FL**

**3/27/06 - 3/28/06 – Pandemic Influenza Strategic Simulation – Washington, DC**

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