



Center for Health Transformation E-Newsletters

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Newt Notes

With eighteen months to go before the 2008 elections, debate surrounding identifying the best public policy strategy for achieving 100% insurance coverage in America seems to be reaching a fever pitch.

Proposals aimed to help cover America's uninsured have been offered from leaders at all levels of government. President Bush, in his State of the Union, proposed using tax incentives and increasing access to consumer-driven tools such as high-deductible health plans with health savings accounts. Massachusetts is set to implement its new universal coverage plan on July 1st, and elected leaders in states such as California, Texas, New York, Tennessee and Wisconsin have offered their own plans for reducing their states' share of the nation's forty-five million uninsured.

The presidential nominee hopefuls also appear to be getting the message, as well they should. In a recent *NBC News/Wall Street Journal survey* asking Americans to name what issue should be the federal government's top priority, addressing the number of

uninsured was second only to the war in Iraq.

However, as Americans know all too well, over the past twenty years, we have seen a trend toward an accelerated presidential nomination timeline. Coupled with the increasing influence of an ever-more sensational and salacious election news cycle, the likelihood that the modern electoral process will minimize substantive discussion of the real issues is great.

To break this pattern, the public must demand that candidates for public office are held accountable for their ideas (or lack of them).

Our hope is that the current fervor does not wane as the 2008 election approaches and that the public is presented with a range of serious and well-thought proposals to provide coverage for the uninsured.

There are many approaches to covering the uninsured, but the most important distinction between competing plans lies in the definition of the payment structure – in short, whether or not to implement a single-payer (government-run) system. Despite the mounting evidence that embracing the consumer-driven healthcare movement is the key to healthcare quality and access, many critics still call for the U.S. to adopt a universal health system supported by public funds (higher taxes).

While calling for a single-payer system may be politically popular, we should remember that “universal coverage” is no panacea. Just ask the Swiss, who on March 11th voted by a margin of 71 percent to reject a proposal establishing one state-run insurer to replace the 87 currently offering coverage. The Swiss plainly understand that implementing a single-payer system removes incentives for healthcare professionals to provide high-quality care at lower costs, stifles innovation, and reduces choices for individuals and families.

For those of us who believe in the power of consumerism to transform U.S. healthcare into a 21st century Intelligent Health System, it is our responsibility to demonstrate that value-driven competition is essential to providing more choices of higher quality at lower cost.

I recommend that all of you read "[A Guide for State Legislators: Creating an HSA State](#)," a new white paper designed as a resource for policymakers. Authored by CHT Senior Fellow Ron Bachman, this document offers a market-based solution to providing affordable health insurance and lowering the number of uninsured Americans, outlining steps state legislatures and insurance commissioners can take to gain full advantage of health savings accounts and HSA-eligible high-deductible health plans. *(Available at www.healthtransformation.net)*

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Project Spotlight

CHT Member Meeting

On March 7th in San Diego, California, the Center for Health Transformation held our first member meeting of 2007. The meeting was a resounding success, and we all enjoyed the warm weather and the opportunity to join [MedImpact's](#) annual conference, "Architecting the Future of Health Care," at which CHT Founder Newt Gingrich gave the keynote speech.

At our meeting, we had the unique opportunity to explore transformational solutions and insights in workshops addressing three distinct issues: Health Information Technology, the 21st Century Intelligent Hospital System, and Medicaid and Consumerism.

Moderated by CHT Project Director David Merritt, the Health Information Technology Workshop included the following panelists: Bob Paul, President and Chief Operating Officer, [Covisint](#); Nate McLemore, Director of Business Development, [Microsoft](#); Mary Hall Gregg, Ph.D., Vice President and Chief Information Officer, [Quest Diagnostics](#); and Bill Spooner, Chief Information Officer, [Sharp Healthcare](#). The session focused on a discussion of the importance of several actions, including 1) building a community-wide infrastructure; 2) deploying health IT to providers; 3) implementing and improving hospital IT systems; and 4) engaging consumers through HIT. We look forward to receiving feedback on our new health IT book, *Paper Kills – Transforming Health and Healthcare with Information Technology*, to be released in June of this year and available by the date of our next member

meeting (June 5th).

The direction and vision of 21st Century Intelligent Hospital System Project was advanced during the hospital workshop. Melissa Ferguson, CHT Vice President of Operations, and Laura Linn, Georgia Project Director moderated the session, and panelists included Steve Bonner, President and Chief Executive Officer, [Cancer Treatment Centers of America](#); Dr. Gordon Hunt, Chief Medical Officer, [Sutter Health](#); and Ted Schwab, Senior Vice President and Chief Innovation Officer, [Alegent Health](#). Discussion of key findings included:

- Cancer Treatment Centers of America (CTCA) showed that they continue to build upon and refine a powerful patient-centered model using Six Sigma and Toyota production system metrics (for details, see the new white paper, "Principles Applied: The Cancer Treatment Centers of America's Approach to Individual-Centered Care," available at www.healthtransformation.net);
- Sutter shared the importance of empowering providers with tools and solutions in order to maximize their abilities to provide high-quality care and lessons learned around implementation (i.e. realignment of internal processes and protocols); and
- Alegent previewed the innovative solutions that are being deployed around transparency and pricing to start providing the tools necessary for consumers to make informed decisions (visit Alegent.com to preview their new My Cost tool – they received approximately 600,000 hits in the first five to six weeks).

Lastly, at our Medicaid & Consumerism Workshop, we explored the applicability of consumerism to the Medicaid population. Moderated by CHT Project Director Jim Frogue, the panel included Chris Ryan, Chief Strategy and Marketing Officer, [SHPS](#); Larry Goldman, Vice President of Strategic Planning and Development, [ValueOptions](#); and Ron Bachman, Senior Fellow, the Center for Health Transformation. Discussion centered around how rewards and incentives can stimulate patient behavior change (leading to better outcomes) and the need for more coordinated care so that individuals – particularly those with multiple chronic conditions – get the care they need in the most appropriate setting, thereby saving lives and saving money.

We are looking forward to our next member meeting, to be held on June 5th here in Washington, D.C. Please be on the lookout for future emails

regarding registration and/or visit

www.healthtransformation.net/events/Member_Meetings/ for more information.

Alzheimer's Project Update

On March 20th, CHT Project Director Robert Egge offered testimony on Alzheimer's disease before a hearing of the U.S. Senate Committee on Health, Labor, Education and Pensions, Subcommittee on Retirement and Aging.

The hearing, "The State of Alzheimer's Research: 100 Years Later," also featured testimony from leading experts in science and medicine, including Harry Johns, President and CEO of the [Alzheimer's Association](#); Marilyn Albert, Ph.D., Director of the Division of Cognitive Neuroscience, Department of Neurology, [Johns Hopkins University School of Medicine](#) and Co-Director of the Johns Hopkins Alzheimer's Disease Research Center; and Sam Gandy, M.D., Ph.D., Director, [Farber Institute for Neurosciences, Thomas Jefferson University](#).

Mr. Egge, the only panelist to speak from a true public policy perspective, focused on the urgent need to create a sound strategy for responding to the nation's Alzheimer's crisis.

According to the latest numbers from the Alzheimer's Association, more than five million Americans are now living with AD, a ten percent increase since last estimated five years ago.

In his prepared remarks, Mr. Egge asserted that meeting that challenge requires a bold strategy that emphasizes the role of research and innovation. America has two fundamental objectives: 1) to find therapies that will derail this disease, and 2) to support those individuals (and their families) coping with Alzheimer's devastating impact.

Mr. Egge's full written testimony is available at CHT's website and/or directly accessible via the following link:

<http://www.healthtransformation.net/content/Files/Egge%20Testimony%20-%20AD%20Hearing.pdf>

Finally, in other AD news, [Booz Allen Hamilton](#) has prepared an overview for other CHT members regarding the current prevalence of Alzheimer's disease

within the United States. The new white paper, "[Report on Alzheimer's Disease in 2007: Concept Paper](#)" also discusses the status of efforts to develop effective therapies. We encourage you to review this very helpful synopsis, and to share it with others in your organization.

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Members Update

The Center for Health Transformation would like to welcome our newest Premier, [Arcapita](#), [AAFP](#), and [Saint Joseph's Hospital](#).

We are also pleased to recognize the following members for renewing at the Charter level: [SHPS](#) and [ValueOptions](#); and at the Premier level: [American Medical Group Association \(AMGA\)](#) and [Covisint](#).

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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Transforming Example

Covisint – Spartanburg Regional Medical Center

Spartanburg Regional Medical Center (SRMC) reduces average length of stay for patients being discharged to nursing homes by using Covisint's ProviderLink—a web-based environment where discharge and referral information can be instantly shared with nursing homes.

Situation

The discharge planning process for patients being transferred to extended care facilities is paper-intensive and time-consuming. Clinicians within the Health Management Department at SRMC

spend a lot of time manually gathering patient information, detailing level-of-care assessments and filling out forms necessary for post-acute referrals. On average, SRMC experienced callbacks for missing information on 20 percent of their post-acute discharges. This information request and response, handled through telephone and fax, was slow and involved many touchpoints.

The manual referral process increased patient length of stay because the information-gathering and communication components were lengthy. The ALOS for patients being transferred to extended care facilities was averaging 11 days.

Solution

SRMC implemented Covisint to manage the discharge planning process. Now, all referral forms and supporting patient information, whether paper-based or an existing electronic medical record, are collected and communicated to extended care facilities through Covisint. Audit trails of all communication events are easily viewed, showing who received what information and when.

SRMC also added several new positions to serve as information conduits between the medical center and extended care facilities. Health management specialist extenders were tasked to use Covisint to expedite communications—increasing FTEs by freeing up clinicians to spend more time with patients.

Better Health & Lower Cost

ALOS reduction of 1.6 days – Prior to implementation, the average length of stay for patients being transferred to extended care facilities was 11 days. After implementation and adding the new positions, the ALOS was reduced to 9.4 days—which was sustained for over three quarters.

1,683 saved patient days; \$2.4 million potential cost avoidance – On a patient volume of 1,052 per year—with an ALOS reduction of 1.6—SRMC will realize 1,683 saved patient days. With the South Carolina average hospital adjusted expenses per inpatient day of \$1,435, these saved patient days can translate to a \$2.4 million

cost avoidance.

75 percent decrease in telephone follow-up calls from extended care facilities – Prior to implementation, the Health Management Department experienced a 20 percent callback volume from extended care facilities requesting more information. Post-implementation, only 5 percent of discharges resulted in follow-up calls.

Compliance with regulations – The audit trail function allowed a DHEC surveyor (state regulator) to easily view the extensive list of facilities that had been asked to accept a particular case, dispelling the perception by the family that the hospital did not attempt to search within a reasonable distance for a nursing home bed. This enabled SRMC to avoid DHEC non-compliance charges.

Ease of staff interchange – Staff can easily fill in for one another and quickly bring themselves to date on any patient discharge planning process. With a complete audit trail, staff can view—by patient—what information has been communicated to whom and when.

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

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CHT in the News

A Guide for State Legislators: Creating an HSA State

CHT Senior Fellow Ron Bachman offers a market-based solution to providing affordable health insurance and lowering the number of uninsured Americans. (*CHT white paper*)

Report on Alzheimer's Disease in 2007: Concept Paper

A new white paper by CHT Charter Member Booz Allen Hamilton discusses the status of efforts to develop effective therapies.

An Opportunity to Transform Care Delivery at Military Medical Facilities

CHT Project Director David Merritt says that recent headlines about the quality of care delivered at Walter Reed should highlight the need to upgrade the entire care system with health IT. ([National Journal's Technology Daily](#); [GovExec.com](#))

Lessons from 2006 and Hopes for 2008

CHT Founder Newt Gingrich advocates the cooperation of both political parties to transform the health system. ([The Wharton Health Care Leadership Exchange](#))

Real Change Requires Real Change: Web-based Prescriptions Would Reduce Errors, Death

CHT Founder Newt Gingrich and Health IT Project Director David Merritt write an op-ed for the [News Tribune](#) (Tacoma, WA).

Alzheimer's Rate Booms as Boomers Age

In a segment for the CBS Evening News, CHT Project Director Robert Egge warns of the impact of the growing Alzheimer's epidemic. ([CBS News Video](#); [Related Story](#))

CHT Launches Georgia e-Newsletter

[Click here](#) to view the inaugural issue of the Georgia Project Quarterly e-Newsletter, which includes updates on our activities and progress in Georgia.

Democrats Take Aim at Health Accounts

In this [Washington Times](#) article, CHT Project Director David Merritt explains that HSAs have helped increase access to insurance and to reduce healthcare costs, "making American businesses more competitive."

Egge Testifies before Senate Subcommittee on Retirement and Aging

CHT Project Director Robert Egge offers expert testimony at a hearing entitled "The State of Alzheimer's Research: 100 Years Later." ([Testimony](#); [Press release](#))

The Health Tech Revolution is Here

CHT Founder Newt Gingrich writes an op-ed for the new issue of [The American](#).

Georgia State Senator Proposes Market-Based Reform

CHT Founder Newt Gingrich and Sen. Judson Hill (R-Marietta) discuss the Insuring Georgia's Families Act (S.B. 28). ([Health Care News](#))

Making Medicaid Work

CHT Founder Newt Gingrich discusses SHPS and CHT's newly released guide to transforming the Medicaid system. ([Radio commentary](#))

Gingrich Supports Health Reform

At a healthcare conference in Pinehurst, NC, Speaker Gingrich discusses CHT's vision of a 21st Century Intelligent Health System. ([The Fayetteville Observer](#); [Associated Press](#))

CHT Releases New White Paper

"Principles Applied: The Cancer Treatment Centers of America's Approach to Individual-Centered Care" demonstrates a practical application of the Center's vision of a 21st Century Intelligent Health System.

HSAs Viewed As Way to Accelerate Acceptance of Personal Health Records

Information technology promotes transparency and can help to measure value in the health system, explains Health IT Project Director David Merritt in an article for [Employee Benefit News](#).

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Upcoming Events

Newt Gingrich to speak to the American Medical Association

Tampa, FL

April 13, 2007

David Merritt to moderate Siemens' free webcast on implementing EHRs

[Click here](#) to register

April 17, 2007

Robert Egge to speak at the Construction Industry Round Table's (CIRT) 2007 Spring Conference

Washington, DC

April 24, 2007

Wayne Oliver to speak at the Optimus Solutions Hospital CIO Forum

Atlanta, GA

April 24, 2007

Wayne Oliver to speak at the University of Georgia, College of Pharmacy on the Role of Transformation in the Changing Landscape of Healthcare

Atlanta, GA

April 24, 2007

Robert Egge to speak to the National Council of State Agencies for the Blind

Bethesda, MD

April 27, 2007

Jim Frogue to speak at [Harvard University's Program in Ethics and Health](#), 'Should Health Care Be Conditional on Prudent Behavior?'

Boston, MA

April 27, 2007