



## Center for Health Transformation E-Newsletters

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**November 2006**

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### Newt Notes

#### **The Art of Transformation**

December marks the official launch of our new Center for Health Transformation book, The Art of Transformation. A guide to planning and leading large-scale change, Nancy Desmond and I co-wrote the book based on our years of experience in politics, government and business.

Dedicated "to the members of the Center for Health Transformation, who have made our work possible and who have contributed so much to our understanding of the art of transformation," this book is the first in a series designed to train a critical mass of civic, industry and government leaders who are interested in transforming not only their own lives, organizations or industries, but in creating a better future for all Americans.

As part of the team involved in igniting what many called the Republican Revolution, Nancy and I can tell you definitively that it was no accident when the Republicans in 1994 regained control of the U.S. House of Representatives for the first time in forty years. It was the result of many years of effort, built on a planning and

leadership model as well as on a set of critical principles, rules and habits that we believed – and subsequently proved – could create a remarkable transformation.

When we entered the private sector five years later, we believed the same transformational model that brought about victory in 1994 could be applied to the private sector and to a public/private partnership to create a 21st century in which all Americans live in greater freedom, health, prosperity and safety.

The Art of Transformation, currently in its inaugural publication from CHT Press, is available for sale on Amazon.com and the Center for Health Transformation website ([www.healthtransformation.net](http://www.healthtransformation.net)). We hope this book will indeed become a “must-read,” as Dr. Oz recommended in his review. We are honored that The Art of Transformation has received such strong endorsements from several of the nation’s most dynamic leaders in business, medicine and the social sciences:

**Praise for The Art of Transformation:**

“As Newt Gingrich and Nancy Desmond point out, ‘reform’ is a small word . . . and ‘transformation’ an enormous one. The compelling evidence they muster here makes it clear that wholesale institutional transformation alone will ensure the continued vitality, perhaps even survival, of our nation. The battle-tested authors boldly offer an original yet pragmatic process to guide us, policymaker and practitioner alike, to transformation. I found myself simultaneously challenged, frightened and exhilarated by this masterful text.”

– **Business guru Tom Peters, author of In Search of Excellence**

“At a moment when many of our institutions face a Katrina-like breakdown, nothing could be more timely than Newt Gingrich’s brilliant ideas about how to truly transform them.”

– **Alvin Toffler, author of Future Shock and The Third Wave**

“This brilliant blueprint for transformation will empower you to change the world so we can meet the demands of the 21st century. I consider this well-designed book to be a must-read for any

leader.”

– **Dr. Mehmet Oz, Vice Chair and Professor of Surgery, New York Presbyterian-Columbia; author of [You: The Owner's Manual](#) and frequent guest on The Oprah Winfrey Show**

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## Membership Updates

The Center for Health Transformation would like to recognize the following members for renewing at the Charter level: [AstraZeneca](#), [Novo Nordisk](#), [Sutter Health](#); at the Platinum level: [American Hospital Association](#); and at the Premier level: [Clearwave](#), [Johnson & Johnson Healthcare Systems, Inc.](#), [Medicalweb, Inc.](#), and [MedSolutions](#).

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 Member Meeting: The 2006 Election and Its Implications for Health and Healthcare**

On November 15 at the Madison Hotel in downtown Washington, DC, the Center for Health Transformation hosted our final member meeting of 2006.

Sadly, our member meeting was conducted in the marked absence of one of the most active partners in our work to save lives and save money in America, Dr. Robert A. Lipson. Dr. Lipson, President and CEO of the WellStar Health System in Georgia, passed away earlier this month following a tragic motorcycle accident.

The entire CHT community joins with friends, family and colleagues in mourning the loss of Dr. Lipson, a sincerely compassionate, generous and visionary individual.

"Rob Lipson was a dear friend and visionary leader who will be greatly missed," said Newt Gingrich. "He touched the lives and dramatically improved the health of countless people, not only within the WellStar system, but throughout the state and the nation. I am deeply saddened by his tragic death, both on a personal level, as I have lost a great friend and valued mentor, and on a broader level, as our community, our state and our country have lost a great leader. My heart goes out to his family, to the WellStar community and to all those whose lives, like mine, were blessed and brightened by having known him."

The Center for Health Transformation team is profoundly saddened by the passing of Dr. Lipson. We will continue to work tirelessly to meet 21st century challenges with 21st century solutions in the memory of Robert Lipson, an irreplaceable leader in the fight to transform health.

**Brief Synopsis – the November 2006 CHT Member Meeting:**

The theme for our November member meeting was a discussion of the implications of the 2006 elections on health and healthcare. We are grateful to all of our members who joined us for the day's series of compelling and insightful interpretations of what the 2006 elections will mean to our collaborative effort to create of a 21st century intelligent health system. From what the feedback we have received thus far, the highlight of the day was the Center's special closed-door, member-only session featuring election analysis from famed political consultants James Carville and Mary Matalin, "All's Fair: Love, War and Politics."

We hope that the day's program, including remarks from the day's speakers – CHT founder Newt Gingrich, CHT CEO and President Nancy Desmond, pollster David Winston, and Congressional senior staffers Chuck Clapton and Michael Zamore (respectively, Assistant for Health Policy to Speaker Dennis Hastert and Policy Advisor to Congressman Patrick Kennedy) – helped to contextualize the election results in light of our work to transform health and

healthcare in America.

Clearly, as Democrats prepare to take control of the House and Senate for the first time in a dozen years, the landscape for potential reforms to the health system looks remarkably different than it did in a Republican-controlled Congress. Several of our speakers pointed out that there are several measures that could potentially garner bipartisan support in the next session. For example, Speaker Gingrich pointed to potential agreement on a bio-security measure. (One partisan issue highly likely to come up in a Democrat-controlled Congress is that of direct negotiation over Medicare prices, a process that has certainly not helped to bring down prices in other nations' state-run systems, but still appeals to liberals as a talking-point heavy agenda item.)

A Democrat-controlled Congress is considered by conventional wisdom to be unlikely to advance the consumer- and business-friendly models of transformation, such as a concerted effort to accelerate health IT adoption. As such, CHT Founder Newt Gingrich noted that those interested in advancing the underlying momentum for health IT investment should direct resources toward helping advance HIT independent of the Congress, instead looking to the White House and HHS under the leadership of Secretary Mike Leavitt.

Speaker Gingrich expressed confidence at the meeting that legislation on health price and quality transparency would pass in the 110th Congress. Citing CHT's mission to inject consumer-driven principles into the health system, Gingrich asserted that while the Pelosi-Reid Congress may seem resistant to progress on this front, the entire Democratic caucus of legislators (particularly the 'blue dog' conservative Democrats comprising the majority of newly-elected freshmen) will not be able to deny the growing reality that the value of the market outstrips that of the bureaucracy.

At the end of the day, the broad consensus of the member meeting was that the results of the midterm elections will dictate the future of health transformation only so much as we allow it to. Particularly considering the crushing impact of health spending on the federal budget and the recent successes of states in applying consumer-

driven solutions to state Medicaid programs, Americans will increasingly demand value in the healthcare system – a return on their uniquely personal investment. The bottom line is that markets deliver more goods of higher quality at lower cost to more consumers. Transformation of the health system is inevitable – we just have to direct its course.

For more information regarding the Center for Health Transformation's November 15 member meeting (as well information from past member meetings), please visit: [http://www.healthtransformation.net/events/Member\\_Meetings/](http://www.healthtransformation.net/events/Member_Meetings/).

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## Transforming Example

### Best Practices in Medicaid – Florida

*(The following transforming example was derived from selected excerpts from the state of Florida's contribution to CHT's 'Best Practices in Medicaid' State Map. The following passage represents only a brief portion of Florida's comprehensive Best Practices submission.)*

#### Consumer-directed care demonstrations

In 2000, Florida, as one of three states participating in the Robert Wood Johnson Foundation's National Cash and Counseling Demonstration and Evaluation project, started its "Consumer-Directed Care (CDC)" waiver program. CDC consumers exchange their current home and community based long-term care services for a monthly budget. Program enrollees are allowed to "cash out" services on their current care and support plans and receive a monthly budget allowance to pay for the services and supports they choose. Services may be provided by non-traditional caregivers such as family members. The consumers' budgets are equivalent to the value of the services they received in the

Medicaid home and community-based service (HCBS) waiver program. This budget provides the individual with flexibility and choice in managing and directing his/her own care. Consumers' allowable purchases can include diverse items and services such as: personal care, homemaking service, and consumable medical and personal care supplies. Consumers eligible for the program include elders, adults with brain or spinal cord injuries, and adults and children with developmental disabilities.

Due to the project's many benefits for consumers, Florida sought expansion of CDC and changes to its experimental design. Florida implemented the CDC+ (Consumer-Directed Care Plus) program in January, 2004 under the authority of an Independence Plus 1115 Waiver amendment granted by the Centers for Medicare and Medicaid Services (CMS). There are currently 1,090 consumers being served on CDC+.

Mathematica Policy Research, Incorporated, an independent research group, was contracted by the federal government to evaluate the Florida Cash and Counseling demonstration. The study showed that consumers participating the CDC+ program are more likely to have their needs met and be satisfied with their care as opposed to traditional care.

For more information, visit the CHT website and view the Florida "Best Practices in Medicaid" submission (accessible via the State Map on [CHT's homepage](#)).

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## **CHT in the News**

### **CHT Speaks before GA HIT & Transparency Advisory Board**

CHT CEO and President Nancy Desmond and Georgia Project Director Laura Linn join DCH Commissioner Dr. Rhonda Medows in calling for goals for health IT adoption and transparency. ([Press release](#); [Agenda](#); [GA Dept. of Community Health](#))

### **CHT Hosts Alzheimer's Forum**

CHT Founder Newt Gingrich joined a panel of experts in leading a call-to-action to combat the impending Alzheimer's disease epidemic. ([CHT press release](#); [CHT/Wyeth Call-to-Action](#); [UPI](#); [CQ HealthBeat](#))

### **CHT Calls for Action on Health IT**

Newt Gingrich and David Merritt call on Congress to pass legislation encouraging the adoption of health information technology. ([Atlanta Journal-Constitution](#); [iHealthBeat special audio report](#))

### **CHT Remembers Dr. Robert Lipson, WellStar CEO and President**

"Rob Lipson was a dear friend and visionary leader who will be greatly missed," said Newt Gingrich. ([Marietta Daily Journal](#); [Atlanta Journal-Constitution](#))

### **The Left Playing Medi-scare, Again**

CHT Founder Newt Gingrich and Project Director David Merritt respond to a flawed study from Families USA in a new CHT opinion-editorial. ([The Atlanta Journal-Constitution](#); [The Washington Times](#))

### **CHT Urges CMS to Revisit Bundling Provision**

CHT Founder Newt Gingrich calls on CMS to improve access to quality cancer care by closing a Part B loophole that encourages anti-competitive practices. ([Press release](#))

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## **Upcoming Events**

**David Merritt to speak at the 41st Annual Broad Executive Forum, The Eli Broad Graduate School of Management, Michigan State University, "Attacking the Healthcare Crisis"**  
*Tuesday, December 5, 2006*  
Troy, MI

**Jim Frogue to be a panelist at the "Transparency in**

**Healthcare," AdvaMed Medical Technology Learning  
Institute Crisis," Conference**

*Thursday, December 7, 2006*

Washington, DC

**Jim Frogue will give an address at the Senate Majority  
Caucus Retreat**

*Friday, December 8, 2006*

St. Louis, MO

**David Merritt to speak at the Markle Foundation, 2006  
Connecting Americans to Their Health Care Conference,  
"When HSAs Meet PHRs"**

*Friday, December 8, 2006*

Washington, DC

**Jim Frogue will host the "Consumer-Centric Medicaid"  
seminar as part of the Winter 2006 Consumer Directed  
Health Care Conference**

*December 11, 2006*

Washington, DC

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