



Center for Health Transformation E-Newsletters

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Newt Notes

The Katrina experience will be a real watershed in thinking about delivering goods and services through government. The complete failure of city, state and federal government – the fact that none of them were competent for the first five or six days – I think has stripped away the hope that an inherited 1880s civil service system combined with a 1935 paper-based bureaucracy somehow could be made competent.

This failure is so obvious, there's a potential here that we could have the biggest potential change over the next three to five years that we have seen in government since the Progressive Era from 1901-1915.

We believe that if you look at UPS, or FedEx, or automatic teller machines, or cell phones with cameras, or e-ticketing with Travelocity and Expedia, where you control the flow of information and you make choices – if you take that sort of general model as the 21st Century, that what we're now starting to try to do is create a 21st Century Effective Government.

We've been talking for years about a 21st Century Intelligent Health System; we will take that model and expand it out to the whole government system.

If we really have been mired down – if Medicaid, by its definition, is an obsolete, centralized bureaucracy, a paper-based system that won't work – then what would a 21st Century model be like? That's the scale of change, so what next?

We're looking at Homeland Security, we're looking at FEMA, we're looking at New Orleans city government, we're looking the whole process of how you change it. Today's purpose is to take those kind of ideas and apply them to Medicaid.

The fact is that the VA could move 50,000 records the day before the hurricane arrived because they were all electronic – and not lose a single record. The fact is that HCA has electronic hospital records, and they could move the hospital piece of that. The other million records were paper, and they're gone. I think as that sinks in, the desire to get to an electronic record by the end of 2006 will accelerate dramatically. Because the system now is clearly obsolete and it endangers American lives while wasting taxpayers' money.

One of the questions we're posing to the Congressional Budget Office is how much is it going to cost the federal government to reconstruct the Medicare records that were lost? How many doctor visits, how many lab tests, how many MRIs, how many CAT scans will have to be repeated?

This is a two-fold point: How do you design to get to the Information Technology piece, and how do you change the rules? Because you have to have rules that say the patient can access their own records, that the patient can look at the charges. You have to have rules that say doctors and hospitals will post price and quality information. In fact, I believe in Florida and in South Dakota that's now happening for hospitals. But we're only now in the baby-step phase of doing this.

The proposal we're evolving is called the 21st Century Responsible Citizen Medicaid Act. We want to take the same principle we applied to welfare, which is that you have to have accountability and personal responsibility, and move it to healthcare. The specific example that makes this vivid is to look at the Ninth Ward of New Orleans, and take up Jesse Jackson's challenge. Jesse Jackson said we should be upset by the Ninth Ward experience. He is right. However, he only wants to focus on the failure after Katrina. We should have the courage to look at the failure that occurred before Katrina.

Unlike Jesse Jackson's charges, this wasn't about discrimination on the day the Coast Guard came in to save people. This is about generations of discrimination, that led to a 23 percent unemployment rate, a better than 50 percent drop-put rate, public housing projects that were unsafe, dangerous and had no-one working, a predatory group of people that were so predatory they were shooting at emergency helicopters, and thousands of people who were taught to be passive, apathetic and dependent, and then when there was a real crisis and their local government failed, it turned out that passivity, apathy and dependency were not very good places to be.

So the question is not how we return people back to failure, but how we help them move forward. And that's exactly the point we're trying to make about Medicaid, and that's why we need everyone's help in moving transformation forward.

This is part of an underlying cultural watershed that is very deep and very real.

We have to think back to welfare reform: the impact of welfare was to so totally disrupt the community, to make people fail without consequence. And so the signals being sent were devastating.

By the time we passed welfare reform in 1996 (we passed it three times, it was vetoed twice and Clinton signed it the third time), *The New York Times* had a poll saying that 92 percent of the country thought that you ought to have a work requirement, that you ought to require people to either study or go to school; and 88 percent of the people on

welfare thought you ought to reform the system.

While the editorial board of *The New York Times* or *Newsweek* might not get it, the American people feel decisively about this issue. Overwhelming, people say that there should be responsibility and accountability in Medicaid. This is anathema to some people on Capitol Hill. If you say to people, if somebody capriciously misuses an ER three times in one week, should there be a consequence, the answer of the American people is overwhelmingly 'yes.' The country's not stupid.

Now are there people who need genuine help? Of course. There should be provisions for assistance or guardians for those people who need it, like Alzheimer's patients or recovering alcoholics. But the overwhelming majority of people who are coming to Medicaid are capable, in fact they are citizens, and to be a citizen is to have responsibility. One of the most important things we are trying to do is re-integrate people into society in a way that is really important. This is why we are creating a 21st Century Responsible Citizen Medicaid Act.

We're trying to be a transmission system which is a collaboration of leaders, to use Nancy Desmond's phrase, in order to collectively develop better solutions, better ideas and to then share them with people who have the authority to try and make the decisions which will get to a 21st Century System.

As part of that collaboration we would very much like to get your ideas and your proposed solutions for a 21st Century Responsible Citizen Medicaid Act. For more information, please contact Jenny Blackham at jblackham@gingrichgroup.com.

Additional resources from our 3rd Quarterly Member Meeting, "Creating a 21st Century Medicaid System," are now available: [Archived webcast](#), [event summary](#), [supplemental materials](#).

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New Members

The Center for Health Transformation would like to welcome our newest Platinum Members: [American Hospital Association](#) and [UPS](#); and our newest Premier Member, [MedSolutions](#).

We would also like to recognize [Eli Lilly](#), [Wyeth Pharmaceuticals](#), [HealthTrio](#), and [American Psychiatric Association](#), all of whom have recently renewed their Center 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

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Project Spotlight

Katrina: Health and Homeland Security

In light of the developments of the past month, the Center for Health Transformation has launched a new project: "[Katrina: Health and Homeland Security](#)," led by Project Director Robert Egge.

Hurricane Katrina has reshaped the healthcare agenda in Washington as government leaders have struggled to respond to the crisis and plan for the rebuilding of the Gulf Coast. Katrina has also alerted the country that we must create a health system equal to threats of an even greater magnitude. Local, state, and federal officials had ample warning of the risk that a hurricane posed to New Orleans and the Gulf Coast, yet the region was not prepared.

In much the same way, our country currently has ample warning of the grave danger posed to our society by biological, chemical and nuclear threats. If we learn what we can from Katrina, we will create a health system with the intelligence, speed, and resilience to guide our response and recovery efforts should such disasters occur.

Project Mission:

The Center believes that the key lesson from Katrina is that the government at all levels failed to meet 21st century standards of effectiveness. It is impossible for the current systems, bureaucratic cultures, and patterns of silo-focus and process orientation to keep pace with the challenges, technologies, complexities and speed of the modern world.

The implications for healthcare policy are profound. As we set about rebuilding the Gulf Coast, inventing a 21st Century Intelligent Health System is the model for success. It would compound the tragedy of Katrina if we simply reconstructed the systems that failed residents of the Gulf Coast. We must thoroughly transform the culture, structures, and strategies of government, in order to bring our health and healthcare system from the paper-based bureaucracy of the late 1930s into the 21st century.

To contribute toward the creation of this 21st Century Intelligent Health System, the Center for Health Transformation is launching the Health and Homeland Security project.

Project Goals:

1. Develop and advocate solutions to aid the quick recovery and redevelopment of the Gulf Coast's public and private health infrastructure and operations.
2. Develop and advocate solutions, based on the lessons from Katrina and CHT principles, to help the country better prepare for the health challenges that would follow from future disasters, whether natural or deliberate (e.g., biological, chemical, or nuclear). Creating a virtual public health network, including electronic health records, is a key component.
3. Form the hub of a network of government, business, and local leaders collaborating to invent a 21st Century Intelligent Health System for the Gulf Coast, and helping the country prepare a health system that will respond to

future disasters with speed, efficiency, and compassion.
For more information on CHT's Health and Homeland Security Project, please contact Robert Egge at regge@gingrichgroup.com. CHT is also actively soliciting contributions for our [Katrina Solution Workbook](#).

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Transforming Example

Wyeth Pharmaceuticals

Focus: Katrina Health Response, Recovery and Rebuilding

As a result of the dreadful consequences of Hurricane Katrina, many patients in affected areas have been left without access to necessary medications. In addition, many companion animals and livestock have been injured or displaced and are in need of vaccines, pharmaceuticals, medical products, and/or professional services.

To assist those affected, Wyeth set in motion several new initiatives to help patients obtain their prescription medicines. Wyeth began partnering with licensed pharmacies to provide up to a free 30-day replacement supply of Wyeth Pharmaceuticals products to affected patients, allowing time for these patients to regain access to their insurance or social programs. The program runs from August 31 through September 30. Likewise, Wyeth implemented an emergency response to patients in affected areas who are enrolled in the Patient Assistance Program (PAP). For 60 days beginning September 6, Wyeth will, upon individual request, immediately repeat the shipment of any current prescriptions, regardless of the time interval since the last filling. Additionally, until October 31, 2005, for patients in the affected areas, Wyeth will waive some the requirements normally necessary for enrollment in Wyeth's PAP. Wyeth also has been working with several relief agencies, including FEMA, Second Harvest, Americares and Project Hope on prescription and consumer product donations.

To help injured and displaced animals affected by the storm, Wyeth's Fort Dodge Animal Health is donating vaccines, pharmaceuticals, and other needed medical products for companion animals and livestock. The company is working with veterinarians in affected areas as well as those around the country who are sending emergency veterinary teams or sheltering animals. It is also working to provide needed products to the respective state veterinary medical associations, Veterinary Medical Assistance Teams (VMAT) and a multitude of relief and rescue organizations. In addition, Fort Dodge has offered the professional services of some of its own veterinarians.

Wyeth provided a \$1 million cash donation to relief agencies, including the American Red Cross and The Children's Health Fund, that are leading the way in assisting those living in Louisiana, Mississippi, Alabama, and Florida who were affected by Hurricane Katrina. The Company also established a matching gift program for employees worldwide in conjunction with the American Red Cross.

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

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CHT in the News

When Disaster Strikes

CHT Founder Newt Gingrich and Project Director David Merritt recently wrote an op-ed for the *Chicago Tribune*: "Healthcare and homeland security: It's catastrophic to have one without the other."

Consumer-Driven Healthcare Gains Momentum

Project Director David Merritt participated in a roundtable discussion in the September issue of *HRO Today*.

Medicaid Transformation: Saving Lives & Saving Money

CHT Project Director Jim Frogue discussed Medicaid Transformation with key leaders in Missouri. (*AP/Kansas City Star*; Testimony to the Missouri Commission to Reform Medicaid).

Gingrich: "Paper Kills"

In the wake of Hurricane Katrina's devastation, *Government Health IT* called upon CHT Founder Newt Gingrich to address the important role of electronic health records in saving lives.

CHT Launches Healthy Georgia Diabetes and Obesity Project

On September 8th at the Georgia Governor's Mansion, Governor Perdue hosted CHT Founder Newt Gingrich, CEO Nancy Desmond, Project Director Laura Linn, Morehouse President Dr. David Satcher, CDC Director Dr. Julie Gerberding and other key Georgia leaders and CHT members for the launch of the Center for Health Transformation's Healthy Georgia Diabetes and Obesity Project. [Read the press release](#)

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Upcoming Events

October 2005

10/5/05 - Newt Gingrich to speak to The Florida Association of Health Plans
10/17/05 - Newt Gingrich to speak to The National Community of Pharmacists Association
10/18/05- CHT Connectivity Conference: Accelerating Transformation through Health

IT

10/21/05-Newt Gingrich to speak to The College of Healthcare Information Management Executives

10/28/05-Newt Gingrich to speak to The National Association of Public Hospitals and Health Systems

November 2005

11/10/05 –Newt Gingrich to speak at the World Health Care Congress

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