



**A Dialogue Document: Michigan Health Insurance
Access Advisory Council
January 28, 2008**

Developing a Reform Framework: The Process

Over two years, the AHA Board built a policy framework through focus groups and public forums that included:

- citizens from every demographic, community leaders, health care advocates, elected officials;
- hospital CEOs, trustees, physician and nurse leaders;
- AHA members from 9 regional policy boards, constituency section governing councils and special committees; and
- Consultations with allied state, regional, and metropolitan hospital associations and their boards.

On July 21, 2007, the AHA Board approved and made public *Health for Life: Better Health, Better Health Care*

The Challenge

In a country that expects the best of everything, we fail to achieve the best in health.

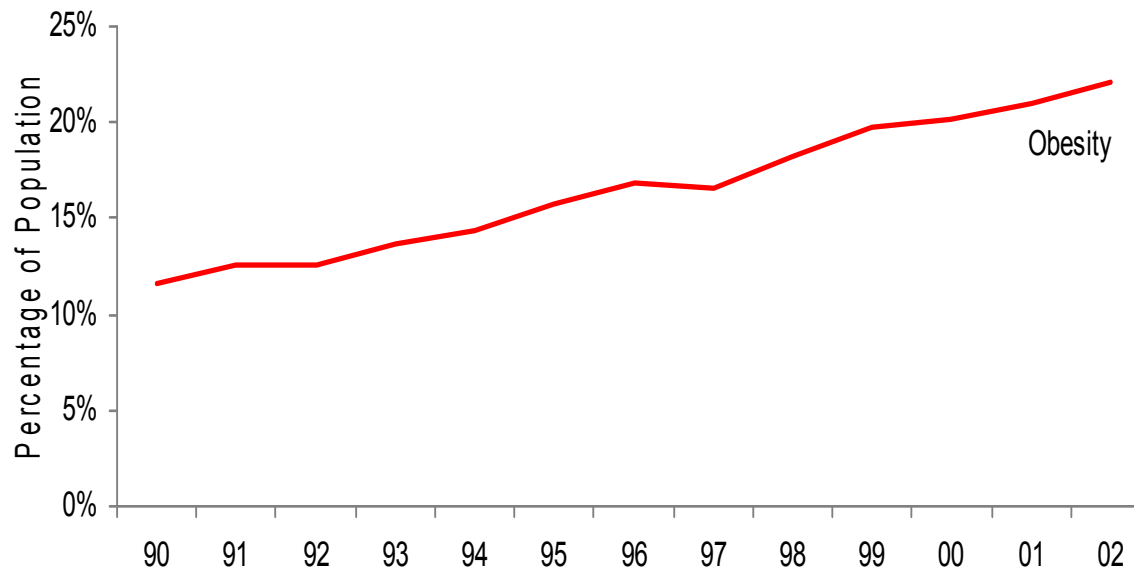
The central issue is NOT just about health insurance. What must be done to meet health care needs of communities and individuals and health care challenges of our future?

A Sicker America

Chronic illness is on the rise

- Half of Americans have one or more chronic illnesses
- 80% of spending is linked to chronic illness
- Obesity has doubled

Prevalence of Obesity¹, U.S. Population, 1990-2002

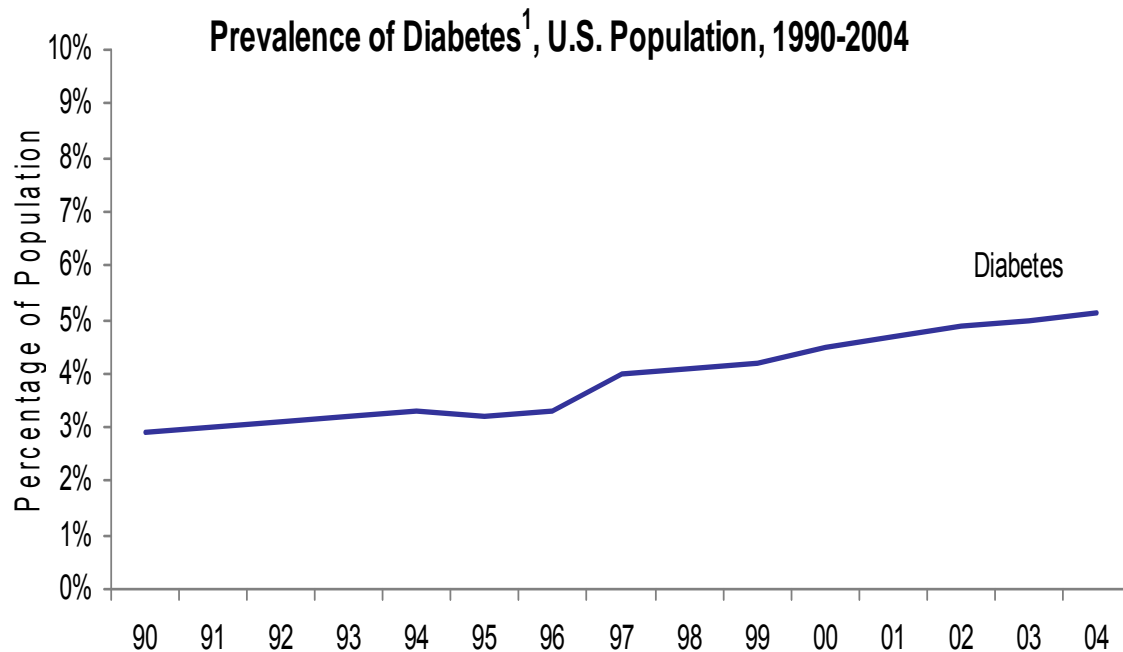


Source: Centers for Disease Control and Prevention.

A Sicker America (continued)

Chronic illness is on the rise (continued)

- Diabetes is on the rise
- Much of this is avoidable



Source: Centers for Disease Control and Prevention.

A Sicker America (continued)

Multiple Factors Impact Health Status

- **Biology:** High risk factors; genetic predisposition; physical and mental health problems
- **Physical environment:** Exposure to toxins; hazards at work or in the home; air pollution
- **Social environment:** Poverty; lack of education; homelessness; lack of transportation; violence
- **Behaviors:** Smoking; poor eating habits; lack of exercise; drug and alcohol abuse

* Adapted from Healthy People 2010, a report by The US Department of Health and Human Services

America's **Health Status** Must Improve

Without change, America's health care capabilities and finances will be overwhelmed

As a society we must:

- **Provide access to education and preventive care**
- **Help all reach their highest potential for health**
- **Reverse the trend of avoidable illness**

As individuals we must:

- **Achieve healthier lifestyles**
- **Take responsibility for our health behaviors and choices**

Each one of us must take action

Improved Health Status Benefits Our 'Community'

- **Healthy infants = healthy kids**
- **Healthy kids = success in school**
- **Healthy kids = healthy adults**
- **Healthy adults = healthy seniors**
- **Healthy individuals = healthy families, healthy workers, healthy communities and a healthy economy**

**A healthy America
is a productive and vibrant America**

America's **Health Care System** Must Improve

America has what it takes to offer the best in care delivery

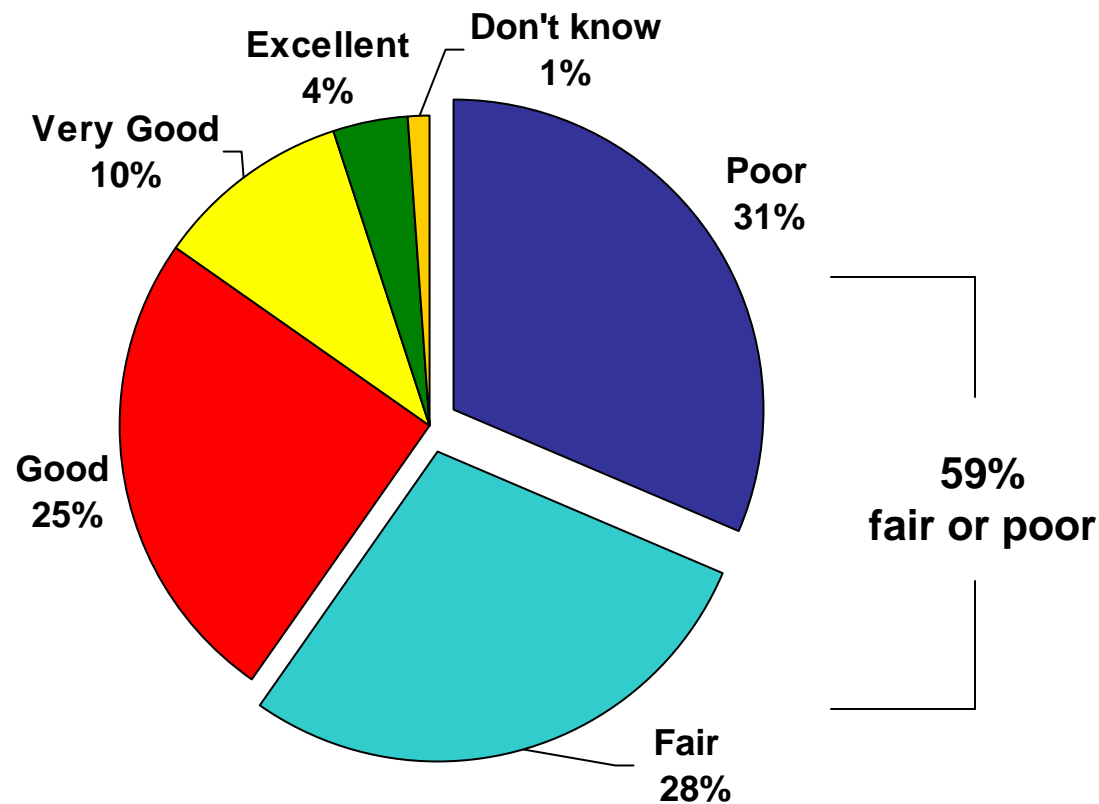
- **Highly trained physicians, nurses, and other providers of care**
- **Latest technology**
- **Cutting-edge medical research**
- **Well-equipped facilities**
- **Freedom of choice**

But more can and must be done now

America's Health Care System Must Improve

People are dissatisfied with the health care system

6 in 10 Americans rate the health care system as fair or poor

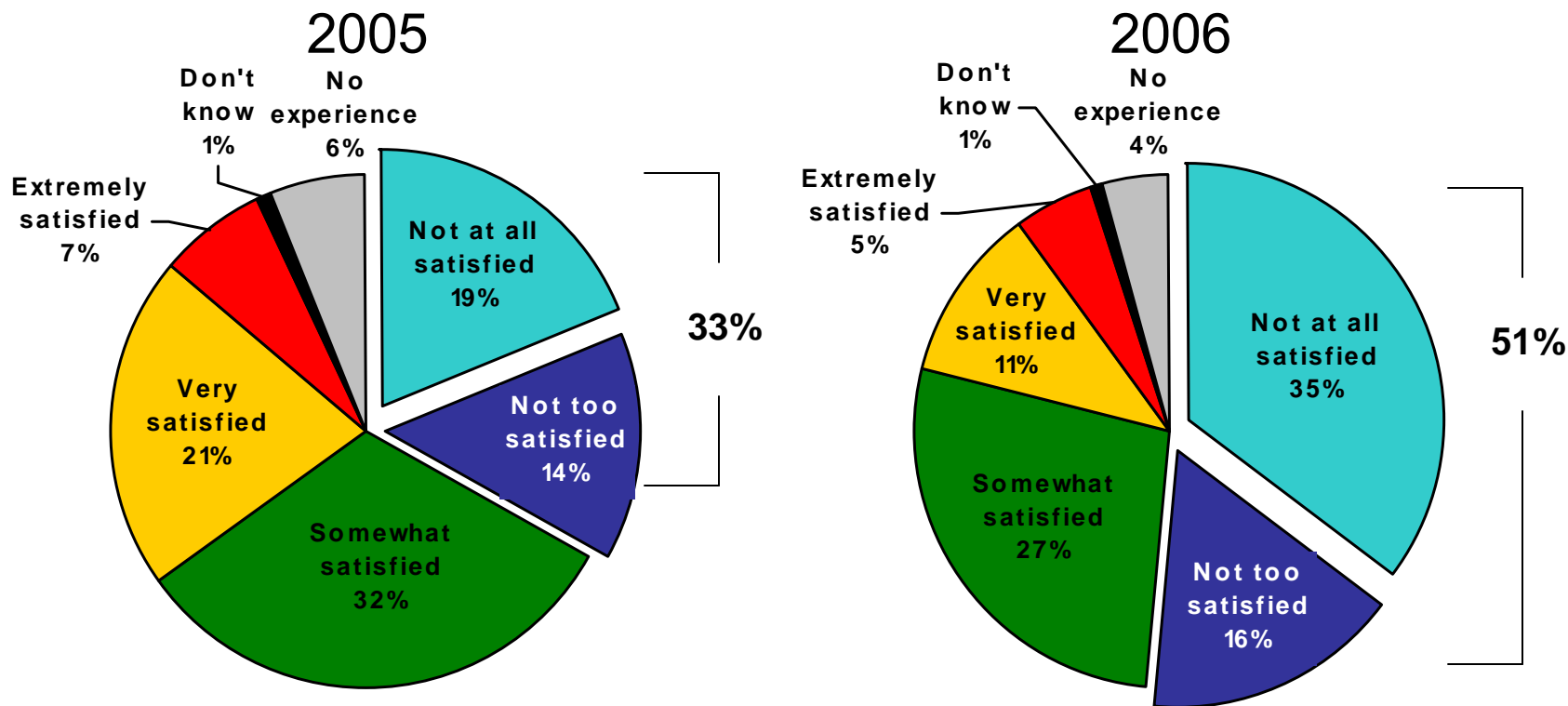


Source: Employee Benefit Research Institute, 2006.

America's Health Care System Must Improve

Health care costs are high

- Highest spending per person among industrial countries
- High costs weaken America in today's global economy
- Americans are increasingly angry about high costs



Dissatisfaction with health care costs grew 18 percentage points in one year

America's Health Care System Must Improve

Health care in America can be better and more affordable

America deserves care that is:

- **Safe and free from harm;**
- **Provided at the right time, when care is needed;**
- **The recommended care every time;**
- **Efficient and affordable;**
- **Without bias; and**
- **Personalized and sensitive to each individual's needs.**

Underlying Values of *Health for Life*

- **Health and health care are basic human needs and no one goes without.**
- **Everyone has prompt access to needed health care.**
- **Everyone is treated with dignity and respect.**
- **Everyone has the opportunity to reach their highest potential for health.**
- **Health promotion and health care services are provided without bias.**
- **Improving the health status of our nation is viewed as a common good and good for our nation.**

***Health for Life:
Better health, Better health care***

Boldly Stated Objectives

Objectives For Health Status of Americans:

- **America is #1 in health status among nations**
- **Trend in avoidable chronic disease is reversed**
- **People lead healthy, balanced lives**

Objectives For the American Health Delivery System:

- **Health care is efficient, affordable and of high quality**
- **Everyone has coverage and access to care**
- **Care experience exceeds expectations**

To Achieve Reform, Action By All Required

Improving America's health is a great common cause that calls for leadership, participation, and shared responsibility

- **Every individual**
- **Every employer**
- **Every insurer**
- **Every health care supplier**
- **Every community**
- **Every state, local and the national government**
- **Every doctor, hospital and all care providers**

Now is the time to do better

Change Now Through Leadership

America's hospitals will:

- **Improve hospital care now**
- **Create a national framework for change**
 - √ **Identify essential elements of reform**
 - √ **Develop innovative ideas for change**
 - √ **Use the framework as a launching pad for collective action**
- **Engage and involve others**
- **Build coalitions**
- **Call on all America's leaders to act now**

National Framework for Change



Focus on Wellness

Not all illness is preventable. But good primary care, health education and a healthy lifestyle are essential to improving health. Costs for health coverage and health care can be controlled as health improves.

| Goals | How |
|--|--|
| Healthier lifestyles, better compliance with recommended care and lower rates of preventable diseases | Financial incentives to reward healthy behaviors and compliance with care plans Provide support and coaching needed to change behaviors An objective, trusted source of consumer health information and education |
| Guarantee access to primary care | Financially reward doctors and others who provide primary care Require insurers to guarantee plan access to 24/7 primary care |
| Focus on prenatal care and children's health at an early age | A national investment in school-based health: nutrition, fitness, immunization, dental care, and school nursing |

Efficient Affordable Care

America will not be satisfied unless and until the cost of health coverage and health care are affordable.

| Goals | How |
|--|--|
| More informed decision making | Require sharing by all providers, payers and suppliers of clear information on quality and pricing |
| Better manage chronic disease | Explicitly fund chronic care management |
| Evaluate the efficacy and use of new technologies and medicines | Create “technology assessment centers” to analyze the comparative effectiveness, costs and benefits of new technologies and medicine |
| Spend resources on care, not paperwork and legal costs | Simplify the working of public and private insurance Create a better alternative to today’s liability system |
| Well-educated workforce in sufficient numbers and with needed mix of skills | Expand educational capacity, resource and early math and science learning to meet current and future health care workforce needs Design new roles for workers to meet future care needs |

Highest Quality Care

Support doctors, nurses, hospitals, nursing homes and others in working together in teams and with patients and families to ensure the right care is given at the right time, in the right setting.

| Goals | How |
|---|--|
| Increase development and greater use of evidence-based care | Create a national investment to research the best evidence in patient care and develop practice guidelines |
| Reward care outcomes | Redesign payment to reward quality providers who follow evidence-based guidelines and recommended “best practices” |
| Support doctors, hospitals and others in working together to coordinate care on behalf of patients | <p>Redesign payment to give provider groups a single amount to manage the entire episode of a patient’s care and better coordinate care</p> <p>Modernize laws and regulations to allow doctors, hospitals and others to work together in teams or “networks”</p> |
| Coordinate treatment of physical and behavioral health needs | <p>Redesign coverage and payment to guarantee parity</p> <p>Integrate physical and mental health care delivery</p> |
| Increase availability and use of compassionate end-of-life care | Expand options for end-of-life care at home and require everyone to complete an advance care plan |

Best Information

Good information is the gateway to good care.

| Goals | How |
|---|---|
| <p>Increase patient safety</p> <p>Reduce duplicative testing, unnecessary costs and patient hassle</p> <p>Ensure open communication between patients and providers</p> | <p>Speed the creation of electronic health records and personal health records by selecting “interoperable” standards</p> <p>Create a unique, confidential health information number to accurately link patients to their health records</p> |
| <p>Speed the adoption of health information technology</p> <p>Ensure easy access for patients to their medical records and health information</p> <p>Enable better care coordination</p> | <p>Allow providers and community collaboratives to share information technology (IT)</p> <p>National investment in IT for doctors and hospitals most in financial need</p> <p>Require health care suppliers and insurers to enable the use of IT</p> <p>Require specific IT adoption by doctors and hospitals</p> |

Health Coverage for All...Paid for By All

Health coverage for all is a shared responsibility. And everyone – individuals, business, insurers and governments – must play a role in both expanding and paying for coverage.

| Goals | How |
|--|---|
| Health coverage for all | Every individual must have and contribute to the cost of health care coverage |
| Increase access to care for all | |
| Increase insurance efficiency | |
| Protect against high cost health events | |
| Reduce differences in care by race, ethnicity and other characteristics | |
| | Every employer must take responsibility for providing health care coverage for their employees and contribute to the cost |
| | Every insurer must guarantee access to coverage that is affordable, gives consumers the protection they need, and delivers value |
| | Governments must maintain their current responsibility for coverage for seniors, disabled and certain low income people |
| | Collective financing will be needed |

Key Opportunity Areas for Cost Savings

- **Improve health status**
- **Reduce the burden of chronic disease**
- **Reduce medical errors**
- **Reduce waste**
- **Improve efficiency**
- **Reduce administrative costs**

Examples of What the Research Says

| Goal | Health Impact | Annual Savings Opportunity | To Whom Savings Accrue |
|--|--|---|---|
| Reduce incidence of 18 types of medical injuries <i>JAMA 290, no. 14 (2003)</i> | 2.4 million avoidable hospital days | \$9 billion | Providers and payers |
| Reduce variation in care for 5 chronic conditions <i>Nat'l Committee for Quality Assurance, 2005</i> | 21,500-52,100 deaths avoided | \$1 to 3 billion | Payers/ employers |
| Interoperable EMR, central data repository, clinical decision support <i>Health Affairs 24, no. 5 (2005)</i> | Increased efficiency, elimination of 2.2 million adverse drug events, and reduced admissions, ED visits, and lost days of work | \$121 billion | System-wide (mostly payers and consumers) |
| Benchmark performance: prenatal care <i>Nat'l Committee for Quality Assurance, 2005</i> | 1000 – 1750 deaths avoided | \$2 million | Payers/ employers |
| Weight management <i>Health Affairs Web Exclusive (2004)</i> | 300,000 deaths attributable to obesity related conditions | \$177 billion | Payers/ employers |
| Expand coverage <i>Health Affairs Web Exclusive (2004)</i> | 18,000 deaths avoided | \$65 – 130 billion (in increased economic output) | Society |
| Expand coverage <i>Families USA, 2005</i> | Reduced premium levels due to reduced cost shift | \$29 billion (For doctors and hospitals) | Privately insured (employers and individuals) |

Note: Savings is not necessarily additive across studies. Savings not reflective of investment required to achieve performance level indicated.

Measuring Progress

How will we know that we are on the right path?

| Measure | Vision |
|---|-----------------|
| Ranking of U.S. health status compared to other nations* | 1 st |
| <i>Focus on Wellness:</i> Percent of people receiving recommended prenatal, preventive and primary care | 100% |
| <i>Most Efficient Affordable Care:</i> Percent growth in per person health spending above inflation | 0% |
| <i>Highest Quality Care:</i> Percent of people receiving evidence-based medicine or “best practices” | 100% |
| <i>Best Information:</i> Percent of people who have an electronic health record | 100% |
| <i>Health Coverage for All... Paid for By All:</i> Percent of people with health coverage | 100% |

* Based on World Health Organization
Includes such measures as infant mortality, average life expectancy, etc.

Health for Life: Next Steps

Four Implementation Strategies:

- **Member Communication and Engagement**
- **Key Stakeholder Outreach**
- **Public Engagement**
- **Advancing *Health for Life* in Legislation and Regulation**

Member Engagement

Member Communication and Engagement:

- **Post-release communication**
- **State association “kit” to lead change**
- **Member “kit” to lead change**
- **Member meetings with community leaders**
- **Member-hosted community forums**
- **Hospital employee and volunteer strategy**
- **Editorial board visits**

Key Stakeholder Outreach

Key Stakeholder Outreach:

- **Meetings with key outside stakeholders**
 - One-on-one opportunity
- **Issue Advisory Groups**
 - Develop the policy detail
- **“Influencers” Group**
 - Seek consensus among small group of influential organizations

Key Stakeholder Outreach

Meetings With Outside Stakeholders:

– **Already complete**

- **AARP**
- **AFL-CIO**
- **AHIP**
- **American Academy of Family Physicians**
- **American Academy of Pediatricians**
- **American Nurses Association**
- **American Public Health Association**
- **American Society of Health-System Pharmacists**
- **Association of American Medical Colleges**
- **BCBSA**
- **Business Roundtable**
- **Center for Health Transformation**
- **Commonwealth Fund**
- **Families USA**
- **National Association of Manufacturers**
- **National Business Group on Health**
- **National Federation of Independent Business**
- **National Medical Association**
- **Robert Wood Johnson Foundation**
- **U.S. Chamber of Commerce**
- **VHA**

Key Stakeholder Outreach

Others put forward their framework:

An Overview of BCBSA Recommendations for Assuring Quality, Value and Access

*(The Pathway to Covering America:
Ensuring Quality, Value and
Access: January 2008)*

- 1. Encourage Research on What Works**
- 2. Change Incentives to Promote Better Care**
- 3. Empower Consumers and Providers**
- 4. Promote Health and Wellness**
- 5. Foster Public-Private Coverage Solutions**

Key Stakeholder Outreach

Future Meetings Planned With Outside Stakeholders:

- American College of Physicians**
- American College of Surgeons**
- American Medical Association**
- Many others**

Key Stakeholder Outreach

Issue Advisory Groups:

- **Focus on Wellness**
- **Most Efficient Affordable Care**
 - **Chronic Care Management**
- **Highest Quality Care**
 - **Clinical Integration**
- **Best Information**

Public Engagement

Public Engagement:

- **Research**
 - Consumer tracking poll
- **Media and public relations campaign**
 - Press event for “influencers” groups
 - Network of key reporters covering reform
 - Targeted editorial board visits
- **Consumer targeted strategy**
 - Launch *Health for Life* website
 - *Health for Life* consumer advertising
 - Ongoing consumer perspectives

Legislation and Regulation

- **Make reform a priority in 2008 elections**
- **Increase member awareness of candidate positions, e.g.,**
 - http://www.commonwealthfund.org/usr_doc/site_docs//slideshows/CandidateReport/CandidateReport.html
 - <http://www.webmd.com/election2008/comparecandidates>
 - Kaiser Family Foundation's <http://www.health08.org/sidebyside.cfm>
- **Serve as a resource to candidates**
- **Prepare legislative and regulatory specifications**



**A Dialogue Document: Michigan Health Insurance
Access Advisory Council
January 28, 2008**