

# Federal Telemedicine **NEWS**

## **Financing Healthcare Discussed at Major Session at WHITC**

**Carolyn Bloch – Nov. 13, 2006**

According to David Cutler, Professor of Applied Economics, Department of Economics and Kennedy School of Government, Harvard University, speaking at the World Healthcare Innovation Technology Conference, said "spending can be cut by 20-30% with improved outcomes. However, we have to make healthcare more of a market, by using more health IT, and paying for quality to produce better outcomes. Costs could even be more contained if the personal health planning industry which is really a cousin of the financial planning industry were further developed. Savings would also be realized, if we used health IT to help care coordinators, and we need to develop the post trial evaluation industry to find out what works and what doesn't."

Herbert Pardes, M.D., Vice Chairman, President and CEO, New York Presbyterian Hospital, emphasized that our country has made great strides in medicine with all of the new treatments available today especially in treating heart disease and performing transplants. Today, costs are reduced because many patients are able to have surgery performed on an outpatient basis and patients needing non-surgical repairs of the heart are able to go home in a day or two. Using robots presents an array of new possibilities to further reduce the costs of healthcare.

In order to reduce expenses, the healthcare field needs to unify the entire system to handle billing and payments, put an interoperable system in place, use IT to reduce patient errors, spend more effort on educating the patient to prevent illnesses, have universal coverage so that emergency rooms aren't overflowing, and develop fiscally smart top down hospital leadership. Vincent C. Caponi, CEO at St. Vincent Health, said "the hospital concept is changing with some hospitals becoming centers of excellence and specialty hospitals so that one size doesn't fit all. Both doctors and hospitals are trying to survive in a competitive world that has doctor's offices, ambulatory care centers, specialty centers, health clubs, and alternate care providers all working to provide healthcare to the general population. Other forces that are driving hospital costs today are the payment system, competition and politics, workforce and staffing issues, and outdated equipment."