

Disease Management Care Blog

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Secretary Leavitt, Secretary of Health and Human Services, Speaks at the World Health Care Congress

Michael Leavitt, Secretary, Department of Health and Human Services spoke at the April 23 session of the World Health Care Congress on the topic of the value driven health care system.

He noted a study from Harvard has just been released showing that life expectancy is decreasing. This gives greater urgency to the topic of reform. Health care must change and while it may take a decade, the success or failure of pulling this off may define the success of this generation.

This value-based movement is underway and is made up of a broad spectrum of stakeholders who represent a chance at ‘real reform’ for a system that was built on volume. Secretary Leavitt thinks of advancing value as a function of the “Four Cornerstones.”

Standard Measures of Quality – there has been a large increase in the number of measures but the methodologies remain fragmented among the multi-participant quality enterprise. He believes we need national standards, hopefully that are sufficiently endorsed. He implied that if they are not available, CMS is prepared to ‘push the envelope.’

Standardized Cost Comparisons – best done if performed using ‘grouper’ methodologies, but it’s also hampered by a lack of speed and opaqueness. Secretary Leavitt gave kudos to the Robert Wood Johnson Foundation for helping to accelerate this process. He’d like consumers to be able to scrutinize bundled knee surgeries with the same ease of checking a potential car purchase. If methodologies are not available, CMS is prepared to ‘not let the excellent be the enemy of the good.’

Interoperable Electronic Medical Records – we’re not there yet, but we are getting closer. CCHIT process is a good step forward and has been applied to 75% of the EMR products out there. He finds the uptake of EMR among hospitals and large practice groups gratifying and knows that small practices cannot afford it. CMS is piloting “Personal Health Records” and is confident that consumer involvement is destined to increase. ‘Payments at the highest level for providers should be linked to physicians who interact

with CMS at the highest level.’ One ingredient of the highest level is electronic connectivity.

Incentives to Seek Value – aka eliminate duplicative services and low value services with ‘carrots and sticks.’ This includes using financial incentives to encourage patients seek out high quality lower cost physicians. This will need to be transitioned in multiple markets over time, but according to Secretary Leavitt, it’s got to happen and it’s going to happen.

Fourteen Chartered Value Exchange (CVE)’brands’ have been awarded by CMS on the basis of adherence to the Four Cornerstones, acceptance of national standards and local provider buy in. He hopes more will be awarded and the system will eventually become self-sustaining.

Question and answers:

There are two competing philosophies when it comes to reforms: government ‘owns’ the system vs. government ‘organizes’ the system. He favors the latter as a force in the health care sector (he distinguished that from the inaccurate term ‘system.’)

Insurers are destined to not only pool risk but deliver information to their enrollees.

Who pays? The answer lies in the transition problem. Between ‘here’ and ‘there,’ the costs of transformation will increase but the pay off will more than make up for it. (comment from the DMCB: not everyone who bears the cost in the transition period will be the beneficiaries of that return on investment).