

# Health Policy

## NEWSLETTER

### FROM THE EDITOR

## One Book, One School

The Jefferson School of Population Health opened its doors on September 9, 2009 to students enrolled in graduate programs focused on public health, health policy and health care quality and safety. On the first day of school, every staff member was given a copy of a new book, *Health Care Will Not Reform Itself*.<sup>1</sup> We thought that having all of our faculty and staff reading one book on a topic of such critical importance would serve to focus our thinking together. Written by George C. Halvorson, CEO of Kaiser Permanente, this book provided an interesting perspective as to why health care reform is so difficult.

Halvorson takes a ground-up approach to tackling the multitude of complex issues in the reform debate. Kaiser Permanente, this country's largest and most progressive integrated managed health care system, represents the "gold standard" in health care. Overall, this book provides an insightful view, from within the health care industry, of what needs to be reformed, why reform needs to occur and the reasons why reform is so complex and difficult to accomplish. Let's look at some of the broad issues as to why health care cannot reform itself.

The book begins by setting the stage as to why health care is so difficult to reform and which aspects most need to be changed. The introduction outlines the steps that need to take place for reform to occur. Developing clear goals, having strategies to achieve each goal, and the tools to implement each strategy will lead to success in health care. The main tools are "connectors." Connectivity is critical for patients who are older, have several co-morbid conditions, or one of the many chronic conditions that drive up the cost of health care. These patients are frequently seeing several physicians for treatment, and their physicians are not connecting with each other. Physicians are not paid to communicate with patients' caregivers or other physicians; thus, most health care professionals do not invest the time in connecting with others.

By the numbers, this book is an eye-opener in terms of what this country spends on health care and why

reform is necessary. Over 16% of the total US economy goes toward health care expenses and 75% of health care dollars are spent on chronic conditions. The United States is ranked number one for health care spending, yet we are ranked 72<sup>nd</sup> (out of 191 countries) in terms of actually having healthy people. If health care generates \$2.5 trillion in revenues, why is it that there are over 40 million uninsured Americans? How can we reduce premium costs for an American family by \$2500 in order to make sure every American is covered under a health insurance plan? In businesses as prices go down, sales go up; if the price of health insurance decreases then we will be able to provide health insurance for every American. Those who are leading the charge in health care reform should either be economists or think like an economist and be recipients of a health insurance plan in order to focus on what will work best for all Americans.

Why aren't Americans the healthiest people in the world? Part of this answer, according to Mr. Halvorson, is that we do not get the "right" care half of the time. Bad care is actually profitable. The longer a patient stays in the hospital, the more revenue the hospital receives. There is no economic incentive or reward for getting it right the first time or improving the quality of health care. Databases (e.g., electronic medical records or EMRs) are essential for continuity of care, yet some health care systems are not equipped with them. Payment is based on a fee for service model that focuses on treatment for disease; there is no orientation towards wellness or prevention. Health care needs to be patient-focused instead of focused on provider cash flow.

Overall, health insurance and medical treatment should be equal for all Americans at all institutions. The book provides several concrete examples of how to save money by applying economics to the prevention and treatment for the top chronic conditions (e.g., diabetes, asthma, depression, cardiovascular disease, and cancer). One of the best examples of the effectiveness of prevention is diabetes. If we reduce obesity in this country, we can decrease the number of

people with diabetes. If we lower the number of people with diabetes, then we lower the risk of circulation problems related to heart attack and stroke. In addition, lowering the risk for diabetes allows for fewer long-term complications of diabetes, including retinopathy, kidney disease and peripheral neuropathy. If the right treatment is given 100% of the time, the cost of chronic conditions is substantially decreased. The opposite side of the coin is that the lack of continuity for people with chronic conditions and co-morbidities contributes greatly to the rising costs of health care.

Although the book may seem redundant in several parts, Mr. Halvorson drives home the point that the health care system needs to and can be fixed. The four most important points for health care reform are:

1. The key to good health begins with wellness and prevention;
2. Connections and communication facilitate good chronic care management;
3. Quality and safety (getting care right) are critical components of health care; and
4. Access to health care for all individuals is a must.

One book, one school. We focused our attention on the crucial issues underlying reform and debated these issues through a school book review. We learned together as a school. We hope our elected leaders have a similar, rich discussion. Our country deserves nothing less. ■

#### **Kathryn M. Kash, PhD**

*Associate Professor  
Program Director, Master of Science in Chronic  
Care Management (MS-CCM)  
Jefferson School of Population Health*

#### **David B. Nash, MD, MBA**

*Dean  
Jefferson School of Population Health*

### REFERENCES

1. Halvorson GC. *Health Care Will Not Reform Itself*. New York, NY: Productivity Press; 2009.