

# outside the box

## *Surprising Health Care Reform Possibilities, Built on Common Ground*

Around the country there is growing agreement that the American health care system is in need of major reform, and from that acknowledgment the number of proposals for change has grown significantly. However, these solutions are often incremental efforts to fill gaps in the current system, most likely because the people making them are invested in it. With such proposals it seems that we are working from inside of a box – rearranging its contents – when it may be that the entire box is what needs our attention.

Most Arizonans feel the system breaking down. Nearly 1 million of our citizens are currently uninsured, while employers and insured individuals face double-digit cost increases annually. We are searching for ways to cope with and compensate for what is happening, without perhaps stepping back and taking a long enough look at the system itself.

It simply makes good sense to think outside of and about the box – especially given that the one we’ve been in for decades appears to no longer contain answers for our situation today – but how do we get started in the most constructive and productive way? With a large number of Arizonans already agreeing that something must be done to provide coverage for all, where do we start? Who sponsors coverage? What should be covered? How should costs be distributed?

To find out, SLHI convened a series of breakthrough meetings. Instead of consulting with experts who work diligently each day to make the best of today’s system, we started with the premise that new voices from outside of the box needed to provide thinking about the box itself. We coupled that realization with the conviction that these issues were not too complex or intractable for citizens to provide considered judgment and input. And with that, the Arizona ChoiceDialogues were born.

*“You can never solve  
a problem on the level  
on which it was created.”*

— Albert Einstein

*June 2006*

### WHAT WE SOUGHT:

- To determine what Arizonans mean by “universal” coverage and how they resolve the difficult tradeoffs required to put any universal system in place.
- To provide decision-makers with insight into what sorts of health care reforms the public is – and is not – likely to accept.
- To lay the groundwork for an effort to engage the broader public in a thoughtful discussion of how to address the state’s health care crisis.

**ARIZONA  
HEALTH  
FUTURES**

## Moving the Process Out of the Box

Thoughtful consideration of complex issues doesn't happen in the time it takes to answer a survey question. While surveys and polls provide valuable information, they are *snapshots in time* and provide little sense of how opinions are created and how they are likely to change as people become more informed about an issue. ChoiceDialogues™<sup>1</sup> were developed to deal with issues where people have not yet made up their minds – to engage citizens in working through their views on complex, gridlock issues. They provide an innovative way to compress the process of “working through” in order to understand the pros and cons of various reform options and come to a considered judgment.

ChoiceDialogues offer insight into how and why people's minds change as they learn, providing the basis for anticipating how the broader public will resolve issues once they have the opportunity to come to grips with them.

Three citizens dialogues were conducted, one each in Phoenix, Flagstaff and Tucson. Each dialogue brought together approximately 40 randomly selected participants representing a wide range of socio-economic circumstance, ethnic backgrounds, and political leanings. Citizens were first asked to provide their initial ranking of four reform options (see below). Immediately following, each attendee was given a workbook containing a balanced presentation of each alternative's pros and cons. Participants then spent the morning in active discussion, crafting a vision for the future of health care in Arizona and setting priorities. In the afternoon they worked to determine what tradeoffs they would accept to make that vision a reality, and ended by ranking their final, considered judgment on the same four options.

### A Place to Start

Four scenarios representing different reform options were developed as a starting point for the discussion. Participants were encouraged to adapt and change them to create a unique vision for Arizona's future.

	EMPLOYER-BASED	PUBLIC
Comprehensive	<b>SCENARIO 1:</b> Expanded employer-based system: full coverage for all	<b>SCENARIO 2:</b> Arizona Medicare for all
Limited	<b>SCENARIO 3:</b> Expanded employer-based system: limited coverage for all	<b>SCENARIO 4:</b> The state provides the basics: the rest is up to you

Descriptions of the four scenarios can be found in Appendix C of the complete report. To download a copy, visit [www.slhi.org/publications/studies\\_research](http://www.slhi.org/publications/studies_research).

The three citizens dialogues were followed by a stakeholder dialogue that brought together a number of citizens from the earlier dialogues with government officials and civic leaders. Participants looked for common ground between the vision and tradeoffs the citizens defined and the realities and future the leaders envisioned. Together they worked to identify a common vision and to develop strategies that move Arizona toward this future.

*Citizens spent the morning crafting a vision  
for the future of health care in Arizona  
and setting their priorities.*

<sup>1</sup> For a complete description of this method, refer to Appendix A of the full report.

**Figure 1: “Thinking It Through: Citizens Reach Their Conclusions”**

**WHAT THEY SAID:**

*“[If nothing changes,] it will begin to have a really dramatic economic impact on the overall health of the state. Arizona will become a less attractive place.”*

*“[I had thought] that the uninsured were people that were not working. But if 80% are working and it’s simply the fact that they don’t make enough money or they work for businesses that can’t afford it, then [an employer-based system] won’t work.”*

*“If [employers] are totally out of the picture they can reduce their costs, perhaps reduce the cost of goods and services, maybe even increase net pay so that you can afford the income tax and the sales tax to pay for this coverage.”*

*“We all agreed that we want a single system that’s state run because we feel like there will be more efficiency versus an employer-run system.”*

*“People who choose to have some bad living habits, they get sick and I’m going to pay for it out of my premiums? I have a very serious concern about the fairness of that.”*

*“If you prevent these moms from having maternity care, then they have children with poor health and that puts a strain on the system in the future.”*

*“I think the best thing of all is that I love my state of Arizona and I’ve never seen so much public outreach before.”*



**UNIVERSAL COVERAGE**

- Permanent
- Equal Baseline for All Residents
- No One Turned Away in Emergencies



**GET THERE THROUGH FAMILIAR EMPLOYER-BASED SYSTEM**

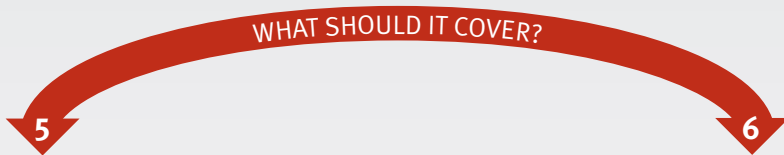


- Cost to Employers
- No Portability
- Too Much Money to Marketing/Administration



**PUBLIC SYSTEM A BETTER ALTERNATIVE**

- Reduces Burden on Employers
- Simpler and More Efficient
- Spreads the Risk



**MAJORITY SUPPORT COMPREHENSIVE PLAN**

**STRONG MINORITY OBJECT**

- Cost
- Potential Abuse of System
- Personal Responsibility
- Need to Keep Employers Involved



**SEARCH FOR COMMON GROUND**

Less Than Comprehensive Coverage — BUT —  
Much More Than Preventive/Catastrophic



**EVERYONE GETS ESSENTIAL HEALTH CARE AND PROTECTION AGAINST FINANCIAL RUIN**

- Public System
- Everyone Pays Something into the System
- Employers Offer Supplemental Coverage

*“AHCCCS kind of rewards people not to work. I can’t understand that. People that do work are penalized and I don’t see where this is fair to anybody.”*

*“I worked for 30 years for the steel industry and then it turned sour and went bankrupt on us, and the first thing that we lost was our health coverage. You also now have airlines going back to people and saying ‘you’re no longer on our insurance plan.’”*

*“We also felt like people would have a better understanding of what they’re getting because right now there’s too many options out there and it gets really confusing.”*

*“Pay for the catastrophic coverage, the kidney transplant, leukemia, that kind of stuff and not so much of the ‘I’ve got a hangnail, please take me to the ER.’”*

*“Take four million people times \$94 to have two teeth cleanings a year. Are you willing to pick up that cost in your income taxes?”*

*“I am heartened by how much common wisdom there is on these issues. Maybe this is the tipping point.”*

*“We do like the idea of having a less complex government system. The less the tracking, the less eligibility restrictions you have, the better it will be because it will drive costs down.”*

## Citizens: Getting From Here to There

Over the course of their dialogues, citizens' opinions underwent a significant shift. Initially, participants gravitated to the notion of comprehensive coverage – the “what” dimension – with a preference for an employer-based system of coverage. However, by the end of the day, “how” insurance would be provided was the dominant dimension and the public insurance scenarios had emerged as strong favorites, while employer-based scenarios declined in popularity. In the final questionnaire, the highest rating (6.7 points out of 10) was for a comprehensive public system, followed by a public system with more limited benefits. Support for the two employer-based scenarios dropped over the course of the day, both finishing at 4.0 points out of 10. (See Figure 2)

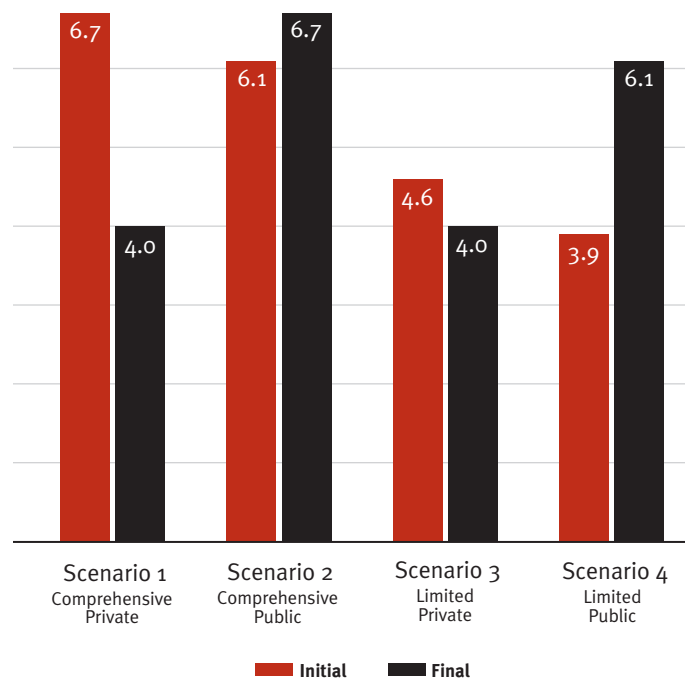
## Opening the Box

Given the opportunity to work through the complex trade-offs inherent in health system reform, citizens voice stronger support for universal health coverage and a greater openness to a public system than polls might indicate. Public dialogues offer just such an opportunity. Following essentially the same sequence of steps, participants in each of the dialogues reached similar conclusions.

While all three citizen dialogues produced a remarkably stable and consistent vision, the question remained how their views would compare with government officials' and industry leaders' views of the health system of the future.

In the end we're all both citizens and stakeholders, as the vision defined in the stakeholder dialogues dovetailed with the vision created in the citizen dialogues, including support for a universal, centrally financed system of health care, the need to assure a continuing role for employers and private insurers, and the promotion of personal responsibility and healthy lifestyles. Surprisingly, participants in the stakeholder dialogue ended up supporting a more comprehensive benefits package than the citizen groups. Industry and technical knowledge brought to the conversation by stakeholders not only confirmed and strengthened the citizen recommendations, it also helped in the development of next steps.

**Figure 2: Citizens' Initial and Final Judgment on a Future Healthcare System**



*Stakeholders discovered common ground with citizens and identified a small number of high priority, high leverage goals.*

## The Road Ahead

The ChoiceDialogues process produced three specific goals that could move Arizona in the direction of providing high-quality health coverage for all citizens.

- **Continue engaging the public directly in efforts to shape a universal system.** Participants agree that a more effective approach to health system reform is to go directly to the public and the business community, build a consensus for change and engage them in the task of building workable solutions that reflect their values and priorities.
- **Phase in a universal system.** Participants agree that this new system should be phased in, covering the most vulnerable Arizonans first. Ultimately, they want to see a comprehensive, publicly administered system that maintains a role for employers to provide a competitive benefit to their employees, and utilizes cost-effective providers such as nurse practitioners more extensively.
- **Reform the state's system of training medical professionals/care providers.** Participants agree that the state's system for recruiting and training health professionals must be overhauled. They recommended several strategies which share the goal of increasing the number of doctors, nurse practitioners, physician assistants and other health professionals.

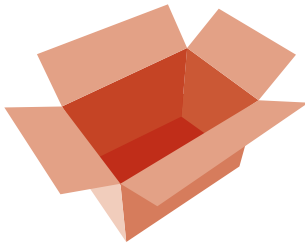
Citizens can and should be engaged in the same problem-solving processes as elected officials and industry leaders if meaningful and sustainable reform of the health care system is to be realized. The first key to moving forward lies in the recognition that our current system has not adequately kept pace with significant changes in who we are and how we live today. We are all citizens who, by stepping out of the box we're in, can engage in the kind of thoughtful dialogue that reveals common ground and reaches stable judgment about what to do. Arizona has a strong foundation upon which to build. We have the considered judgment of our citizens and stakeholders, one of the most successful Medicaid systems in the nation, an emerging bioscience industry and our pioneering spirit. As a community, we can work together to embrace the possibilities and ensure our prosperous and healthy future.

*“The only way to make sense of change  
is to plunge into it, move with it,  
and join the dance.”*

— Alan Watts

### WHAT WE FOUND:

- **Among citizens with diverse backgrounds and situations, a consistent pattern of values and priorities emerged, along with a remarkable amount of common ground and the recognition that solutions that worked for each of us could best be achieved through a system that works for all of us.**
- **When it comes to healthcare system reform, values trump dollars. While information on the financial impact of various reform options was available, the discussion focused on values and the creation of a system that works for everyone. The fact that a comprehensive, universal system would also be the most cost-effective system was icing on the cake.**
- **Optimism. The potential for building on the common ground found among both citizens and stakeholders created a sense of optimism. Government and civic leaders were impressed with the insights that citizens provided, and likewise, citizens were encouraged to hear their voices being taken seriously. Both expressed renewed hope that Arizona might be able to make significant improvements in the system.**



**The full report is available at:  
[www.slhi.org/publications/studies\\_research](http://www.slhi.org/publications/studies_research)**

### **Our Mission**

*To improve the health of people and their communities in Arizona, with an emphasis on helping people in need and building the capacity of communities to help themselves.*

**ARIZONA  
HEALTH  
FUTURES**

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