

Toward Affordable Health Care:
Prescriptions for Today

Congressman Dennis Moore
Congresswoman Karen McCarthy
Senator Jim Talent

Honorary Co-Chairs

Summary Report

April 15, 2004
Kansas City



www.publicforuminstitute.org

Executive Summary

Double-digit increases in the cost of health insurance for consumers and employers has elevated national concern about our health care system to heightened levels. Public *debate* over the past decade has failed to galvanize public *support* for proposed solutions. And employers, consumers, the government, insurers, doctors and other health care providers and professionals cannot reach consensus when it comes time to move from words to action.

More than 100 concerned citizens, representing a diverse array of backgrounds and interests, convened in Kansas City to examine the key cost drivers to health care and seek common ground on achievable solutions that would have an impact on affordability. When asked how they view the nation's health care system, 80 percent of the participants responded that there are some good things about the system, but that fundamental changes were needed (see *eFORUM Results* addendum).

Participants developed recommendations to reduce the number of uninsured, implement electronic medical records and other technology across the country and to engage and empower health care consumers in the delivery of their care.

The Uninsured

Forum participants developed more than a dozen potential remedies for providing the uninsured with affordable health care. First, they wholeheartedly endorsed the idea that the problem of the uninsured is not lack of insurance but lack of access to health care. With few options, the uninsured must resort to emergency care, driving the cost of care up while providing less-efficient service. With the issue of access in mind, participants placed the emphasis on the community as the major source of effective and feasible change, though with help financially from the state and federal government. The highest rated solutions based on both impact and feasibility, topics identified throughout the summit as integral to successful implementation and effective change, included fostering community partnerships and using federal and state seed money to develop sustainable services in local communities.

Technology

The participants endorsed the concept that implementing technology would correct many of the current inefficiencies and medical errors within the health system. In developing recommendations to reduce health care costs and errors, participants focused mostly on education about the benefits of introducing more technology into the health care system. On the provider side, participants talked about education about electronic medical records and how the system works, especially for veteran doctors and nurses who may be more hesitant to abandon traditional paper records. And on the patient side, participants acknowledged the direct link between technology and consumer empowerment. Overall, participants felt that with enough education and awareness, evidence of successful implementation of technology throughout the country would speed the transformation to a fast, convenient, and cost-saving system. In order to motivate hospitals and other health care facilities to incur the short-term expense of adopting these technologies, participants suggested offering tax exemptions or some other financial benefit for hospitals or health care facilities that adopt this technology.

Consumer Engagement

The participants discussed potential actions to increase consumer engagement in health care and subsequently decrease some of the costs by enticing each consumer to actively seek the most suitable health care arrangements for themselves. Participants emphasized implementing education efforts and financial motivators. They felt providing access to information specifically about quality, cost, and outcomes as well as implementing a clear, financial motivator would most increase consumer engagement.

SUMMARY REPORT

Opening Remarks



Jonathan Ortmans discusses the importance of engaging the American public in dialogue on the issue

Jonathan Ortmans, president of the Public Forum Institute, began the program by welcoming all the guests and speakers, thanking Congressman Moore, Congresswoman McCarthy, and Senator Talent for their leadership on such a vital issue

Next, he explained that the organizers focused the forum on affordability because so many of the issues in health care reform find their roots in financial considerations. As facilitators for the dialogue on the health care issue, Mr. Ortmans explained that though the chosen topics of the uninsured, technology, and consumer engagement represent just a few of the components influencing cost drivers, but they serve the prime purpose of engaging in meaningful discourse on the broader idea of affordability.

Finally, after briefly reviewing the agenda, speakers, and panelists, he introduced the eFORUM wireless technology that enabled all attendees to participate fully and interact directly with the speakers, panelists, and each other and provided the opportunity to obtain a group consensus on the day's final recommendations. Mr. Ortmans used this in his welcome as a way to collect demographic information as well as gauge preliminary feedback from participants (see *eFORUM Results* addendum).



Congressman Dennis Moore addressed the summit with a warm welcome and a great expression of appreciation. He seconded Mr. Ortmans' acknowledgment of and thanks to the other speakers, panelists, and sponsors whose efforts and time exemplify the necessary involvement for reform.

Following this introduction, Congressman Moore expressed the goal of the summit as a non-partisan opportunity to listen to the community and return to Congress with their suggestions. He emphasized the universality of health care

reform in its scope and effect on the entirety of the country.

Congressman Moore provides an opening look at the key cost drivers to healthcare

Influences on Health Care Affordability

Health Access to the Uninsured

Dr. Marci Nielsen, assistant professor at the University of Kansas School of Medicine, began the health care affordability discussion by examining the implications, current programs and potential solutions of the uninsured in the Kansas City area. Dr. Nielsen spoke from years of experience working in Washington, D.C., as a legislative assistant, a health care lobbyist, and her current active involvement on behalf of Governor Sebelius, Congressman Moore, and the Kansas City Public Health Systems Group in the areas of health care, health reform, and health policy.

Dr. Nielsen began her presentation by paralleling the current health care situation with the situation a decade ago, effectively demonstrating the minimal progress made on health care issues. Within this context, she described the current situation of the unemployed as a complex social concern that affects roughly 40 million Americans, ranging in backgrounds along the social hierarchy. She emphasized that many of the uninsured do meet federal aid standards but fail to capitalize on these services. From the diversity of the uninsured population, Dr. Nielsen concluded that no single solution could address the scope of this universal problem.

To focus her discussion on the Kansas City area, Dr. Nielsen provided a brief discussion of current statistics on the uninsured in both Kansas and Missouri. From this perspective, she cited several local initiatives in each state including Medicare initiatives, support for medical malpractice reform, and efforts to increase access to the uninsured through community clinics.

Next, as facilitation for the ensuing table talk, Dr. Nielsen delineated two of the most debated issues regarding the uninsured. First, she explained that before attempting to solve the problem, the issues must be defined as either a deficiency in availability of insurance or a deficiency in access to services. If the problem lies in the lack of insurance opportunities, common solutions include small business tax benefits, employer mandated health insurance, individual mandated insurance with tax subsidies, or a single payer plan. On the other hand, problems with access demand more community health care centers, public/private partnerships, and community partnerships to provide health services.

As to the other major aspect in the debate on the uninsured, Dr. Nielsen explained that financial responsibility for these solutions must fall on the state government, federal government, or some integration of these two sources. She cited the positives of federal funding as standardized benefits, federal protections, and more flexibility with their budget increasing the security of these programs. She then noted the positives of state funding in its ability to create more rapid change, to cater to the unique demands of each state, and to more effectively attain its goals.

Dr. Nielsen provided a final consideration for the attendees explaining the importance of feasibility and political involvement in achieving reform. Local and national legislatures have drafted ample policies, but the political feasibility remains a consistent barrier to the passage of legislation.

Participant Recommendations: What should be the top priority for leaders from the Midwest to focus their energies on? What has worked in the past? And/or what do you think will work the best?

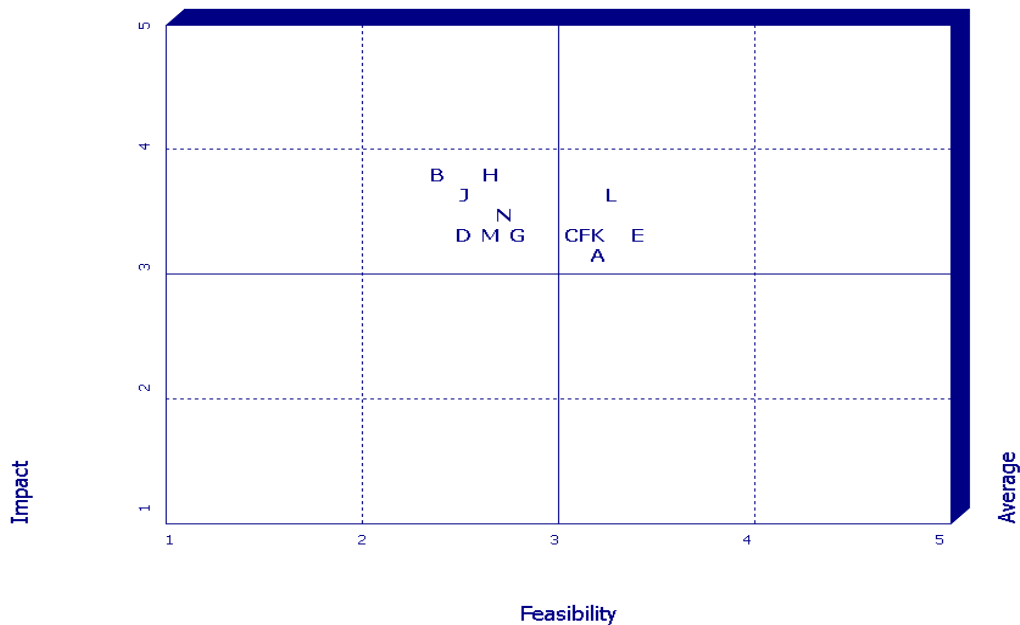
From the general background provided by Dr. Nielsen, each table contributed answers to the proposed open-ended questions and shared them with the entire summit. These ideas varied in actual policy but all groups agreed the problem with the uninsured derives from the lack of health care access rather than health insurance access. The discussion produced the following potential solutions:

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- A. Public and private initiatives to provide free clinics- synergy with state and government policies
- B. Universal health insurance with subsidies for low-income
- C. Federally-qualified community health centers
- D. Change federal laws (e.g. ERISA)
- E. Community partnerships
- F. Education and prevention with some state level government responsibility
- G. Flexible solutions should be based on local/community needs
- H. Starting point at the federal level
- I. Education and prevention through community based programs
- J. Consider non-employer-based models of providing insurance
- K. Consensus on community-based programs to coordinate and maximize resources
- L. Federal and state seed money to develop sustainable services in local communities
- M. Develop formula for sustainable funding streams through public/private partnerships
- N. Simplify rules and regulations then educate

The participants then voted on the potential impact and feasibility of these proposals and found the following results:

Average Response to all Polls



From this chart, it appears the best overall solutions as voted on by the participants at the summit are the use of community partnerships and federal/state seed money to develop sustainable services in local communities. Both these recommendations show the emphasis on community-oriented and -directed programs as the most effective and feasible of the proposed solutions. While participants felt universal health insurance with subsidies for low-income and beginning the process at the federal level would provide the most dramatic and effectual changes, these recommendations scored extremely low on feasibility. This attests to the acknowledgment by the participants of some of the political limitations Dr. Nielsen mentioned.

Technology

Dr. Allen Weiss, President of Naples Community Hospital, continued the summit by highlighting the detrimental effects of the absence of technology and illustrating the immediate and long-term benefits of technology, providing examples of where technology has improved medical services, reduced errors and had a positive long-term impact on cost.. Dr. Weiss revealed a number of facts related directly to medical errors and inefficiencies today including:

- 20% of lab tests conducted are redundant
- 31% of health care dollars are related to administration
- 35% of hospital time is wasted due to lack of organization
- 'Medical accidents' are cited as one of the top ten causes of death
- Nurses spend 1/3 of their time doing paper work

After citing the V.A. hospital, which automated ten years ago, as an example of technology increasing efficiency, Dr. Weiss expounded on the potential technological advances like:

- Bar coding meds for inventory
- Bar coding patient records
- Automated hospital records
- Computerized medical resources

Dr. Weiss showed how these could reduce the aforementioned errors and inefficiencies while helping to reduce the cumulative cost that accrues with every medical error.

Participant Recommendations: What can be done to encourage more technology in health care?

Participants developed a thorough collection of solutions to integrate technology into the medical field. These include:

- A. Make resources more available to smaller clinics
- B. Show that technology has the goal of reducing the costs of health care
- C. Emphasize the efficiency of technology
- D. Education of staff and consumers so they are less wary of using technology
- E. Continue to reinvest profits into technology
- F. Tax incentives for places utilizing technology
- G. Give financial incentives for lower malpractice rates as well

Consumer Engagement

To speak on the topic many of the citizen participants had most interest in, Dr. Scott Lakin addressed the involvement of consumers in the issues of health care affordability. He first cited the impediments to consumer engagement and then introduced several suggestions on overcoming those problems as a prelude to the later table discussions. He used both the context of Missouri, where he is director of the Missouri Insurance Department, and of the nation to frame the issues surrounding consumer engagement and how that may influence the affordability of health care.

Regarding hindrances to change, he first asserted that a lack of information is the major challenge to engaging consumers in health care issues. A survey done by his own Missouri Insurance Department found that the number one place where government workers in Missouri received their health care information was the person in the cubicle next to them. This problem exists in part because of a lack of information but also because consumers are unaware of where this information actually does exist. Secondly, he denoted the "health care system" ought to be termed "health finance system" where every employer bases his or her decision on insurance providers on cost alone. This results in rapid changes between insurance plans from year to year and causes employees to change networks and doctors, ultimately compromising their care. Finally, he cited the comfort of the industry in their current system as a huge impediment to achieving change.

In response to these barriers to consumer engagement, Dr. Lakin cited some preliminary means to increase consumer involvement in health care and subsequently increase affordability. He mentioned the current trend in cost shifting that may force consumers into making active decisions about their health care. With the increase in consumer driven health plans, Dr. Lakin suggested that these would demand the consumer to increase their knowledge and education. Secondly, he challenged elected officials to take a proactive approach with insurance and access to care as it had with two Missouri bills, the MC+ for Kids Bill and the Child Immunization Bill. Both significantly increased insurance availability and health care access respectively.

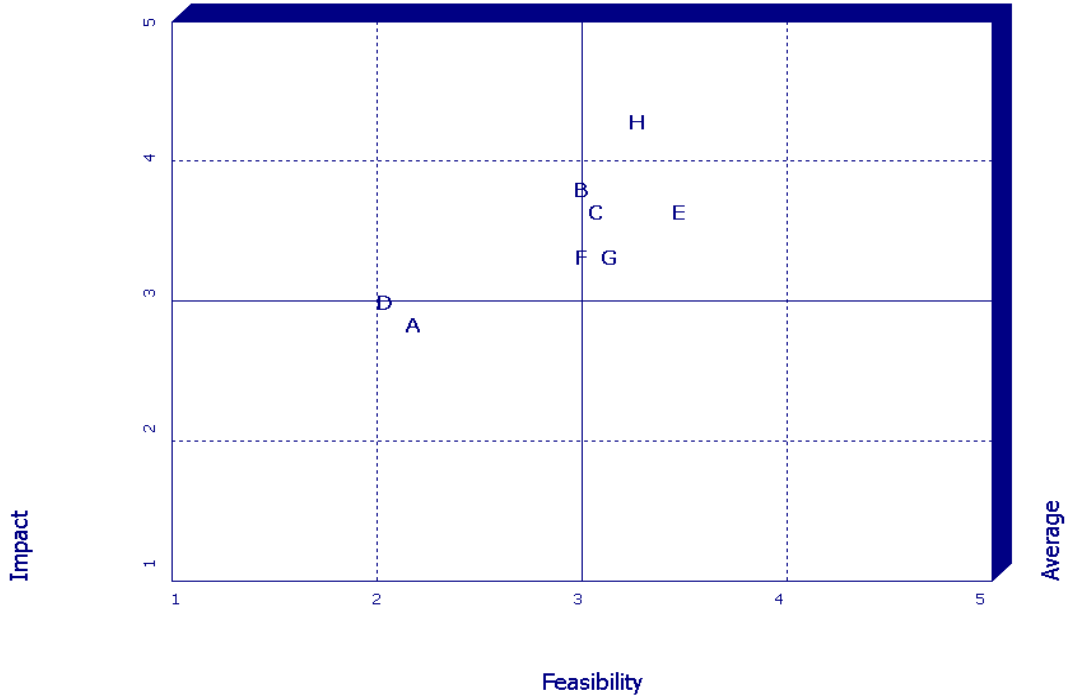
Participant Recommendations: What can be done to encourage citizens to be more involved in financing and delivery of health care?

In response to this question, the discussion took the similar format to the topic of the uninsured with the participants concurring at their tables and then voting on impact and feasibility of their own brainstorming suggestions. The participants proposed the following recommendations:

- A. Manage adverse selection
- B. Educate the public to take on more accountability
- C. Funding prevention (e.g. encourage funding alternatives) perhaps through increased coordination between Medicaid and Medicare
- D. Taking the employer out of the equation and making the consumer more responsible for negotiating and selecting their own care
- E. Provide access to consumers on information specifically about quality, cost, and outcomes
- F. Consumer-friendly mandates (currently too difficult to explain to the end-user)
- G. Encourage consumers to utilize knowledgeable sources of information
- H. Implement a clear, financial motivator to incentivize the consumer to engage

In this final discussion, participants again used eForum technology to vote on the impact and feasibility of the above options. They decided the following:

Average Response to all Polls



From this chart, it is clear that the participants felt the best way to involve consumers with health care decisions is to provide access to consumers on information specifically about quality, cost, and outcomes. Another recommendation that scored relatively high, especially on impact, was to implement clear financial incentives for consumer engagement.

Panel Discussion



A panel of regional experts convened to discuss their own opinions on health care affordability from a spectrum of unique perspectives. Then, with the previous speakers, they also weighed in on the recommendations of the participants and other related questions posed by Mr. Jonathan Ortman, to contribute their individual expertise to the discussion about the price of health care.

First, Bill Bruning, CEO of Mid-America Coalition on Health Care, framed the issue within a broader context based on his years of experience working within the health care industry. As a lawyer representing physicians in malpractice litigation as well as a community member participating in several non-profit organizations on health care, Mr. Bruning aimed to emphasize the depth of the health care issue and the associated complexities. According to him, as the second or third largest sector in our economy, health care issues remain completely for profit, just like the majority of the nation's programs. Mr. Bruning noted this financial emphasis exists not simply for the benefit of the government, but to drive profits in every industry. With this in mind, Mr. Bruning demonstrated how the multiple interests of so many sectors could severely stifle potential solutions.

Feeding off Mr. Bruning's warning about the complexity inherent in developing a solution for health care related problems, Bob Tomlinson, the assistant commissioner for the Kansas Insurance Department, offered a provider's perspective to the affordability discussion. In his brief introductory remarks, Mr. Tomlinson cautioned against the development of overzealous solutions that either fail to be necessary, create unexpected and undesirable consequences, or are not feasible. Regarding feasibility in particular, he accented the necessity of each party involved in the health care consortium to make money. If they do not, he asserted that the solution is doomed.

Third, Ned Holland, Vice President of Compensation, Benefits, Labor, and Employee Relations at Sprint, provided input into the health care discussion from an employer perspective. Mr. Holland, among other things, holds responsibility for purchasing health care for 70,000 employees and 18,000 retirees worldwide at Sprint. First, Mr. Holland concurred with the ability of technology to effectively and efficiently reduce costs of health care. He cited the computerized physician entry as the most beneficial of the potential technological advances in the medical world. Secondly, he placed great emphasis on consumer education and the employer's role in the encouragement and distribution of knowledge. He explained that as costs rise and companies transfer expenses to consumers, previous familiarity with health care issues would avoid the sudden shocking awareness overwhelming employees today. Finally, as the ultimate solution for affordable health care, he cited a complete overhaul of the current system to benefit consumers and reduce their high payments.

The final panelist, Dr. Robert Day, represented the Office of Governor Kathleen Sebelius as Director of Health Planning and Finance. Dr. Day touched on nearly all the major issues of the summit's discussions in his introductory remarks. First, he reiterated Mr. Bruning's point about the complexity and depth of this health care debate. He also agreed with Mr. Holland on the unequivocal potential of technology to seriously reduce health care costs. He explained that if just 2% of the 5 million dollars allocated in Kansas City for hospital building renovations were redirected to technology updates, every hospital in Kansas City could attain the elite technological standards necessary for success. Regarding the uninsured, Dr. Day supported a business approach that would encourage smaller businesses to provide insurance. Dr. Day then moved to the funding of such solutions and targeted a broad-based coalition between the community, state, business, providers, and national government to attack the problem from

all angles. He ended by explaining that his coalition will begin with Governor Sebelius who marked health care only behind education on her priority list.

Following each panelist's introductory remarks, they joined the other panelists and answered several questions proposed by Mr. Jonathan Ortman addressing participants' suggestions and themes emerging from the day's discussions.

Question 1: Both Dr. Day and the participants supported a broad based coalition to deal with the uninsured. Please provide a brief analysis of the expectations anticipated from an employer's point of view and a provider's point of view.

Regarding the expectations of a coalition from an employer's view, Mr. Holland mostly asked for responsible leadership from the health care industry. He expressed that employers should not take the responsibility for molding health plans suitable to their employee's needs but that the health care industry should already have programs directed towards consumer needs. From the provider's standpoint, Dr. Day explained that hospitals and physicians experience equal frustration with the health care system because they feel severely limited by monetary concerns in their ability to perform the necessary procedures. These very able physicians feel stifled by this restriction on their ability to practice medicine and hope that in a large coalition their voice can be heard above the money.

Question 2: What is the ultimate role of the consumer in their own health care?

Dr. Nielsen, speaker on the uninsured earlier in the day, used this as an opportunity to explain her concern with the proposal of consumer education as a sole solution to consumer engagement. She noted that those who need the education the most are so severely ill that they have limited capacity to focus their attention on such issues. Mr. Holland also weighed in on this question and warned that a completely consumer-driven health policy would seriously limit the benefits employees receive and that providing options to consumers would force them to adopt more proactive approaches without reducing their benefits.

Question 3: Please provide comment on the participants' recommendations to decrease the number of uninsured by using community partnerships and engaging federal and state seed money to develop sustainable services in local communities.

Mr. Tomlinson agreed that these suggestions represent the most expeditious ways to provide adequate health care access to the uninsured. Dr. Nielsen confirmed that idea and added that a problem exists with the access to specific types of health care, especially specialty services. She explained that most community-based efforts provide ample primary services but the uninsured fail to receive these necessary specialty services. According to Dr. Nielsen, this demands the sustainable community services the participants suggested. Mr. Holland agreed and accepted a measure of responsibility for the business sector for failing to actively address the access issue for the uninsured. He relayed the theme of the day once again: health care issues affect everyone.

Keynote Address



Dr. Jeanne Lambrew compares the Bush & Kerry health plans

Dr. Jeanne Lambrew, associate professor for the Department of Health Services Management and Policy at George Washington University, addressed the summit as the keynote speaker. She performs research on health care issues for the University and teaches health policy. She also is a senior fellow at the Center for American Progress and a member of the board of Academy Health. She worked on health policy for the White House from 1997 through 2001 and served as the Program Associate Director at the Office of Management and Budget. In these positions, she worked on the creation and implementation of the Children's Health Insurance Program, development of the President's Medicare reform plan and long-term care initiative, and implementation and oversight of Medicaid and disability policies.

Dr. Lambrew began her address by showing the similarity of the current election year to that of 1993/1994 when the last major national debate on health care took place. She showed that increases in health care costs, health insurance premiums, Medicaid and CHIP rates and the number of uninsured have reached levels unprecedented since 1993. Further, according to Dr. Lambrew, the rampant decrease in coverage for low-income families and the overwhelming cross party support for a health care discussion may provide enough fuel to provoke a debate.

In lieu of this possibility, Dr. Lambrew objectively described President Bush's plan, Senator Kerry's plan, and their differences and similarities to develop a foundation for this possible debate. She began with Senator Kerry's plan and its focus on coverage, values and costs, and a broad agenda. Regarding coverage, Dr. Lambrew explained that Senator Kerry believes employers should act as the primary insurance provider but that the government should compensate for any deficiencies in that system. He would encourage employers by providing governmental premium rebates promising employers who insure their employees that the government will pay for any high cost individuals. Then he would enhance government coverage by raising the poverty requirements necessary to receive federal aid, effectively allowing people with somewhat higher incomes to receive federal aid. Further, he proposes an aggressive approach to children's health care within the current system. Dr. Lambrew cites his attempts at decreasing costs through the aforementioned premium rebates, continuing efforts against rising prescription drug costs, encouraging technology, reforming medical malpractice procedures, and placing an emphasis on prevention and chronic disease management. Finally, Senator Kerry's broad policy also includes HIV/AIDS prevention, Medicare improvements, Mental Health Parity, enacting the Patient's Bill of Rights, and funding community health clinics.

Dr. Lambrew explained that in contrast to Senator Kerry, President Bush emphasizes a private business driven health policy plan. His goal to provide Americans opportunity to choose and afford private health care coverage that fits their individual needs demands individual insurance that empowers the consumers. Of course, some federal assistance remains in his plan but that only exists at extremely low incomes and faces rapid phasing out of aid. In order to reduce costs, President Bush attacks medical malpractice more ardently than Senator Kerry and he proposes to reduce Medicaid financing to states that recycle federal money and receive more help than originally allocated. Lambrew identified Bush's other areas of interest in his own prescription drug plan, more private expansion of Medicare, addressing global AIDS, bioterrorism, and reducing obesity.

Dr. Lambrew highlighted not only the differences between President Bush and Senator Kerry, but also some of the similarities like their similar focus on improving quality, reducing costs through technology, and combating global threats and the emergence of chronic diseases like diabetes. She then concluded by asserting that, though this year appears prime for a national debate on health care, a debate on Bush's Medicare bill and its effects may supercede the broader and more universal health care issue.

Concluding Remarks from Congressman Moore

Congressman Moore again thanked Dr. Lambrew, the Public Forum Institute, the speakers and the sponsors. Noted as most important, he reiterated that consumers must feel personal involvement and ability to implement change before any significant level of reform can occur. Further, he concurred with the suggestions about the benefits of technology to decrease medical costs and errors and asserted the importance of this suggestion. Finally, he explained that these suggestions mark just the beginning of an effort to arrive at consensus on how to provide affordable and accessible health care in our country, beginning with consumer education and daily maintenance of health.

eFORUM Results

In what capacity are you here today?

- 3% Interested citizen
- 15% Health care provider
- 17% Insurer
- 11% Employer
- 7% Community/consumer group
- 22% Physician/Nurse
- 6% Government
- 19% Other

Do you currently reside in:

- 44% Missouri
- 54% Kansas
- 2% Other

Which of the following statements comes closest to expressing your overall view of the nation's health care system?

- 0% It is fine the way that it is, don't change a thing
- 3% On the whole, the system works fairly well & only minor changes are needed
- 80% There are some good things in our health care system, but fundamental changes are needed
- 17% Our health care system has so much wrong with it that we need to completely rebuild it
- 0% Don't know

In your opinion, what is the main reason that lawsuit abuse has such an impact on affordability?

- 40% Unnecessary tests are being ordered to ensure all bases have been covered
- 23% More procedures are being recommended to confirm diagnosis
- 17% More drugs are being prescribed than may be medically necessary
- 9% More patients are being referred to specialists more often
- 11% Don't know

In order to move toward universal access to health care, which of the following would you support most?

- 32% Implementing a national health plan financed by taxpayers
- 13% Requiring all business to provide health insurance to their employees
- 21% Providing tax credits to allow the uninsured to purchase private health insurance
- 11% Expanding state government programs (e.g. Medicaid & S-CHIP) for low income people
- 17% Expanding neighborhood health clinics
- 7% Other

Who should have the primary responsibility for educating consumers about the cost of a particular health care service (at the point of care)?

- 5% The employer
- 27% The health plan
- 40% The health care provider
- 23% The consumer (him/herself)
- 5% Other entity

Do you believe that consumer-choice is going to be the next wave of change in our health care system?

- 10% Definitely not
- 29% Possibly
- 30% Probably
- 31% Definitely yes