

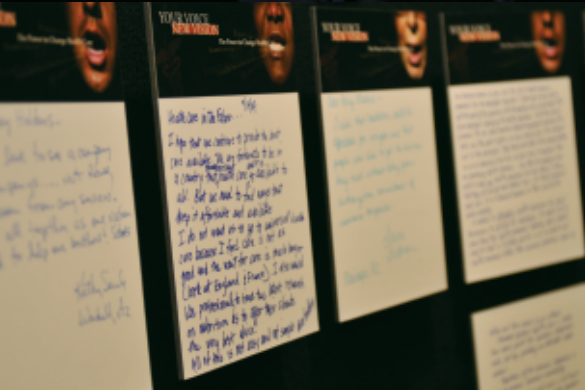
BUILDING UPON THE CORNERSTONES

*Recommendations, action
steps and strategies to
advance health care reform*



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I. CREATE VALUE

“You don't go to the lowest bidder for your heart surgery. You go to the person or the doctor or the system that is going provide the highest value.”

– David Strom, patient

II. COORDINATE CARE

“I have come to believe that most of the problem in American health care is not medical science; the science is quite good. The problem is not the talent of the physicians, or the nurses or the other caregivers. It is really how we are structured to work together to deliver the care.”

– Michael Porter, Ph.D., Harvard University

III. REFORM THE PAYMENT SYSTEM

“Right now, our payment system — in almost all ways, shapes and forms — pays for units of care. And so a lot of units get delivered.”

– Randall Moore, M.D., American TeleCare

IV. PROVIDE HEALTH INSURANCE FOR ALL

“Health care has been made a commodity, just like buying an automobile or a house. And that's okay if you have the money to buy it. But it's morally unacceptable when you are sick and you die because you can't afford to pay for health care.”

– Harold Freeman, M.D., Ralph Lauren Center for Cancer Care and Prevention

IN MEMORY OF JEROME H. GROSSMAN, M.D.

An enthusiastic advocate, advisor and supporter of the Mayo Clinic Health Policy Center's effort to reform health care in the United States.

Mayo Clinic believes American health care urgently needs reform to ensure the future of quality patient care. Recognizing that widespread consensus and collaboration will be essential to successful health care reform, Mayo Clinic formed its Health Policy Center and hosted an inaugural symposium in May 2006. During the subsequent two years, the Mayo Clinic Health Policy Center has convened more than 2,000 stakeholders — everyone from patients to national thought leaders — for a series of events to help develop new, consensus-driven principles and specific action steps to accelerate the reform process. This report summarizes the Health Policy Center’s recommendations to date and lays out a course for advancing these ideas.

To reform health care, participants in Mayo Clinic Health Policy Center programs — including providers, academics, medical industry leaders, businesspeople, insurers, political leaders and patients — recommend four areas of focus: **CREATE VALUE** • **COORDINATE CARE** • **REFORM THE PAYMENT SYTEM** • **INSURE EVERYBODY**

I CREATE VALUE

Improve patient health outcomes and satisfaction with U.S. health care.

Decrease medical errors, costs and waste.

Requires action from: Providers, medical industry leaders and patients

- Develop a definition of value based upon the needs and preferences of patients; measurable outcomes, safety and service compared to the cost of care over time.
- Measure and publicly display outcomes, patient satisfaction scores and costs as a whole. Create competition around results through pricing for appropriate bundles of services and quality transparency.
- Increase support for health care delivery science, which allows providers to improve the care, efficiency and business processes that support the practice of medicine.
- Create a trusted mechanism to synthesize scientific, clinical and medical information for both patients and providers.
- Hold all health care sectors accountable for reducing waste.

Action steps and strategies:

High-value care delivery

Develop care programs for patients who need intense, high-cost medical services, such as patients with complicated diabetes or heart failure.

Care Delivery Summit

A small group will gather to discuss care for patients with high-cost conditions. After examining programs of excellence throughout the United States, the group will brainstorm ways to disseminate these best practices throughout the country and identify barriers to broad implementation.

Universal clinical information technology (IT)

See “Coordinate Care.”

Independent health board

See “Provide Health Insurance for All.”

Advantages: *Quality and efficiency:* Increasing support for health care delivery science (systems engineering) will allow for continual analysis of the outcomes and processes of care, a key step to improving quality, reducing waste and lowering costs.

Easier decision-making: Understandable, public reporting of outcomes, patient satisfaction scores and prices will arm individuals with the information required to make better value-based choices.

II COORDINATE CARE

To increase value, patient care services must be coordinated across people, functions, activities, locations and time. Patients must actively participate in this process.

Requires action from: Providers, payers and patients.

- Center care around the needs of patients and families.
- Form coordinated systems to deliver effective and appropriate care to patients.
- Provide complete and accurate information so patients can make informed decisions about their care.
- Leverage IT to aid in care coordination. All team members, including patients, would have access.

Advantages:

Teamwork: Research from RAND Corporation shows that patients are better off when cared for by a team of people. In a more coordinated system, health care professionals would work interdependently, sharing information to work more efficiently. Patients — particularly those with chronic or complex illnesses — need and deserve coordinated care, where physicians are highly-engaged team members and work as partners with patients, families, nurses and other health care professionals.

Simplification: An arrangement that provides patients with a single point of coordination and interpretation would significantly reduce the frustration many people face while trying to navigate the complexities of health care.

Action steps and strategies:

Universal clinical IT

Encourage all groups to use compatible IT systems to exchange clinical data, with the marketplace creating solutions for interoperability.

IT Forum

To move this idea forward, Mayo Clinic Health Policy Center will host an IT Forum. IT experts, diverse health care providers and patients will gather to define clinical interoperability, discuss patient privacy and security issues, and create an IT business case to drive recommended changes.

Coordinating-care teams

Develop and support care models that include defined care coordinators for patients with chronic and acute conditions.

Education Symposium

In April 2009, Mayo Clinic Health Policy Center will host the first of several education symposia to address how the nation must transform medical, allied health, nursing and engineering education; licensure; accreditation and reimbursement in order to create a new health care work force oriented around teamwork. This work force, trained in a team approach to medicine, will deliver high-value, coordinated care in new ways to support the needs of patients with complex medical conditions. Approximately 250 participants representing medical educators in all fields, licensing and accreditation bodies, and other key sectors will gather to identify priorities for furthering medical education reform.

“Our challenges may seem herculean, but they pale beside those of generations that came before us. We have the will, the resources, the technology, and, most of all, the recognition that fixing health care in America is central to the obligation that we all have to each other as citizens.” — Tom Brokaw, former anchor at NBC News

III REFORM THE PAYMENT SYSTEM

Change the way providers are paid in order to improve health and minimize waste.

Requires action from: Private payers, the government and patients. Providers must also participate.

- Create payment systems that provide incentives for various providers to coordinate care, improve care and support informed patient decision-making.
- Pay providers based on value. (See “Create Value.”)
- Further develop and test models of payment based on chronic care coordination, shared decision-making and episode-based payment (i.e., one bundled fee for the physicians and hospital delivering acute care).

Advantages:

Waste reduction: Research from the National Academy of Engineering shows that an estimated 30 to 40 percent of health care spending is associated with failures (i.e., duplication, poor communication) for which someone pays. A large portion of this waste could be reduced by paying for value.

Aligned incentives: Currently, payment systems reward volume, not value. Paying for value rewards providers for producing the desired result: great outcomes, safety and service at an affordable cost over time.

Action steps and strategies:

Pay for value

Encourage Medicare to pay for value using innovative payment models.

Modernize the private payment system

Make the case for private payment reform that rewards improvement in the health of the population.

Payment for care-coordination teams

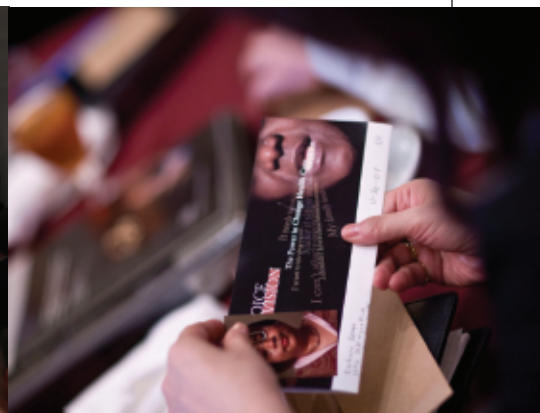
Create incentives for delivery models that provide care coordination.

Independent health board

See “Provide Health Insurance for All.”

Payment Reform and Pay-for-Value Discussion Series

The Health Policy Center will convene a series of small, private meetings to discuss various aspects of payment reform, including roles that the public and private sectors may play in accomplishing this action step. Topics may include creating a payment system that rewards value, coordinated care and good outcomes; outlining how the government could move Medicare toward paying for value; and identifying potential demonstration projects.



IV PROVIDE HEALTH INSURANCE FOR ALL

Provide guaranteed, portable health insurance for all individuals, giving them choice, control and peace of mind.

Requires action from: Insurers, employers, the government and individuals

- Require adults to purchase private health insurance for themselves and their families. Employers could continue to participate by buying insurance for their employees or giving them stipends to purchase it. However, the individual would own the insurance.
- Appoint an independent health board (similar to the Federal Reserve) to provide a simple coordinating mechanism for individuals to select a basic private insurance option. Allow people to purchase more services or insurance, if they choose.
- Provide sliding-scale government subsidies to help people with lower incomes buy insurance.
- Realign the health system toward improving health in addition to treating disease.

Action steps and strategies:

Insurance coverage

Provide guaranteed, portable, accessible health insurance for all.

Share Recommendations

After the November presidential election, Mayo Clinic Health Policy Center leaders plan to meet with members of the new administration and Congress to discuss this core American value. The Health Policy Center also will hold a series of private stakeholder meetings, with the goal of influencing decision-makers to advance this cornerstone.

Independent health board and benefits to improve health

Implement an independent federal health board.

Discussion Group

The Policy Center will hold a one-day meeting to form recommendations about the roles and responsibilities of an independent federal health board, and ways to encourage value-based benefit design. Roles might include synthesizing and disseminating medical knowledge, coordinating private insurance options and setting rules to promote value in health care.

Advantages: *Portability:* Individuals could take their insurance to their next job or perhaps even into retirement.

Accessibility: Participating insurers would have to accept all patients, with no exclusions for pre-existing conditions.

Choice and control: Individual ownership would allow health insurance to evolve into a service that gives patients more

control and choice. Coverage options and health benefit plans would no longer be solely determined by employers on the basis of what is affordable for the majority of company employees.

Improved service: Insurers would compete for an individual's business by offering competitive rates and providing access to networks of doctors. If the insurance plan didn't meet expectations, people could change insurers.