



Center for Health Transformation
Better health, lower cost

Center for Health Transformation E-Newsletters

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Newt Notes

Noteworthy Aspects of the Choice for Secretary of HHS

There are two noteworthy aspects of the choice for Secretary of HHS to replace Tommy Thompson. The first relates to Mark McClellan not being chosen. The second relates to Governor Mike Leavitt being chosen.



Many people, including me, thought Mark McClellan was the most likely candidate to be next Secretary of HHS. I think it is clear the White House came to the conclusion that implementing the Medicare Modernization Act and the new drug benefit is such an important and difficult challenge that it could not afford to allow McClellan to leave CMMS at this time. In a sense it was easier to find an alternative Secretary of HHS than it was to find an alternative administrator of CMMS.

CHT Founder
Newt Gingrich

This decision was probably made easier by Governor Mike Leavitt's willingness to serve as Secretary. Choosing Mike Leavitt to be Secretary of HHS is both a tribute to Mike's achievements as Governor of Utah and at the Environmental Protection Agency. Mike has always been a problem solver and was a very popular and highly successful Governor of Utah. He was also very interested in Medicaid issues and knows a lot about the importance of Health Information Technology.

When I was Speaker we worked very closely together and Mike was a real leader in the National Governor's Association. He will bring the same focus on finding solutions and on mastering the key aspects of big problems to his new challenge as Secretary of HHS.

Progress on Creating a 21st Century Intelligent Health System: Reflections on 2004 & Opportunities in 2005

In the last few years, the public has become increasingly aware of the unacceptable gap between the individual centered, electronically-connected, wellness-focused, quality and price-transparent healthcare system the United States should have and the paper-based, error-prone, knowledge-disconnected, and reactive healthcare system it currently has. The demand for change is fueling momentum for health transformation and has made 2004 a banner year on many fronts. For example:

- The first health savings account (HSA) was purchased;

- The Office of Personnel Management (OPM) decided to begin offering HSAs to Federal employees in 2005;
- President Bush pledged that every American will have an electronic medical record by 2014;
- President Bush appointed the first National Health Information Technology Coordinator;
- Senior citizens began receiving the first installment of their long delayed prescription drugs coverage in Medicare —the prescription drug discount card and \$600 credit for low income seniors and were able to “shop” for their discount cards using a “Travelocity” style system;
- Right to Know legislation was passed in states;
- Medicare’s chronic care management pilots have begun to re-center senior health on prevention rather than acute care;
- Pay for Performance pilots gained momentum; and,
- Medicare beneficiaries are now able to more easily compare nursing home and home care providers based on a set of standardized quality of care metrics.

Notwithstanding these successes, we also experienced significant disappointments and lost opportunities in advancing a 21st Century Intelligent Health System in 2004.

- Despite President Bush’s speeches and the rhetoric of Congressional leaders on both sides of the aisle, the Bush Administration’s new National Health Information Technology Coordinator, the point person for coordinating federal efforts to achieve the President’s goal of having an electronic medical record for every American by 2014, received zero direct funding for 2005. The failure to provide funding can only represent a lack of seriousness about this issue on the part of HHS and the Congressional appropriators. There is no disguising that this failure is a sharp blow to the momentum to develop an electronically integrated health system.
- While the “Welcome to Medicare” Physical for new Medicare beneficiaries will begin on January 1, 2005, the final regulations do not include any encouragement or incentives for physicians to electronically capture the medical information of these new beneficiaries into an electronic health record. The rich baseline information of the new Medicare beneficiaries will therefore be trapped in paper records unable to be easily shared with other physicians or with patients.
- Five years after the Institute of Medicine released their landmark study, To Err is Human, which concluded that up to 96,000 Americans die every year due to hospital errors, Congress left town without reaching a compromise between similar patient safety bills that were overwhelmingly passed by the House and Senate.

Clearly, much more work needs to be done to make the 21st Century Intelligent Health System a reality. To help facilitate transformational action by government leaders, many of whom do not have the time or resources to be an expert in health and healthcare but do want to advance change, the Center is in the process of developing *The 2005 Health Transformation Checklist for Government Leaders*. The Checklist suggests a list of actionable steps federal and state government leaders can take in 2005 to advance health transformation. It will be distributed to government leaders and available to the public in January as a tool to advance transformation in specific areas such as patient safety, 21st Century universal healthcare coverage, Right to Know information on cost and quality, consumerism including HSAs, and health justice transformation.

As we close 2004, I want to thank all of you, especially our Center Members, for making 2004 a landmark year for transformation.

Happy Holidays! Newt

New Members

The Center for Health Transformation would like to welcome our newest Charter Member of the Center: [MedImpact](#), newest Platinum Member of the Center: [WellPoint](#), newest Premier Members of the Center: [Allscripts](#), Clearwave and [Payformance](#) and our newest Associate Members: [1st Medical Network](#) and [HIMSS](#). We would also like to recognize [Sutter Health](#) and [VISICU](#) who have recently renewed for another year.

Please visit the [list of members](#) often to keep abreast of who is joining the Center or the "[Member News](#)" page to learn about the awards or honors won by our members.

Project Spotlight

One of the greatest health successes in American history is that Americans are living longer and living better than ever before. The baby boomers have every reason to believe they are going to have a longer life with better health, greater opportunities and more resources than their parents dreamed were possible. However, the quality gap is growing even more rapidly in senior healthcare services making the approaching unprecedented wave of aging seniors one of America's greatest opportunities and greatest challenges.

The long-term care field is ripe for profound transformational change. Today's consumers expect and deserve more choice, with greater quality, at lower cost. The Center's Long-term Living Project seeks to advance the transformation of the health system so it can improve the quality of care and quality of life of both the growing number of active healthy seniors and America's most frail patients. We will accomplish this by:

- Communicating the vision of a transformed system that allows for the longest period of independent living with the highest quality of life and, when necessary, the most current medical treatment;
- Identifying transforming solutions, processes, and policies that characterize the vision of active healthy aging and long-term living;
- Sharing transformational solutions, processes, and policies with businesses, government leaders, health professionals, the media and other opinion leaders to accelerate their adoption and use in the marketplace; and
- Convening private and public leaders and experts in working groups to dissect problems and propose solutions to barriers to transformation.

Currently, there are two principle areas of activity under the Long-Term Living Project:

The National Commission for Quality Long-Term Care
www.qualitylongtermcarecommission.org.

Center for Health Transformation founder Newt Gingrich serves as the Co-Chairman of the Commission along with former Senator Bob Kerrey. The Commission is made up of 15 distinguished individuals, including Idaho's Governor Kempthorne and Virginia's Governor Mark Warner. The Commission was formed to improve America's long-term care system.

The Long-Term Living IT Work Group

The Center for Health Transformation formed the Long-term Living IT Work Group to be a body of professional and industry experts eager to accelerate the adoption of health information technology solutions in the long-term living settings, including, but not exclusive to, nursing homes, assisted living, home care, acute care, hospice, and physician offices. Chaired by John Derr of the American Health Care Association, the group is currently preparing a public briefing document for government leaders outlining the key health information technology challenges and questions unique to the long-term living health profession.

CHT in the News

"U.S. health care needs a spark" Gingrich op-ed on healthcare as an economic opportunity. "President Bush should create a new undersecretary for health in the Department of Commerce to promote the American system of health care worldwide." [Read more.](#)

"Health Care Technology is a Promised Unfinanced", New York Times. Article quotes Newt speaking at the Emerging Technologies and Healthcare Innovations Congress: "Congress, in its infinite wisdom, zeroed-out David Brailer's office... They couldn't find \$50 million to signal that David Brailer has a real job and what he's doing is important. Frankly, I think it's a disgrace." [Read more.](#)

Gingrich Blasts Congress' Failure To Fund Health IT Office. Quotes Newt Gingrich expressing disappointment at the lack of direct funds for Brailer's office, "President Bush has been exactly right, but now we have to make the words a reality," [Read More.](#)

Visit the [CHT in the News](#) section on the Center for Health Transformation's web site to read more!

Upcoming Events

January 12th (Atlanta) – CHT Presentation to the National Business Group on Health

February 9th (New York) – Newt Gingrich to speak to the New York Business Group on Health

March 14th (Washington, DC) – Newt Gingrich to speak to The Society for Human Resource Management

April 8th (Louisville, KY) – Newt Gingrich to speak to Medical News

April 20th (Salem, OR) – Newt Gingrich to speak to Salem Hospital's Healthcare, Ethics, Quality and Costs Conference

For more information on these events or to view other CHT events, please visit <http://www.healthtransformation.net/events>.

Transforming Example Spotlight

The Center for Health Transformation is constantly seeking solutions that improve quality and lower cost. You may find numerous case studies on our website by visiting our [transforming examples section](#). We encourage you to submit your own transforming example via the website!

Allscripts Healthcare Solutions

Rapid adoption of electronic medical records is a vital step in the transformation to a 21st Century Intelligent Health System. The EMR can save both lives and money by providing the clinician with information and expert systems needed to guide care and by changing the processes related to management of clinical records. To better understand the financial impact of an EMR, an extensive evaluation was conducted at Central Utah Multi-Specialty Clinic (CUMC). CUMC is the largest independent multi-specialty group in the state of Utah with 59 physicians and nine locations. They implemented the TouchWorks™ electronic medical record, developed by Allscripts Healthcare Solutions of Chicago, IL. The evaluation analyzed expenditures related to five primary areas that were directly affected by the clinic's implementation of an EMR: expenses for transcription of physicians' dictated clinical notes; expenses for pulling, filing, and maintaining charts for current patients; expenses for developing charts for new patients; changes in reimbursement due to coding levels; and physical space requirements for storage of patient charts.

During the one-year period of study, the clinic experienced direct reductions in spending and increases in revenue of more than \$952,000 compared to the prior year. A savings of more than \$8.2 million is anticipated over the next five years.

Read more about this study in the *Journal of Healthcare Information Management, Winter 2004*. This month's Transforming Example Spotlight: Allscripts

To read more about the Allscripts Healthcare Solutions transforming solution including some success stories, please visit the [complete case study](#).



If you would like to become a member of the Center or are interested in financially sponsoring a specific project, please contact us at 202.375.2001 or info@healthtransformation.net . Please also visit our website at <http://www.healthtransformation.net/>.

The Center for Health Transformation, founded by Speaker Newt Gingrich is dedicated to saving lives and saving money through driving transformational solutions and policies throughout the system. These e-mails from Newt are updates about the Center for Health Transformation, providing an insider's view of key events and opportunities for transformation. Some of you have already signed up for membership in the Center. Others are being sent this email as an invitation to membership.

The Center for Health Transformation does not provide lobbying services nor directly or indirectly participate in lobbying activities of any kind. The Center for Health Transformation further does not render legal advice, perform accounting services, nor act as an investment advisor or broker-dealer within the meaning of applicable state and federal securities laws.