



Center for Health Transformation
Better health, lower cost

Health Reform:

Without New Taxes and Without Killing Jobs

The Center for Health Transformation
1425 K ST NW, Suite 450
Washington, DC 20009
202.375.2001
www.healthtransformation.net

The Center for Health Transformation (CHT) is a bipartisan collaboration of healthcare leaders and stakeholders committed to creating a 21st Century Intelligent Health System. We are developing an approach to improve healthcare quality, lower costs, and ultimately insure every American. If we rebuilt government policies to maximize the rate of migration to these practices and solutions, we would be dramatically healthier and would also save an incredible amount of money. The key components are:

Create a Health-Based Health System. In essence, create a system that focuses on improving individual health. The best way to accomplish this is to surface what solutions are actually working today to save lives and save money and then designing public policy to encourage their widespread adoption. For example, according to the *Dartmouth Health Atlas*, if the 6,000 hospitals in the country provided care at the Intermountain or Mayo standard, Medicare alone would save 30 percent of total spending every year. We need to make best practice minimum practice. We need the federal government and other healthcare stakeholders to consistently migrate to best practices that ensure quality, safety and better outcomes. Doing so often incorporates the use of health information technology. To do anything to transform health—from paying for outcomes to comparative effectiveness to avoiding medical errors—we must modernize our health system.

Stop Paying the Crooks. We must dramatically reduce healthcare fraud within our current healthcare system. Outright fraud – criminal activity – accounts for as much as 10 percent of all healthcare spending. That is more than \$200 billion every year. Medicare alone could account for as much as \$40 billion a year. This level of theft and crime can be detected, eliminated, and then prevented with the right kind of electronic resources. As it stands now, it is simply impossible to keep up with fraud in a paper-based system. An electronic system would free tens of billions of dollars to be spent on investing the kind of modern system that will transform healthcare.

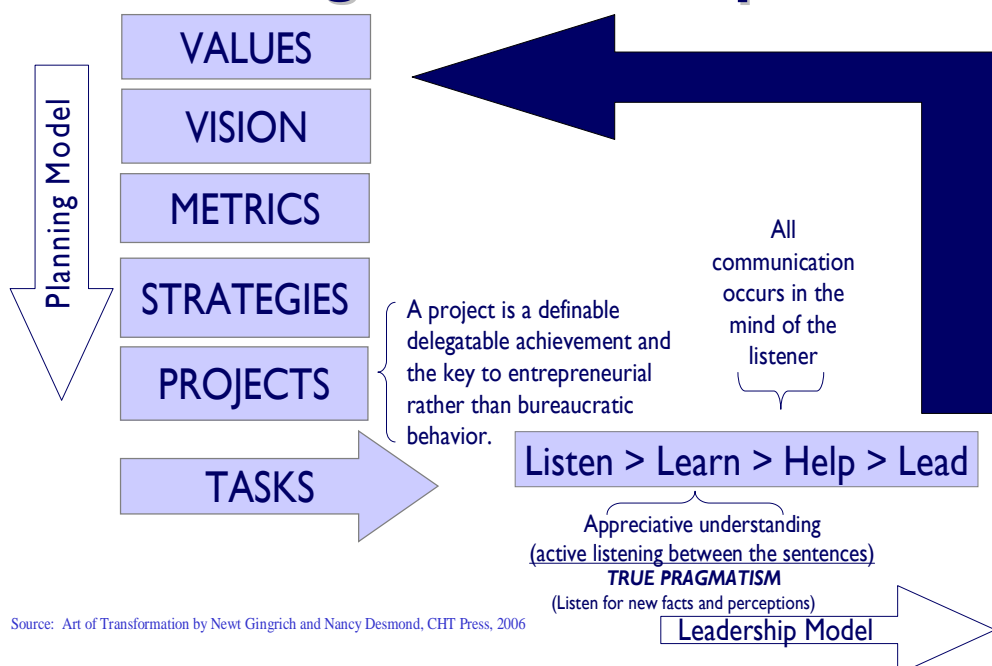
Reform Our Health Justice System. Currently, the U.S. civil justice system is the most expensive in the world—about double the average cost in virtually every other industrialized nation. But for all of the money spent, our civil justice system neither effectively compensates persons injured from medical negligence nor encourages the elimination of medical errors. Because physicians fear malpractice suits, defensive medicine has become pervasive. We believe in encouraging physicians to embrace evidence-based medicine (EBM) and clinical best practices as the standard of care by which we hold physicians accountable. When physicians incorporated EBM and clinical best practices into medical care, those physicians should be shielded from medical malpractice claims. Providing such safe harbors for healthcare professionals when they integrate evidence based medicine and clinical best practices will improve access to medical care, reduce overall healthcare costs, create predictability in the civil justice system, enhance medical care and improve patient outcomes.

Invest in Scientific Research and Breakthroughs. We must accelerate and focus national efforts, reengineer care delivery, and ultimately prevent chronic diseases such as Alzheimer's Disease which are financially crippling our healthcare system. We must utilize decade-long scoring and the U.S. government must be able to distinguish cost from investment.

A 21st Century Personalized Intelligent Health System Requires Transforming Four Boxes:



Planning & Leadership Model



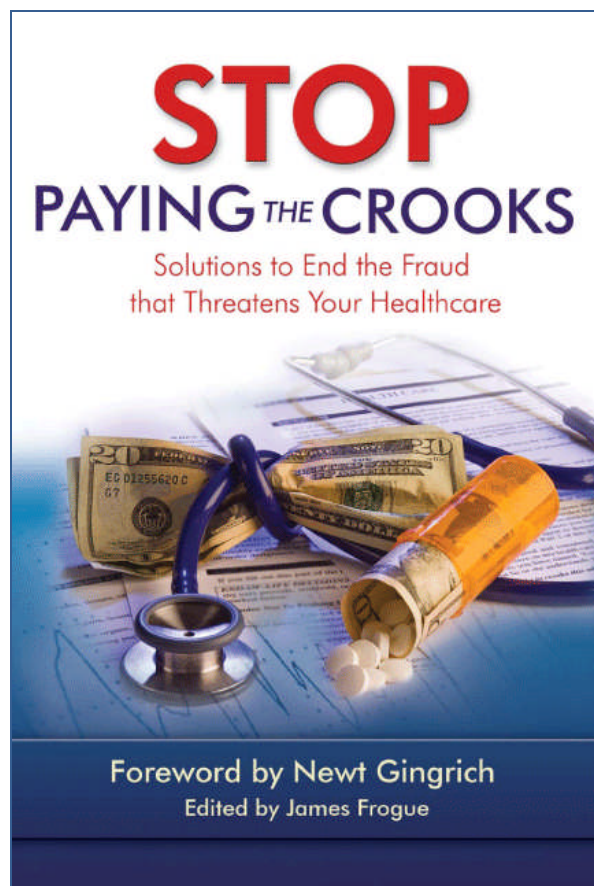
Source: Art of Transformation by Newt Gingrich and Nancy Desmond, CHT Press, 2006

**New CHT Press Publication
Coming August 2009**

Stop Paying the Crooks

**Solutions to End the Fraud
That Threatens Your Healthcare**

Foreword by Newt Gingrich
Edited by James Frogue



Harvard professor Malcolm Sparrow, author of *License to Steal*, has been a leading thinker in healthcare fraud since the early 1990s. On May 20, 2009, he testified to the U.S. Senate Judiciary Committee. Among his statements were these: “The units of measure for losses due to healthcare fraud and abuse in this country are *hundreds of billions* of dollars per year. We just don’t know the first digit. It might be as low as *one* hundred billion - more likely *two* or *three* - possibly *four* or *five*.” Sparrow also lamented, “One of my deep regrets is to discover that academia has paid almost no serious attention to this critical problem.”

It is in this climate of government spending and fraud that the Center for Health Transformation is proud to announce the upcoming publication of an in-depth book on healthcare fraud. Given that healthcare costs make up around one-seventh of America’s economy, it is imperative at this time to ensure that funding goes to appropriate people and organizations, not crooks seeking to rob taxpayers. We hope to begin a serious national discussion about fraud, the perverse incentives that allow such fraud to flourish, and key strategies to bring these schemes to an end.

Authors

George Lazenby · Scott Serota · Trey Jinks · Craig Smith
Merrill Matthews, PhD · Meredith Matthews · Tom McGraw
J. Christian Kryder, MD · Barry Johnson, DDS
Merrit Quarum, MD · Mark Birdwhistell · Robert Edwards
Janet Rehnquist · Jonathan Javitt, MD · James Mault, MD
James Frogue · Elizabeth Noelcke

Stop Paying the Crooks will be available for download from CHT’s website August 2009. For more information about this book, please visit: www.healthtransformation.net