



Center for Health Transformation



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“To have lived through a revolution, to have seen a new birth of science, a new dispensation of health, reorganized medical schools, remodeled hospitals, a new outlook for humanity, is an opportunity not given to every generation.”

--**Sir William Osler** (1849-1919),
one of the most influential physicians in history



Where is healthcare today?

- 45 million Americans without health insurance
- Financial forecast for Medicare is grim
- Up to 98,000 citizens are killed every year by preventable medical errors
- Nearly 10,000 citizens are killed every year by medication errors



Medicaid Spending

- States' single largest healthcare expenditure.
- Doubled in last 10 years
- 2004: average 25% of states' budgets
- 2014: if nothing changes, 59% of states' budgets



And the Crisis List Continues....

- Litigation and litigation insurance costs
 - 58% of the award never reaches the patient
- Physicians' lack of financial incentives and resistance to change
- Lack of knowledge based decisions
- Administrative burden
 - Medicare has 138,000 pages of regulations
- Nursing shortage
 - One million additional nurses needed by 2011
- Pressure on small businesses and family farms



*Center for Health
Transformation*

Center for Health Transformation

A collaboration of public and private leaders dedicated to accelerating the creation and adoption of better solutions and better policies for better health and healthcare



Mission Statement

The Center for Health Transformation is dedicated to creating a 21st Century Intelligent Health System in which knowledge saves lives and saves money for every American. We will accomplish this by:

- Acting as a catalyst to accelerate transformational change
- Identifying better solutions that provide more choices, better health and lower cost
- Sharing those solutions with the widest array of opinion leaders and decision makers to accelerate their adoption by the system
- Helping create, advance and improve the public policies that will accelerate the transformation



The Nature of the 21st Century economy is to have:

**More Choices
With Greater Quality
At Lower Cost**

- **Healthcare is one of the few sectors of the American economy where technology is not widely embraced**



Current System



21st Century System

Provider-centered

Price-driven

45 million uninsured Americans

**Slow diffusion of innovation and
knowledge**

Acute-focused

Paper-based

Third party controlled market
(patient – provider – payor)

Little information on cost and quality

Limited choice

Predatory trial lawyer litigation system

Overall cost increases

Care driven by volume and price

Individual-centered

Values-driven

100% coverage

**Rapid diffusion of innovation and
knowledge**

Prevention and health focused

Electronically based

Binary mediated market
(individual – provider)

Right to know quality and cost info

Increased choice

New system of health justice

Overall cost decreases

Quality of care and quality of life



What is Needed

- The system is broken and incremental reforms in silos will not work.
- It must be transformed. System-wide change in health and healthcare is needed because elements of the health and healthcare system impact and interact with one another and cannot be dealt with in isolation.
- We must first define the overarching vision and shared values, followed by bringing all sectors together within this shared purpose.



Transforming v. Reforming Example

Two Approaches To Saving Lives From Deadly Prescription Errors

REFORMING

Florida House and Senate Passed Section 456.42 on May 23, 2003

“... A written prescription for a medicinal drug issued by a health care practitioner licensed by law to prescribe such drug *must be legibly printed...*”

TRANSFORMING

In February 2003, The Rhode Island Quality Institute teamed up with SureScripts to launch a state-wide electronic prescribing program to achieve 100% electronic prescription writing in the State of Rhode Island



Health Information Technology is the lever to transform health and healthcare



Recent Health IT Developments

- EHR Vendors Association
- Secretary Leavitt and the American Health Information Community (AHIC)
- Upcoming Frist-Clinton bill
- The 21st Century Health Information Act
- Stark and Anti-Kickback Reforms

The American Health Information Community

- 17 commissions to be announced soon, perhaps as early as July
- Representative of the healthcare industry
- Coalesce federal health IT efforts
- Recommendations on interoperability standards, priorities in health IT adoption, certification of EHRs, Internet-based architecture, and a successor organization outside of government
- Complement private sector discussions and decisions



Frist-Clinton Health IT Bill

- Broad health IT bill
- Establishes ONCHIT in law
- Standards Working Group
- \$500 million in federal grants to RHIOs and local initiatives
- Grants to states to reform their licensure, privacy, and security laws
- Uniform quality measures
- Value-based purchasing pilot programs in Medicare, Medicaid, and in federally qualified health centers
- Stark and Anti-Kickback reform



Stark and Anti-Kickback Reform

- Current laws prohibit many facilities from equipping docs with health IT
- Must be broken down to open a potential funding stream
- CHT draft legislative exceptions



Murphy-Kennedy Bill – HR 2234

- 21st Century Health Information Act
- \$50 million in federal grants to RHIOs
- RHIO plan of action
- Technology must be interoperable
- Closing the adoption gap
- National Technical Assistance Center: small group practices get service priority.
- Federal loan program
- Medicare bump-ups in reimbursement for providers



Private Sector Initiatives

The goal of every stakeholder in healthcare must be the rapid and widespread adoption of health IT

Transforming Solutions

- Danville Regional Medical Center in Danville, Virginia
- Siemens Medical Systems' electronic prescribing system
- Prevented more than 1,200 wrong drugs or dosages and nearly \$750,000 in one year
- Central Utah Multi-Specialty Clinic
- Allscripts Healthcare Solutions' EMR
- 200,000 patients
- Saved \$1 million in the first year
- Anticipate saving more than \$14 million over the next five years

Source: "Information Technologies: Benefits Realized for Selected Health Care Functions." Government Accountability Office, October 2003. GAO-04-224

Source: "The Economic Effect of Implementing an Electronic Medical Record in an Outpatient Clinical Setting." *The Journal of Healthcare Information Management*. Scott Barlow, MBA, Jeffrey Johnson, MD, and Jamie Steck, MBA. January 1, 2005. Volume 18, issue 1.



Transforming Solution: PeaceHealth

- **Community Health Record (CHR)**
 - More than 1.4 million patients
 - More than 16,000 users can access CHRs
 - Access to PeaceHealth systems is available to all providers from anywhere (secure VPN connection)
 - Patients can access CHRs – prescription refills, secure email with docs, check lab results, scheduling, referrals
 - HIPAA compliant
 - Everything is online except physician progress notes and orders
 - Medication error tracking, bed transfers



Transforming Solution: PeaceHealth

Efficiency and Productivity

- Nursing documentation time runs 16-18% (~30% nationally)
- Nurse satisfaction has gone up ~15% and retention rates have improved significantly
- Cost per unit of service in our clinics has dropped 20-30%
- Average hospital acct rec. days has dropped from 64 days to 46 days with savings of ~ \$35 million

Clinical Quality and Safety

- Improved documentation of allergies
 - Approaches 100%
- 83% drop in adverse drug events
- Diabetes patients testing A1C level less than 7 rose from 44% in 2001 to more than 60% in 2004 (*though that has dropped in recent results*)
- LDL levels (bad fat in bloodstream): % of patients with less than 100 went from 28% to 52%



Health Information Technology

- Estimated cost to build a national, interoperable healthcare network: \$276 billion over ten years
- Estimated savings: \$77.8 billion per year – savings is four times the cost

Source: *Health Affairs* web exclusive, January 19, 2005. "The Value Of Health Care Information Exchange And Interoperability." Jan Walker, Eric Pan, Douglas Johnston, Julia Adler-Milstein, David W. Bates, and Blackford Middleton



Regional Health Information Organizations

- Hundreds of efforts are underway across the country
- Conceptual, design, and planning phase
- Key decisions: who, what, where, and how?
- Federal support
- Next steps for Georgia



Regional Health Information Organizations

- Who is part of the initiative?
 - Be inclusive and creative
 - Collaboration

- What is the vision and mission?
 - To improve the quality of health and healthcare
 - We will accomplish this by...

Regional Health Information Organizations

- Where will this operate?
 - Determine scope of the project
- How will it succeed?
 - Financing
 - Organization and governance
 - Buy-in
 - Deployment and adoption



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