



Future Trends in Healthcare Information Technology



Business Computer
Applications (BCA)
User's Group

Wayne Oliver

woliver@gingrichgroup.com

www.healthtransformation.net



The Center for Health Transformation is a collaboration of leaders dedicated to the creation of a 21st Century Intelligent Health System that saves lives and saves money.



“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)

Keys to Real Change

“Doing more of what you are already doing and expecting a different result is a sign of insanity.”
- Albert Einstein

“When I can’t solve a problem I always make it bigger. I can never solve a problem by trying to make it smaller, but if I can make it big enough, I can often find a solution.”
- General Dwight David Eisenhower during World War II

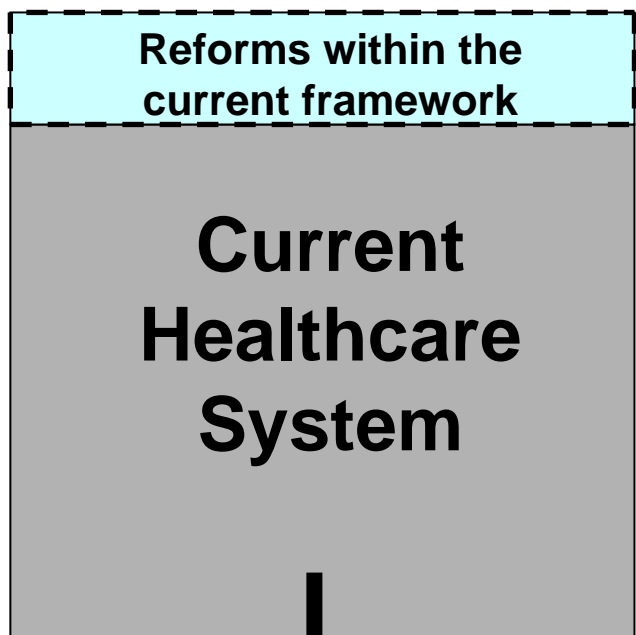
“*Real Change* requires *Real Change*.”
- Newt Gingrich and Nancy Desmond
The Art of Transformation



Health Transformation

Where we are currently going

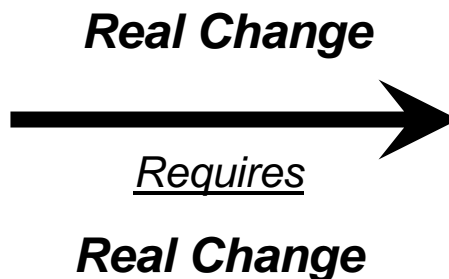
Where we should be going



Reforms within the current framework

Current Healthcare System

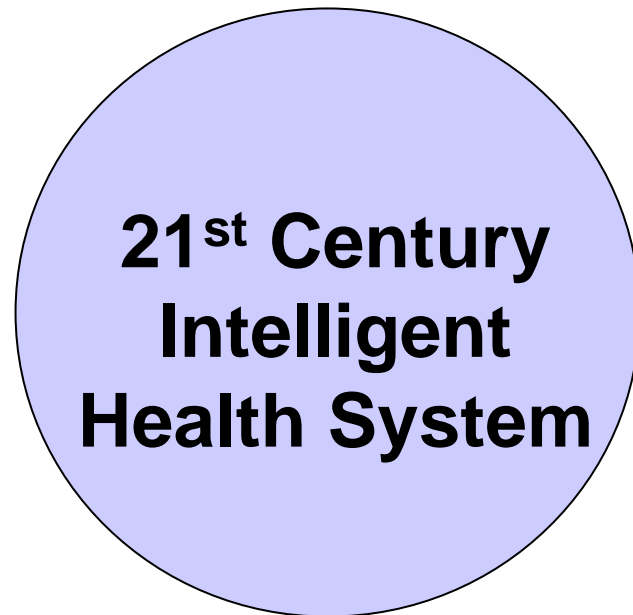
Failure to change will lead to decay



Real Change

Requires

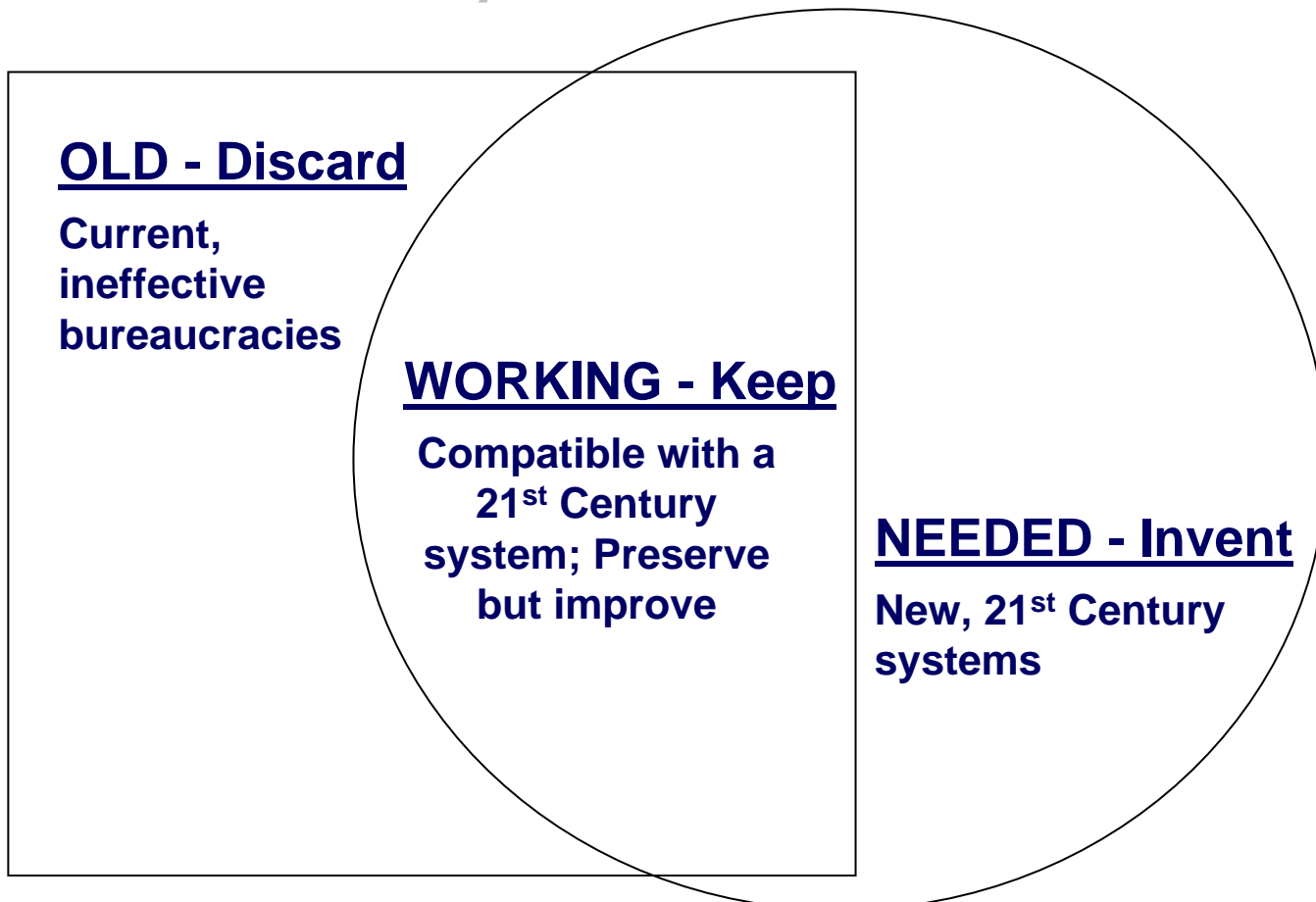
Real Change



21st Century Intelligent Health System

Rather than change, most bureaucracies prefer the comfortable routine of explaining failure.

Transitioning to a 21st Century Health System Will Necessarily Mix the Old and the New



(with thanks to Senator Bob Kerrey for developing this model)



21st Century Intelligent Health System with 100% Insurance in a 300 Million Payor System

Financing to Enable
300,000,000-Payor
Insurance System

Effective, Efficient and
Productive Health
Delivery System

Maximize Societal
and Cultural Health

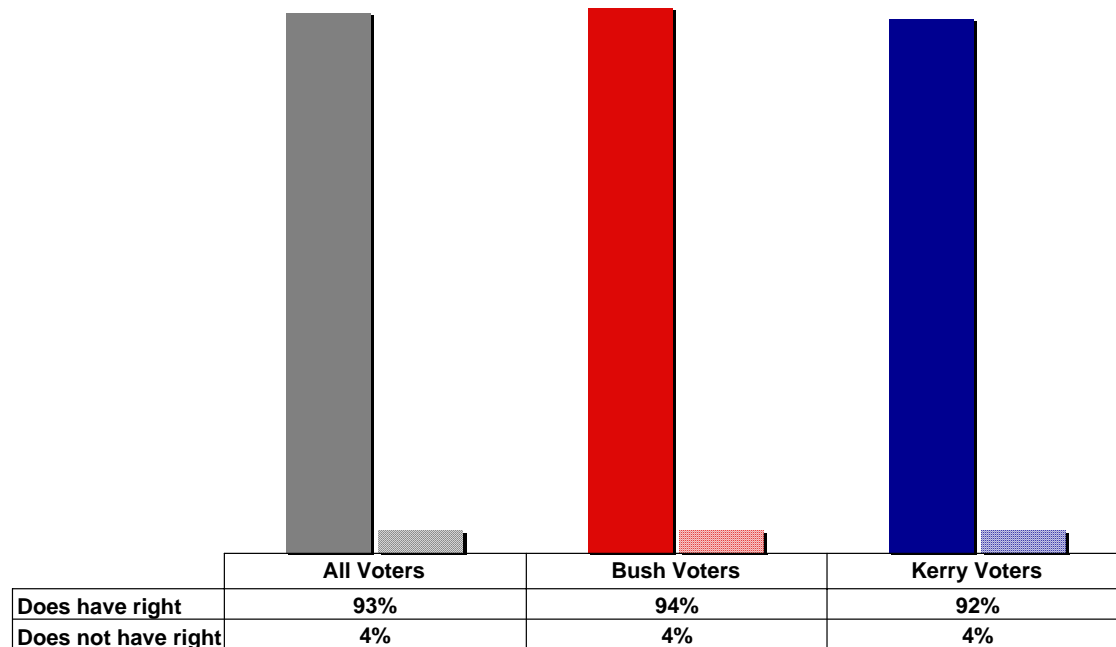
Individual Rights,
Responsibilities
and Expectation
of Behavior

Building the 21st Century Intelligent Health System:

- **Focus on HIT**
- **Focus on health and healthcare**
- **Focus on individual**
 - **Right to know price and quality information**
 - **Individual health insurance**

93% of voters think they have a right to know quality data.

Many organizations are developing performance measures for health care providers like hospitals, physicians, and nursing homes, and then evaluating those providers on their ability to meet the performance measures. Do you think the public does or does not have a right to know the result of those evaluations?



Creating a true, rational healthcare marketplace based on Health Information Technology

- **Transparency (Right to Know)**
- **Competition based on price and quality**

The Great Drivers for 21st Century Intelligent Health System with 100% Insurance Coverage

- 1. Science:** There will be four to seven times as much new scientific knowledge in the next twenty-five years as in the last twenty-five years.

 - If it is four times as much change from now until 2031, it will resemble the period from 1880 to 2006.
 - If it is seven times as much change, it will resemble the period from 1660 to 2006.
- 2. HIT & Wireless:** There is a system of entrepreneurial, science- and technology-based market-oriented systems that have been providing dramatic breakthroughs in quality, choice, and declining cost.
- 3. Systems that Work:** There are working systems of productivity that are very powerful, such as the Toyota production system, Six Sigma, the quality principles of Deming and Juran, the management principles of Peter Drucker, and concept of lean manufacturing and markets with entrepreneurs.
- 4. Individual-centered:** Empower the individual, rather than the bureaucracy. There is a customer market and values system which leads to dramatic change and innovation. It is individually centered, patient-centered, customer-centered, and citizen-centered, and it is profoundly different than the 20th Century bureaucracies which are failing. An individual-centered system must have individual accountability.
- 5. American Civilization:** Historic American culture as exemplified by George Washington and Benjamin Franklin simply works. American civilization is strengthened by our work ethic, courage, individual initiative, responsibility, team work, energetic effort, savings and investing, recognizing and rewarding achievement, and having high expectations.



Consumers Have the Right to Know Cost and Quality Data

Florida Governor Jeb Bush and Health Secretary Alan Levine lead the country in promoting the transparency of hospital quality information and prescription drug prices.

www.MyFloridaRX.com

MIAMI - CELEBREX 200 MG CAPSULE Usual and Customary prices for Nov 1 - Nov 30, 2005

You can sort your results by Pharmacy, Zip Code, Drug Name, Quantity, or Price by clicking on the column title.

| <u>Name</u> | <u>Zip Code</u> | <u>Drug Name</u> | <u>Quantity</u> | <u>Price</u> ▲ |
|---|-----------------|-------------------------|-----------------|----------------|
| WAL-MART PHARMACY 10-2091 8651 N.W. 13TH TERRACE MIAMI, FL 33126 (305) 470-4530 Map It | 33126 | CELEBREX 200 MG CAPSULE | 30 | 86.04 |
| CAROLINA PHARMACY 4633 NW 199 STREET MIAMI, FL 33055 (305) 625-6255 Map It | 33055 | CELEBREX 200 MG CAPSULE | 30 | 220.50 |

www.FloridaCompareCare.gov

Surgery/Procedure: Nervous System Injections, Stimulations or Cranial Tap
Time Period: January 2004 through December 2004

| Facility / City | Total Visits | Risk Adjusted Average Charge |
|--|--------------|------------------------------|
| Cleveland Clinic Hospital - 100056 Weston | 1,232 | \$917 |
| Coral Springs Medical Center - 110019 Coral Springs | 40 | \$5,123 |

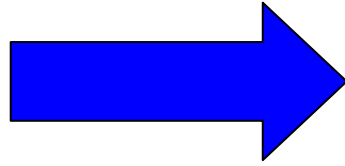
Pneumonia Mortality Rate
Time Period: January 2004 through December 2004

| | |
|--|----------------------|
| Cedars Medical Center - 100009 Miami | As Expected |
| Coral Gables Hospital - 100183 Coral Gables | Higher Than Expected |
| Doctors Hospital - 100020 Coral Gables | Lower Than Expected |

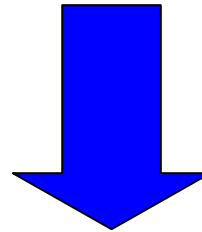
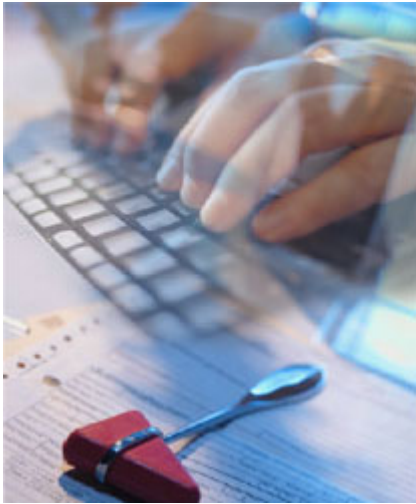


Health Information Technology is the key lever to transform health and healthcare

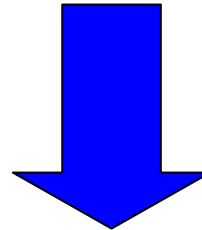
HIT



Transparency
(Cost and Quality Info)



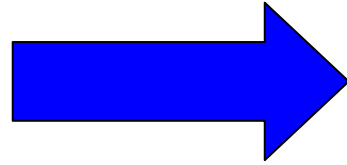
Competition
(Providers based on Cost and Quality)



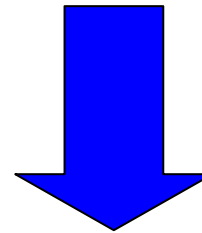
Lower Costs & Improved Quality
(Based on competition)

Impact of HIT on Provider Level

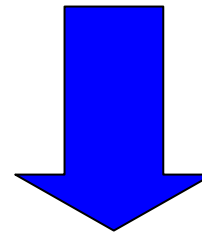
HIT



Cost & Quality Data



Process Improvements
(Efficiencies)

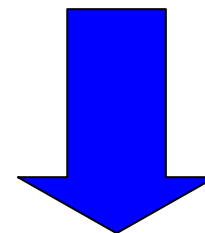


**Improved Quality at
Decreased Costs**

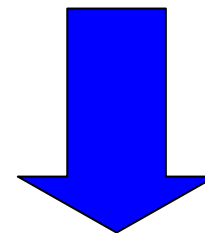
HIT



Provider Competition



Decreased Costs/Premiums
(For individuals & employers)



**Expanded Coverage
Opportunities**



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

National Health Information Network

Investments and Savings

- Total savings first ten years: \$350 billion
Annual savings thereafter: \$112 billion
- Investment first ten years: \$396 billion
Annual investment thereafter: \$48 billion
- Net savings per year: \$64 billion

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

Source: *Annals of Internal Medicine*, 2005; 143: 165-173. "The Costs of a National Health Information Network." Rainu Kaushal, MD, et al.

More scientists are alive today than in all of previous human history combined. Furthermore, instead of sharing knowledge at the rate of the printing press and mail delivery, scientists are sharing knowledge through the Internet and the cell phone. This explosion of knowledge is moved from laboratory to market by a venture capital-licensing-royalty system of unprecedented power and ability. The potential for production is being radically expanded by the rise of China and India as the lowest cost producers on the planet.

Drivers of change fueled by Moore's Law will increase knowledge and productivity on a world wide basis—virtually guaranteeing continuous down-ward pricing pressures:

- Information technology
- Communications
- Nano-scale science and technology
- Quantum mechanics
- Biology

This is much like the period of 1873 to 1896 when there were advancements in steel, electricity, electric light, steam ships and the telephone. For example, the introduction of commercial refrigerator cars for railroad and ships meant that you could deliver Texas beef anywhere—collapsing food prices. The constant and steady explosion of productivity will continue to drive prices downward.

The profound changes we will experience during the next 25 years will require at least six significant transformations:

1. National security,
2. Learning in general and Math and science education in particular,
3. Health and healthcare,
4. Inventing entrepreneurial public management,
5. Tax code, and
6. Litigation reform.

This scale of change will require America to undergo profound transformations if we want our children and grandchildren to live in the most productive economy in the world.

These are the most important decisions our generation will make about our country's future and our children's future. We will transform or fall behind. It really is that simple.

When faced with change on this scale, leadership has to learn not to say "No, because," but practice saying "Yes, if."

In health we not only have to transform for the future but we have to transform to catch up with the last thirty years. Look for example at ATM's, self-service gas stations with credit cards, Travelocity, e-tickets and cell phones.

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:

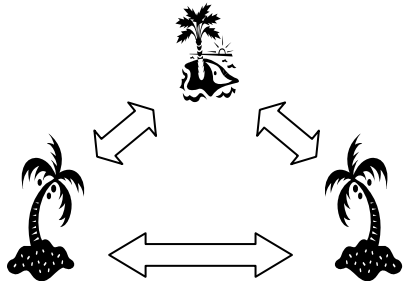
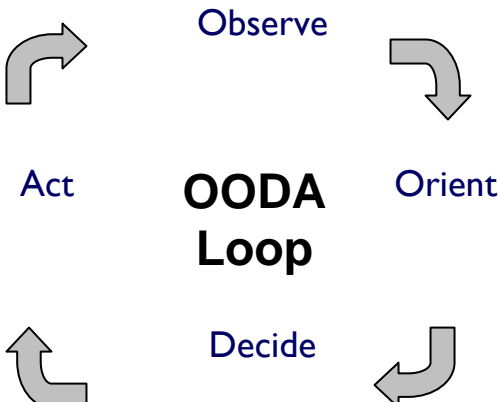
- Acting as a catalyst to accelerate transformational change
- Identifying better solutions that provide more choices, better health and lower cost
- Sharing those solutions with the widest array of opinion leaders and decision makers to accelerate their adoption by the system
- Helping create, advance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

Where is healthcare today?

- 45 million Americans without health insurance including nearly 2 million Georgians;
- Financial forecast for Medicare is grim;
- Medicaid growth nationwide called “unsustainable;””
- Up to 98,000 deaths occur from preventable medical errors in America each year; and
- More than 7,000 citizens are killed every year because of medication errors.

Why Health and Healthcare?

- Healthcare is the biggest single sector of the economy and growing faster than the economy.
- Healthcare is the biggest cost center in state government.
- Healthcare and health insurance coverage are the biggest cost pressure on small and large businesses.
- Healthcare is a matter of life and death.

| | | |
|---|--|---|
| <p>Connecting Islands of Excellence with Invisible Bridges</p>  | <p>Deep, Mid, Near Campaigns</p> <ul style="list-style-type: none"> ▪ Design for all three campaigns ▪ Focus first on the Deep Campaign to learn how to shape the Mid and Near Campaigns <p>Deep – 10% Mid – 20% Near – 70%</p> | <p>Discover</p> <p>Develop</p> <p>Deliver</p> |
| <p>The Lion—Chipmunk—Antelope Theory</p> <ul style="list-style-type: none"> ▪ Leadership must focus on large changes. ▪ Lions cannot hunt chipmunks; they will starve to death. They must hunt antelopes to stay alive. ▪ Define the antelopes and don't get distracted by the chipmunks. |  <p style="text-align: center;">OODA Loop</p> | <p>Questions to Ask</p> <ol style="list-style-type: none"> 1. What do you want to accomplish? 2. Who must say yes? 3. How will you implement if they say yes? 4. When will they listen to you? 5. What are the metrics of success which allow you to know that implementation is occurring? |

•“Yes, if” ... not “No because”

•Cheerful Persistence

•Import knowledge; Export work