



# **UST Executive Conference on the Future of Health Care**

**Mayo Rochester Hospitals**

**Michael Rock, M.D.**

**Chief Medical Officer**

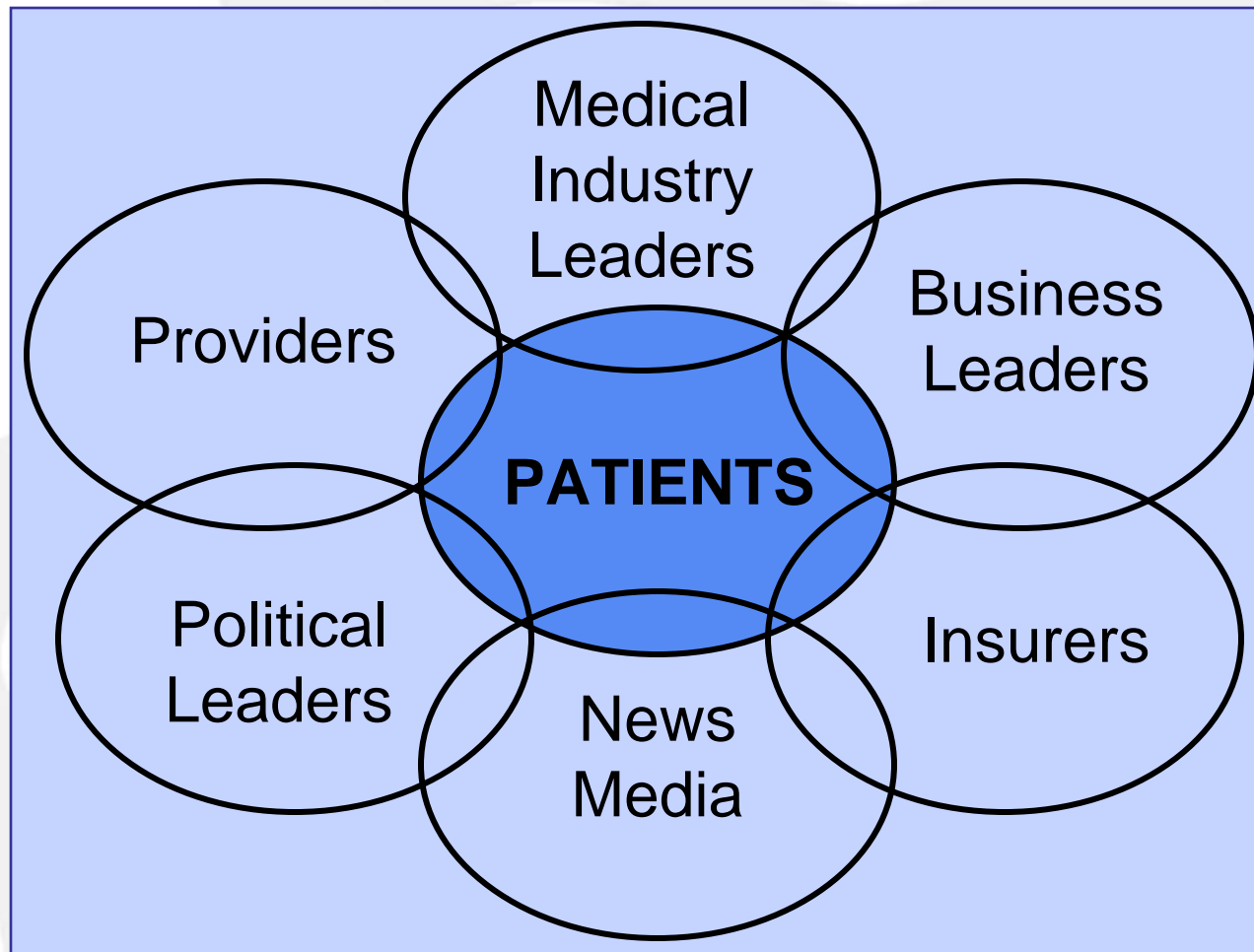
November 7, 2008

# HEALTH CARE IN CRISIS

## A Call to Action

1. Rising costs
2. Malaligned incentives
3. Increased demand
4. Commoditization of health care
5. Lack of consistent quality

# Scope of Participation – Engagement of Constituencies



# HEALTH CARE REFORM

## Fundamentals

1. Everyone has access to essential medical care
2. Simplify and make affordable and transportable medical coverage
3. Promote health care as apposed to sick care
4. Encourage personal involvement; empower the consumer on health choices, health care
5. Greater social responsibility by health care stakeholder
6. Incent high value integrated health care delivery
7. Expedite and facilitate interconnectivity among health information management system

# HEALTH CARE REFORM

## Action Steps and Strategies

**Create  
Value**

**Coordinate  
Care**

**Reform  
The  
Payment  
System**

**Insure  
All  
Americans**

# HEALTH CARE REFORM

## Action Steps and Strategies

### Create Value

- **Value = Quality (outcomes, safety, service)  
Cost over a span of care**
- Measure and publicly display outcomes
- Decrease medical errors, cost and waste
- Incent new modes of health care delivery/service
- Collate, distill and disseminate medical information and knowledge
- Pay for results, outcomes, value not process compliance

# HEALTH CARE REFORM

## Action Steps and Strategies

### Coordinate Care

- Center care around the needs of the patients and family
- Provide complete, accurate and ongoing information to patients
- Leverage information technology – remote monitoring, E-health, interoperability
- Encourage seamless migration of care

# HEALTH CARE REFORM

## Action Steps and Strategies

### Reform the Payment System

- Pay the providers based on value
- Create and test novel payment systems that pay for coordinated care, improved care delivery and informed patient decision making

# HEALTH CARE REFORM

## Action Steps and Strategies

### **Insure All Americans**

- Provide guaranteed, portable health insurance for all, paid by all (FEHBP)
- Mandate purchase of private health insurance
- No pre-existing condition exclusions
- Provide sliding scale government subsidies
- Offer the option to keep current plans and providers
- Employers are encouraged to participate
- Appoint an independent U.S. Health Board
- Sunset Medicare/Medicaid

# HEALTH CARE REFORM

## We All Must Change

### Providers

- Improve effectiveness and efficiency
- Stress prevention, health, integration

### Payers / Employers

- Encourage prevention, compliance and health
- Change payment approaches to reward providers who deliver value

### Patients

- Prevention / healthier lifestyles
- Chronic disease compliance
- Fair financial stake

### Government

- Independent “health board” to coordinate private insurance options for all, transparency, IT interoperability
- Financial help to those in need
- Support research and education

# President Obama's Plan for Coverage

- “Pay or play” employer mandate
- Expand Medicaid and provide premium subsidies for low-income
- Expanded SCHIP coverage for children
- Tax credits for small employers to purchase coverage
- Federal reinsurance mechanism to cover catastrophic expenses in employer plans
- Create “National Exchange” that includes *new public program* for uninsured
- Regulating private insurance with guaranteed coverage and rates



# Beyond Coverage Common Ground

- Focusing on wellness and prevention
- Promoting information technology
- Pay for performance
- Transparency and comparative effectiveness
- Disease management/care coordination
- Expanded stem cell research
- HIV/AIDS
- Biomedical research
- Medical liability reform



# HEALTH CARE REFORM

- For the first time in American history, the next generation will be less healthy and wealthy than its predecessors
- There has been a lack of strong national leadership and no health policy in the past 2 decades
- Public policy changes at the National / State level will be necessary to effect reform
- Transition to consumer driven health care will be evolutionary, NOT revolutionary
- Likely to occur State by State
- Initiatives / emphasis driven by local market dynamics and expectations