Creating a Shared Vision for National Healthcare Policy

Wye River Group on Healthcare

Community hospitals are at the heart of healthcare. Hospitals are not just institutions—they are a reflection of the community and its self-image. As one of the largest community employers, hospitals are a backbone of the local economy. It is important that the image of that backbone be a positive one that instills pride in the community. Hospital executives and board members often struggle to create and effectively execute a strategic plan that will hone the image of their hospital/health system with the community. Finding the intersection between institutional self-interest and public good can be a challenge. This nexus can be found by creating broad-based partnerships to address local healthcare challenges and help shape public policy.

How Can Healthcare Leaders Promote Constructive Change?

1. Shift your thinking.
2. Determine policies at the community level. Don't wait for Washington.
3. Create a public viewpoint of healthcare resources as a common good, not an entitlement.
4. Restore credibility.
5. Collaborate for positive improvement.

Politics and Public Policy… Old Versus New

Twenty years ago, public policy at the legislative level was smoother and simpler. When an industry sought a change in a regulation, administrative, or statutory law, it was able to accomplish the task "under the radar screen" of the general public, organized advocacy groups, and often out of eyesight of competitors until the deed was done.

Today, in the face of broad, sweeping 'sunshine' laws, high-tech information systems, and instantaneous communications, things have changed. It is impossible to conduct any business, including lobbying, the old way. What does remain the same is the importance of personal relationships with elected officials and staff overseeing the formal processes that govern the creation of laws and regulations. Compelling, credible data supporting the desired change also remains important. But all else being equal money always trumps data!

The key to success is the right combination of personal relationships, compelling data, and adequate financial support. The hallmark is an ability to conduct preliminary groundwork necessary to create a viable "political pathway" for change. These pathways do not naturally exist; they have to be created. Public officials are often in a difficult environment, where their public policy desires run headlong into political resistance. The need to balance interests among competing constituents places the elected official in a quandary. In essence, their axiom is "choose the course of least resistance."

To win, as healthcare leaders you must do your homework, build relationships, and collect data; forge alliances and coalitions among diverse stakeholders at the community level; and convince public officials that your allies are more formidable than anyone aligned against you.

Creating the "Blueprint" for a Shared Vision

Since July of 2002, the Wye River Group on Healthcare (WRGH) has been championing collaborative efforts in communities in 12 states across the country. The public policy culmination of that work is a "blueprint" for national healthcare policy, a compilation of 84 practical healthcare policy recommendations that represent the making of a consensus, and that could be implemented over the next four years of the second Bush administration.

Beginning with its "Communities Shaping a Vision for America's 21st Century Health and Healthcare" initiative, which focused on shared values and principles for health policy, WRGH and its Foundation for American Health Care Leadership created a common platform upon which to build public policy recommendations. The result of this work, entitled *A Community Leader's Blueprint for American Healthcare Policy*, was delivered to the Bush administration and Congress in February 2005.

This Blueprint for health reform can be used by the Bush administration and the 109th Congress as a roadmap for addressing key challenges in healthcare policy. Nearly 150 individuals from across the country contributed their ideas, through community leadership advisory panels, health policy surveys, Internet-based prioritization, and face-to-face meetings.

The Blueprint was principally developed through a methodical combination of electronic brainstorming and facilitated discussions, and involved direct input from leaders across the spectrum of health and healthcare, as well as many prominent national thought leaders in healthcare policy. Many carefully chosen, diverse communities were represented, including the 12 involved

in WRGH's "Communities Shaping a Vision for American's 21st Century Health & Healthcare" initiative. The specific questions posed during the electronic brainstorming sessions and recommendations for health policy can be found in WRGH's report, *A Community Leader's Blueprint For American Healthcare Policy.*[1]

The initial concept for healthcare leadership roundtables and listening sessions was proposed by WRGH and developed together with the White House. Planning was then broadened to involve a broad range of sponsoring organizations and engaged political interests from both sides of the aisle. It was critical to carefully balance involvement—public and private representatives and diverse consumer interests—not only because it is a tenet of WRGH's work, but also for project integrity.

WRGH leveraged its national sponsors and supporter relationships with regional associations and members to gain access to respected leaders at the community level. It then worked to develop credibility with these leaders and enhance trust in the process through in-depth, one-on-one meetings that focused on marketplace dynamics, community relationships, and culture.

The Blueprint's practical recommendations frame a series of actionable steps that can reasonably be advanced within the next administration's 4-year term. Prior to beginning development, the idea was vetted with policymakers in both the Bush administration and the Kerry campaign, and the process enjoyed their support.

The process captured 340 ideas and recommendations on a wide range of healthcare public policy issues: access, incentives, affordability, public health, information technology, public awareness, and several more. Using Washington-based trade and professional association executives and policy thought leaders to vote and prioritize, WRGH collapsed the 340 ideas into 84 distinct recommendations.

Compared with the national debate, WRGH found that community discussions were less polarized, less partisan, and more focused on finding practical solutions to the healthcare challenges we face. Discussions uncovered a surprising degree of interest and willingness at the local level to offer honest viewpoints about values and principles for health policy, to bring up frustrations and specific challenges, and to pursue collaborative efforts to address key healthcare issues in the community.

Most leaders agreed the time is right and there is a window of opportunity to engage policymakers, the healthcare industry, and the public in a national dialogue aimed at constructive change. Healthcare leaders are more motivated than ever to discuss problems and collaborate on solutions. We need to start by carefully

[1] For a copy of this report, please visit www.wrgh.org.

The Making of a Consensus

Healthcare leaders and policymakers who participated in the Blueprint came to agreement on the following statements:

1. U.S. healthcare faces a major crisis that will only get worse if healthcare leaders and policy makers don't take definitive action.
2. The country has not yet developed a social contract for healthcare that is well articulated and broadly understood.
3. The role of government in healthcare needs to be appropriately defined.
4. The public does not realistically understand the current dynamics relating to limited resources, the need for tradeoffs, and the importance of an increased role for individuals in better managing their health.
5. Healthcare leaders need to emphasize personal responsibility and education on healthy lifestyles and wellness.
6. There is a marked misalignment of incentives for all the major players in the healthcare system—from providers to payers to patients.
7. The problem of access encompasses cultural and logistical elements as well as insurance coverage.
8. The issue of financing is at the heart of our nation's healthcare challenges, and affordability is a keystone to greater access and a healthier population.
9. Quality and patient safety standards should be the same from hospital to hospital, community to community.
10. There is need for better integration and coordination of services, with a greater focus on prevention and primary care, public health, behavioral health, and care management for chronic illness.
11. Although IT investments are costly, healthcare leaders should focus on initial, incremental successes in deploying usable information.
12. Public health research is inadequately funded, has little presence in medical education, and suffers from a lack of public support and visibility.
13. We should simplify administrative processes by streamlining Medicare and Medicaid regulations and standardizing forms, codes, billing, and electronic medical records.
14. Medical malpractice has gotten out of hand and must be reformed.

defining the problems, from the unique perspective of communities, before we go pushing a specific approach. Given the pluralistic nature of the country, a one-size-fits-all approach is not likely to be embraced. We also must decide as a society what we *really* want from healthcare. What are the trade-offs? Who is willing to make them?

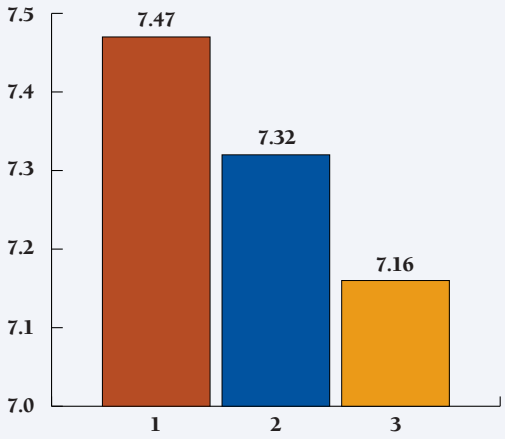
Community leaders advocated that as a public policymaker, government should carefully balance social interests. They emphasized that flexibility should be a hallmark of effective government and suggested that existing regulations be periodically examined to identify barriers to innovation. Government may also have a third role to play as an effective communicator, making a healthy America synonymous with strong America.

To get the public sufficiently engaged, we will need to create a clear goal, akin to "a man on the moon," and develop a methodical, aggressive campaign to make healthy lifestyle decisions "cool."

Emphasize Personal Responsibility. There is consistent support among the participants for more individual responsibility, and general agreement that we need to evolve toward a system where consumers have more choice and control. However, it is recognized that we must take into account disparities resulting from race, ethnicity, income, education, age, and health status, and not "blame" individuals for their health conditions. Personal responsibility must be balanced with institutional accountability.

Although some policy and financing issues must be addressed at the federal level, there is great faith in the ability of different communities to develop creative approaches that recognize the distinct problems and the specific strengths of each community.

Prioritization of Public Awareness Recommendations*



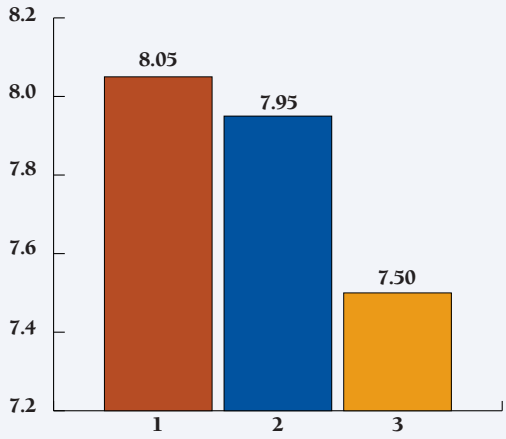
Importance (mean score on a scale of 1–10)

1. The President and Secretary, HHS should articulate specific, measurable healthcare reform goals with timeframes and develop a national report card that shows progress against national goals.

2. The President should call upon Congress to take up meaningful healthcare reform within a specific period.

3. The President must provide leadership by articlating a clear vision and statement of principles to move public opinion.

Prioritization of Personal Responsibility Recommendations*



Importance (mean score on a scale of 1–10)

1. CMS should provide consistent reimbursement for prevention services in all federal programs, according to the U.S. Preventive Services Task Force guidelines.

2. Government should create incentives in Medicare and Medicaid programs to improve access to prevention and early detection services.

3. Government should ensure that federally insured patients have access to the information they need to make informed choices by introducing the concepts of measurement and transparency of cost and quality information.

*These graphs show results from an Advanced Strategy Lab Session Report on November 9, 2004. The responses at this session were from a culmination of sessions, each building upon previous conclusions. These are examples of the issues discussed and prioritized during the Blueprint process.

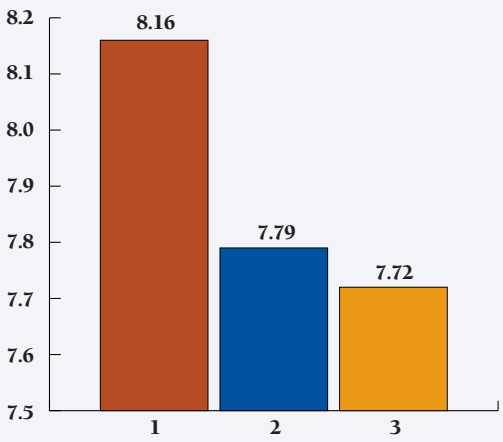
> *"The problem, policy-wise, is grasping what health is [to us] as a society. Until we understand what we are trying to achieve, we can't really get a handle on the healthcare system."*
>
> —*Rural Hospital CEO*

Provide the Right Incentives. There was virtually unanimous support for restoring balance in resource allocation and better alignment of incentives to support "better health over treatment." Some participants were especially concerned about moving precipitously in the direction of more resources for primary prevention, at the expense of investments in chronic care management.

On the provider side, emphasis was placed on rewarding evidence-based care and outcomes, not on services. The underlying concept was reflected by one of the participants, who said, "We should adopt a model that encourages varying payment for good performance. It is very appropriate in all other industries—why not healthcare?" Developing models where providers, payers, and patients share in the savings from prevention, early detection, and better care management was seen as a positive step in aligning incentives.

Increase Access. Ensuring access to healthcare coverage for all citizens was cited as a top priority for the Administration. Participants emphasized the need for a strong and sustainable safety net to provide for the medically disenfranchised. They also highlighted the importance of equitable healthcare that addresses health disparities. As one leader put it, "The government's role is to make access to coverage fair; the role of markets is to make coverage efficient." Many participants said we should define a baseline level of healthcare coverage and ensure a quality product is available to all, using subsidies as necessary. However, participants recognized the challenge inherent in the definition of "basic." Others favored an approach that placed the emphasis on access to a "baseline" of quality services, irrespective of coverage standards or definitions.

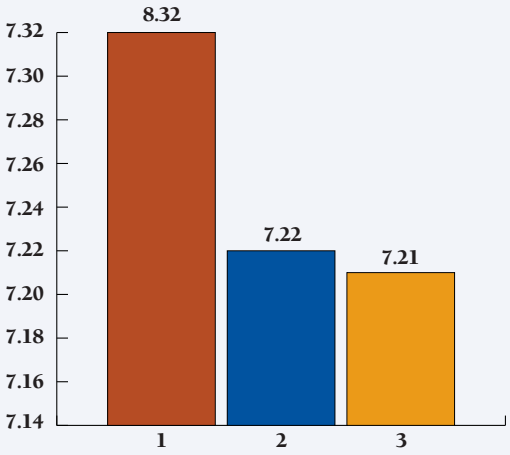
Prioritization of Incentives Recommendations*



Importance (mean score on a scale of 1–10)

1. Government should create a level playing field for payers to care for high-risk patients through full implementation of risk adjustment.
2. Providers should establish a "no fault" system to encourage medical error reporting.
3. Government should extend the pay-per-performance demonstration project currently under CMS beyond hospitals and health systems to primary care providers.

Prioritization of Access Recommendations*



Importance (mean score on a scale of 1–10)

1. Government should expand funding for federally qualified community health centers.
2. Government should provide financial incentives to recruit providers to areas of need.
3. Healthcare providers should expand state-of-the-art cancer care to rural and other underserved areas by further exploring the use of telemedicine.

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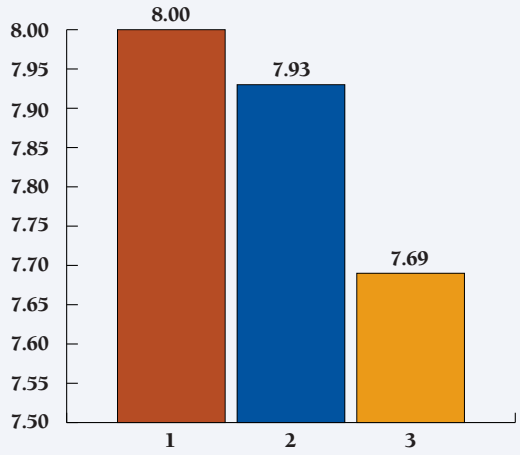
Address Affordability. Leaders recognize numerous factors as contributors to the escalation of healthcare costs—expensive technology and pharmaceuticals, demographics, waste and inefficiency, malpractice, and third party reimbursement. To cope with the cost crisis, recommendations frequently focus on a segment of the cost pie, for example, pharmaceuticals or technology; yet, leaders recognize that overall system inefficiencies, including waste and duplication of effort, need to be addressed. Greater transparency of information and accountability for all stakeholders were frequently cited as necessary steps.

Standardize Quality/Safety. "We need to differentiate between *what* is done for patients and *how* it's done," said one leader. Participants recognize the importance of consistent quality and standards of care to overall improvement in health outcomes. The challenge is finding consensus with regard to specific standards, which currently differ from community to community. Who should decide—payers, purchasers or providers?

Invest in Information Technology. Promoting and advancing IT is seen as a prerequisite to addressing many healthcare challenges. Community leaders see the greatest impact of IT in its application to electronic medical records, elimination of medical errors, enhancing rural access to services, and reduction of administrative costs. Other potential benefits cited include better collaborative care coordination and better access to healthcare information for consumers to facilitate decision making.

Leaders cited standardization, incentives for investment and adoption, funding for pilots and demonstration projects, cultural adaptation by professionals and their institutions, and training health professionals as critical steps in advancing the use of IT.

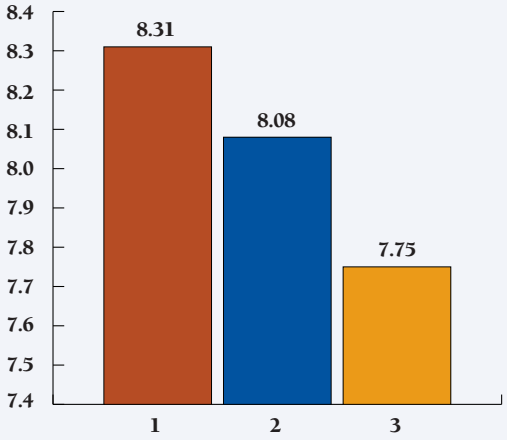
Prioritization of Quality/Patient Safety Recommendations*



Importance (mean score on a scale of 1–10)

1. The Government should leverage its role as the largest single payer to promote quality, efficiency, and appropriate resource allocation.
2. Quality assurance standards should ensure that screening, diagnostic tests, treatment, rehabilitative and pallative care services, and therapies are safe, cost-effective, and reflect the best science available.
3. As a condition to participation in government-funded programs, providers should be required to collect and publicly report healthcare quality performance data, such as those national measurement standards identified by NQF.

Prioritization of Information Technology Recommendations*



Importance (mean score on a scale of 1–10)

1. The appropriate federal agency should develop and require adoption of uniform standards for information to be shared and stored electronically.
2. The President should advocate nationwide adoption of health IT based on interoperability standards that support the exchange of clinical and administrative information among providers, payers, consumers, and government.
3. The appropriate federal agency should work to build a broad-based consensus on defining the contents and protections for a nationally uniform electronic medical record (EMR).

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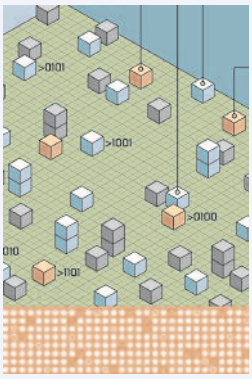


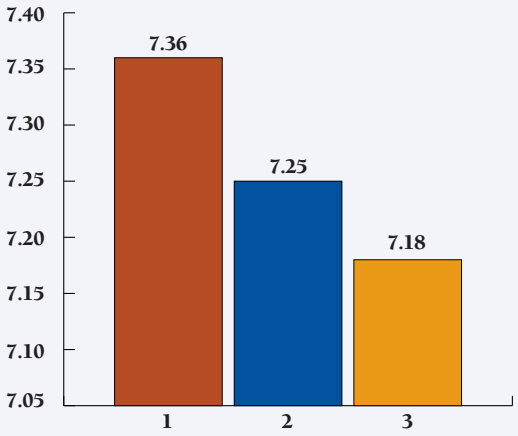
Adopt Public Health Standards. Public health needs to move up on the national agenda. It is inadequately funded, has little presence in medical education, and suffers from a lack of public support and visibility, not to mention a shared operational vision. Many leaders see it as an untapped asset, one for which there is enormous opportunity but whose potential is unrealized. To begin to move forward constructively, participants recommended adopting Institute of Medicine (IOM) public health standards as national policy, and stressed that state and local governments need support and incentives to meet those standards.

Participants strongly agreed that there is need for a more clear definition of the appropriate role of public health in today's society, with a consistency of activities. They recommended that the public health system be streamlined, consolidated, and coordinated at the state, federal, and local levels.

Simplify Administrative Processes. Clearly there is a relationship between creation of a robust IT infrastructure and the elimination of paper and instantaneous movement of important information for decision making. Community leaders most strongly supported streamlining Medicare and Medicaid regulations, standardizing forms, codes, billing, and electronic medical records. However, some felt strongly that use of IT and the Internet should not be mandated.

Reform Medical Malpractice. Participants offered a variety of approaches for consideration: alternative dispute resolution, limits on contingency fees, voluntary confidential reporting, caps on non-economic damages, and creation of "medical courts" employing experts in medical issues and process were frequently cited. While important, the general feeling was crystallized by one participant, "This issue is really a small piece of the pie, but it really divides the players!"

Prioritization of Public Health Recommendations*

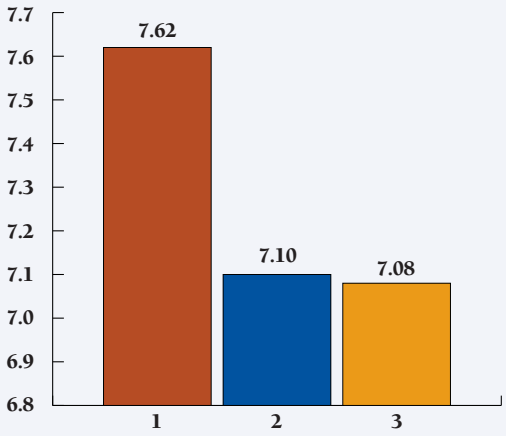


1. The administration should raise awareness and make public health a higher priority by adopting a national policy to promote improvements in public health that address both physical and mental health.

2. Congress should fund monitoring/surveillance systems for bioterrorism and emergency preparedness, which also work for natural outbreaks of disease.

3. Congress should increase funding to HRSA programs that provide financial support for students enrolled in public health degree programs through mechanisms such as training grants, loan repayments, and service obligation grants.

Prioritization of Innovation Recommendations*



1. The administration should require periodic examination of existing regulations to identify barriers to innovation.

2. The administration should consider a systematic process for moving prototypes into practice and ensuring ongoing review of their utility and relevance.

3. The President should encourage cross-agency collaboration and cooperation within HHS to accelerate the movement of new and innovative treatments from the bench to the bedside.

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The vision that appealed most to participants is one of patient-centered healthcare. This patient-centered vision rests on a complex foundation with many challenges. However, there are cornerstones that must be laid:

A sense of community: The place to start is to reacquaint people with their place as part of the community. If we don't get people to have a greater sense of their role, we don't have a chance. We must craft messages such that people understand why it is in their best interest to think of healthcare as a shared resource.

Personal responsibility and system accountability: Participants strongly voiced that individuals need to be more accountable for improving their health, and healthcare organizations need to be more accountable for delivering high value care. Essentially, leaders want flexibility with accountability. As one business executive put it, "The bar has been raised on expectations of accountability."

Leadership and trust: There is an urgent need for strong and articulate leadership that demonstrates candor and integrity, as well as collaborative engagement of all sectors focused on the question of where the nation's healthcare is headed.

Evolving Roles: This vision will require significant evolution in the roles of all stakeholders. A healthy future will require that those receiving care and those around them play a much greater role than they have in the past.

How Can Healthcare Leaders Promote Constructive Change?

We can address the failure of our healthcare system to provide the best it has to offer, while preserving the unique assets that we all cherish. But each of us needs to step up to the plate—we can't be passive participants. The following five steps can engage healthcare leaders to begin the process of change:

1. We need to shift our thinking. There is little chance that the answers to the healthcare crisis are going to come from Washington, where more time is spent talking politics than policy. In a diverse country like ours, where values and priorities differ from one community to another and frequently one generation to another, a "one size fits all" approach is less likely to work effectively. But most healthcare leaders say the evolution in healthcare shouldn't be left entirely to the marketplace. There is a role for both government and communities in shaping healthcare.

2. Determine policies at the community level. When it comes to healthcare, communities are the logical place for initiating change. All healthcare is local and communities are unique. Policies determined at the community level are more likely to be based on actual conditions in a community, where people know what works and what doesn't. Furthermore, healthcare sectors are more likely to work together productively within their own communities than they are in the polarizing atmosphere of Washington. And community-based discussions are much more likely to pull in participation from "the grassroots" and reflect a community's values and priorities.

3. Create a public viewpoint of healthcare resources as a common good. "We've replaced a sense of community about healthcare with a sense of entitlement. And our industry has been a big part of fueling that," remarked a health plan CEO. In our society, we have little appreciation of healthcare as a common good that requires substantial pooling of community resources. The public fails to appreciate the connection between their personal demands for healthcare and how those demands affect the healthcare system and others who depend on it. We really need to restore a sense of community interconnectedness and interdependency, in order to address our health challenges. Communities should look at healthcare similar to the way they view education, that is, with an appreciation that using these resources wisely benefits both individuals and communities.

4. Restore credibility. "We as an industry have a big credibility issue," opined a hospital CEO. "This effort needs to get to the grassroots, and it needs to reflect grassroots values or it won't be sustainable." To restore trust, the public needs to see healthcare and community leaders working collaboratively in their best interest. Healthcare stakeholders need to stop pointing the finger of blame at each other and cooperate on a common agenda.

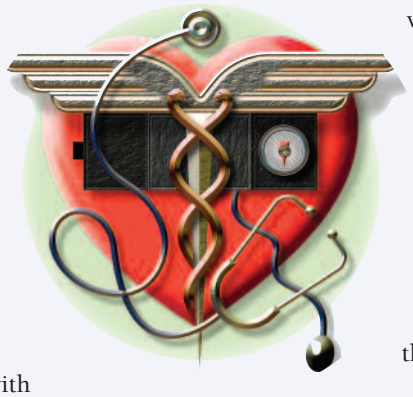
5. Collaborate for positive improvement. There were comments from respected leaders about the tremendous fragmentation in healthcare, with each interest group moving forward in whatever direction they feel is appropriate. The CEO of a large multispecialty group practice pointed out that our current healthcare system exists in "random acts of clinical improvement."

Despite the fact that there is more uniting healthcare sectors than dividing them, each sector brings its own narrow perspective to policy discussions, rather than advancing what would be in the interest of the community. The debate is mired in the details of each agenda, which is defined as the narrow objectives of each stakeholder. To more effectively engage other critical stakeholders, like employer purchasers, healthcare providers should be adept at demonstrating the economic value equation relative to their services.

The Hospital's Role in Advocacy

As respected local institutions that embody the culture of the community, hospitals are logical focal points for collaborative efforts. Unfortunately, many healthcare organizations have drifted out of touch with their communities. Consolidation in healthcare creates distance from those served. To support an appropriate focus on the end customer, it is important for hospital and health system leaders to ensure institutional boards reflect the diversity of the community served.

As a start, a simple initiative with a defined process can build momentum for collaboration and is generally replicable. It can serve to "gel" the community and begin to create cultural change. As a pre-requisite to success, healthcare leaders in many communities agree with the need to create an environment that makes it safe for stakeholders to talk about their differences. Sometimes, especially if there is a long history of a lack of trust, there may be a need for an "honest broker" to create the right environment.



In short, hospitals are strategic hubs for advancing community-branded leadership. The gains to be realized may include a better image with citizens, a richer understanding of other organizations leading to effective strategic partnerships, and excellent opportunities to collectively shape public policy and improve the health of the community. While part of the change that is needed in healthcare has to do with measurable, definable elements, such as incentives, quality metrics, and financial models, another important part of the change has to do with social and cultural issues—elements that powerfully influence expectations, preferences, and behavior of individuals and organizations.

Most organizations are focused on the former, very tangible elements. WRGH's work focuses on understanding and trying to work with the implications of the latter. While financing challenges are huge, healthcare faces equally challenging issues related to social and ethical behavior. Open dialogue among diverse healthcare stakeholders that explores common values and builds trust is a critical first step in creating a shared vision for national healthcare policy. Leaders need to first agree on principles—guideposts for the debate—in the abstract. Only then can the conversation focus constructively on important medical, ethical, and economic issues.

The goal is simple: learn from local community leaders and citizens the values that guide their thinking about healthcare and their conclusions about what is working and what needs to be fixed. Leaders across the country share one story after another about successful efforts operational at the local level, efforts that demonstrate the benefits of collaboration. For hospital leaders looking for ways to engage their community for effective policy reform, the above information will help in efforts to unify the healthcare institution and the community, substantiate a positive image of the healthcare institution as the backbone of the community, and force policymakers to listen.

The Governance Institute thanks Jon R. Comola, Chairman and CEO, and Marcia L. Comstock, M.D., M.P.H., Chief Operating Officer of Wye River Group on Healthcare. Wye River Group on Healthcare (WRGH), and the affiliated Foundation for American Healthcare Leadership (FAHCL), are NFP non-partisan 501(c)(3) organizations which serve as catalysts, applying facilitation, environmental analyses, and planning processes, to bridge gaps between different sectors of healthcare—between purchasers, providers, payers and patients. The group promotes constructive change by creating a neutral environment and facilitating open dialogue that enhances understanding of different perspectives and identification of "circles of overlap" among interests. For more information or to receive a copy of the report of the "Communities Shaping a Vision for America's 21st Century Health and Healthcare" initiative or *A Community Leader's Blueprint For American Healthcare Policy,* please visit www.wrgh.org.