

NEW JERSEY  
HEALTH CARE  
QUALITY  
INSTITUTE



*Quality  
powered.*



PARTNERSHIP TO FIGHT  
CHRONIC DISEASE

December 30, 2008

## **Obama – Biden Transition Team Report**

### **Health Care Community Discussion**

**Trenton, New Jersey**

**Hosted By:**

**David L. Knowlton**

**President & CEO**

**New Jersey Health Care Quality Institute,  
NJ Partnership to Fight Chronic Disease Co-Chair**

**&**

**The Honorable James Florio**

**Former Governor,**

**NJ Partnership to Fight Chronic Disease Co-Chair**

# Table of Contents

Our Community Discussion.....	3
Health Care Reform Policy Feedback.....	7
Main Messages & Consensus .....	7
Question 1. Biggest Problems in Health System .....	7
Question 2. Public Policy Promoting Quality.....	7
Question 3. Addressing Affordability.....	8
Question 4. Private & Public Plans Available for All .....	8
Question 5. Employer Role in Health Care Reform .....	9
Question 6. Public Policy Promoting Prevention .....	9
Question 7. Public Policy Promoting Healthier Lifestyles .....	9
Press .....	10

## Our Community Discussion

BY CAROL ANN CAMPBELL

A mother of two sick children told of paying insurance premiums double her monthly mortgage payment.

A nurse talked of treating insured patients in the ER for minor ailments because they had no family doctors.

A hospice official talked of dying patients getting costly and unnecessary tests and treatments at the end of their lives.

All three were among 75 health experts, doctors, nurses and patients who gathered in Trenton last week to send their vision of health care reform to Washington. The meeting was part of a series of community health discussions requested by the Obama transition team and taking place throughout the country.

In New Jersey, the gathering was sponsored by the New Jersey Health Care Quality Institute and the Partnership to Fight Chronic Disease.

“Good ideas will bubble up from this grass roots effort and influence health reform,” said David Knowlton, president of the quality institute.

Former Governor Jim Florio, a co-host of the event, said he was not surprised at the large turnout.

“This is a chance to talk to power,” he said. “We all know something is amiss. We all know we need quality, affordability and access. How do we accomplish these goals? That’s the difficult part.”

Proponents of the community discussions said the aim is to bypass powerful lobbyists in Washington and reach out to ordinary Americans who work day-to-day in medicine or who use health care.

Though freewheeling at times, several major themes and recommendations emerged:

- Waste is created from rampant inefficiencies that must be corrected.
- Failures in the primary care system drive patients to more expensive specialized and hospital-based care.
- Payments must be re-directed to reward quality, not quantity
- Patients must take on greater responsibility for their own health and the government must begin a strong effort to improve the health of all Americans, starting in schools.

Lisa Yourman was among the consumers at the gathering and she said she hoped to get a message to Obama. She is a Fair Lawn woman who has two children with cystic fibrosis.

“I am willing to pay my fair share for insurance,” Yourman said. “But I want it to be affordable and provide my children with the best possible care.” She said she pays \$3200 each month for insurance premiums, double the cost of her mortgage.

Her daughter, Sarah, who said she must take dozens of pills each day as well as inhalants and other medications, said she does not want her family to go broke trying to keep her and her brother as healthy as possible.

“It just cost us \$500 for me to see my doctor because he is not in the (insurance) network,” said Sarah, who is 18.

## REDUCE WASTE

Doctors and medical administrators talked candidly about waste in medicine because of inefficiencies. One doctor described the difficulty of getting medical test results from competing institutions – so doctors simply repeat expensive tests. Others called on the federal government to promote and standardize electronic medical records to help doctors coordinate care and create an EZ Pass, of sorts, for patients.

Judy Persichilli, executive vice president of Catholic Health East, a system with 35 East Coast hospitals, said another way to reduce waste is to make sure that evidence drives testing and treatment.

“We have hospitals in Florida, and it seems every storefront in Miami has an MRI,” she said. “Are the reasons for all these MRIs based on evidence, or are they just ordered?” She asked members of her group to name the most expensive piece of equipment in a hospital. Some named high-tech machines.

“The doctor’s pen,” she replied.

Others said waste will be reduced if doctors cannot refer patients to facilities the doctors own.

## OVERUSE OF THE ER

Much talk focused on overuse of emergency care. Sharon R. Rainer, deputy executive director of the New Jersey State Nurses Association, and an emergency department nurse, said she treats patients in the ER for ear-aches, colds and minor aches and pains.

“These are people who have insurance. It’s a mystery to me,” she said. “You ask, ‘Do you have a regular doctor?’ They say, ‘Not really. I haven’t seen him in a long time.’” She also said nurses must be redirected to work in community wellness centers to provide more efficient, cost-effective primary care, especially for the elderly.

“We need to give nurses more direct access to patients,” she said. “The system is top down. Nurses need to work from the ground up.”

Others said overuse of the ER drives costs without improving care.

James C. Wallace, vice president for Government Affairs at Catholic Health East – New Jersey, said a study in Camden found that a small percentage of so-called “super users” of emergency care run up extraordinary charges.

A study involving three Camden emergency departments, including the one at Our Lady of Lourdes Medical Center, found that just 35 of these high users over an eight-year-period ran up ER and hospital charges of \$31.1 million. A program to re-direct these patients -- many of them homeless and chronically ill -- away from revolving door ER care to more stable, community based care already has reduced costs dramatically, Wallace said.

“We are creating a national model. We want Obama to see this,” Wallace said. “People think improving quality costs more money. We are showing that we can increase quality while reducing costs. We’ve shown phenomenal savings.”

## FOCUS ON PRIMARY CARE

The nation’s primary care system must be strengthened, many said. Yet fewer doctors are seeking careers in primary care because more money goes to specialists who perform tests and procedures. Susan Volpicella-Levy, president of the New Jersey

Association of Osteopathic Physicians and Surgeons and a physician in Westwood, said primary care doctors get little reimbursement for taking time to counsel patients about ways to stay healthy.

“You get under \$100 for a preventive visit. It could take you an hour. That doesn’t cover the cost of rent, electricity and staff,” she said. “If you call a patient for follow-up and ask, ‘Are you taking your medication correctly?’ ... Or you are just counseling patients. All that is un-compensated.” She supports programs to improve pay for primary care doctors and to create loan forgiveness programs for doctors who specialize in primary care.

Several said the payment system should reward doctors who manage their patients with chronic disease and keep them well and out of the hospital. They cited the concept of a “medical home,” where patients can turn for nearly all their medical needs and where doctors take responsibility for coordinating all their patients’ care. Raymond Saputelli, executive vice president of the New Jersey Academy of Family Physicians, said several pilot programs in New Jersey and around the nation show this model can reduce costs and improve quality.

“We are seeing what works and what doesn’t,” he said.

Others also suggested that patients need incentives, such as lower insurance premiums, for keeping their weight in check, not smoking and taking better care of themselves. In all four separate sessions, people said the nation must invest in the health of young people, through school activity and nutrition programs, to reduce childhood obesity and promote healthy behaviors. Some doctors described seeing elementary school children weighing 300 pounds.

#### END OF LIFE CARE

Americans spend the most on medicine at the end of their lives, yet too much of this money is wasted on futile care that does not help patients, according to Don Pendley, president of the New Jersey Hospice and Palliative Care Organization. He said too often patients continue to get costly and invasive tests and treatments even after they request hospice care.

“We see patients who are beyond cures who are still in the hospital getting unnecessary tests and procedures and treatments. These are patients who have asked for hospice,” he said. “We know there is a fear of lawsuits. But there is also billing. Let’s be realistic.”

#### OTHER MESSAGE

Others had specific messages for Obama. Sara K. Boghdan, an advocate for disabled people, said she wanted Obama to let disabled people who can work get jobs without losing their health insurance benefits. Boghdan, representing the group Next Step, said some disabled people eligible for monthly payments and health benefits could hold jobs.

She said the paycheck would allow these people to lose their monthly disability payments.

“But what keeps us awake at night is that if we get a job we also lose our health benefits,” she said. “If the health benefits could be separated from the disability payments more people would get jobs and pay taxes.”

Knowlton, of the quality institute, said the New Jersey gathering showed people engaged in the issues and candid about the problems. He said the event resulted in more than a wish list for the new administration.

“Obama is saying, ‘Tell us what you think and what you need. We’ll talk about it,’” Knowlton said. “That’s what we did here today.”

# Health Care Reform Policy Feedback

## ***Main Messages & Consensus***

- Make Health Care Affordable
- Ensure Opportunities for Health Care for All through Reform & New Options
- End Personal Bankruptcy Due to Unmanageable Health Care Costs
- Link Payer, Provider & Patient together in Incentive-Based System
- Incentives & Reimbursement Must be Realigned to Promote Primary Care & Chronic Disease Prevention
- Patients Must Take Greater Personal Responsibility For Their Care

## ***Question 1. Biggest Problems in Health System***

- Coordination of Caregivers through the Continuum
- Improving Access to Primary Care and Prevention Services
- Chronic Disease Management and Cost
- Provider-Centered Care Rather than Patient-Centered Care
- An Individual's Option to Opt-Out of Coverage Until Sick
- Unhealthy Lifestyle Choices & Problems with Patient Follow-Up
- Lack of Primary Care Providers & No Incentives for Medical Students to Go Into Primary Care; Not Integrating APN's, Dieticians, Etc. Who Could be Playing More Active Role in Primary Care Delivery
- Providers Are Not Paid to be Proactive
- Failing Reimbursement System, Especially in Public Programs

## ***Question 2. Public Policy Promoting Quality***

- Make Health Care Data Transparent – on Clinical Outcomes, Medical Errors, Hospital Acquired Infections, Never Events, Chronic Disease Management, Patient Satisfaction, and Physician Participation
- Use a Unified Quality Dataset Making Provider and Performance Transparency Available to All
- Involve All Commercial & Public Plans in Reporting Quality Data
- Use Incentive-Pay/Pay-For-Performance to Promote Quality & Wellness
- Use the Medical Home or Similar to Promote Patient Advocates & Improved Health Care Decision Making
- Boost the Volume of Primary Care and Pediatric Caregivers Providing Medicaid & SCHIP

### ***Question 3. Addressing Affordability***

- Cover Everyone and End the Cost-Shift of the Uninsured
- Emphasis on Rational Health Planning
- Emphasis and Incentives/Disincentives for Personal Responsibility, Prevention & Healthy Lifestyle Choices
- Identify “High Utilizers” & Better Manage Their Care through Rational Health Planning
- Train & Direct Physicians to Evidence-Based Testing & Modalities Where Scientific Need for Testing is Established, Eliminating Significant Unnecessary Testing & Cost
- Evidence-Based Electronic Order Entry Systems to ensure Appropriate Tests & Services, Eliminate Drug Interaction, and to Eliminate duplicative Tests, and to Reduce Overall Medical Errors
- Using Common Nomenclature & National Standards in HIT/EMR
- Government Should Provide Funding & Support for the Development of HIT/EMR.
- More Regulation of Intermediary Services such as Pharmacy Benefit Management Companies, Pre-Certification Companies, etc.
- Create Catastrophic Care Coverage Options (not necessarily Basic & Essential or Health Savings Account plans, but addendum or rider coverage)
- Revisit EMTALA to create alternatives to Expensive ER Care (move to clinic-based system for any non-emergent care)
- Self-Referrals Should be Addressed or Eliminated
- Tort Reform Would Help Eliminate Problems with Over-Care and Unnecessary Care

### ***Question 4. Private & Public Plans Available for All***

- Majority Support Public Plan Options
- Can Help Eliminate High Administrative Costs in Insurance such as Medicare with 7-12% Off of Administrative Load of Private Plans
- Must Avoid Pitfalls of Massachusetts Model – making crisis worse with affordability of care, provider availability, under-funding for care delivery, waiving significant number of uninsured due to affordability problems
- Protect Cost-Shift onto Private Payers and the Employer Community due to Government Under-Funding of Public Program
- Make Supplemental Policies Key Part of Public Program (such as in Medicare)
- Guaranteed-Issue Only Truly Works With an Individual Mandate for Coverage
- Allow Undocumented Population to Buy-In Without Drawing Down Federal Aids
- Sustain Viable Provider Networks for Public Program & Reimburse Appropriately in order to do so
- Long Term Care is Just As Significant to Elderly as Acute Care in a Public Program Offering

### ***Question 5. Employer Role in Health Care Reform***

- Most Were Apprehensive to Suggest Employer Mandates to Provide Coverage
- Eliminate ERISA-Related Problems Afflicting Small Employers & Protecting Large Employers
- Employers Need an Incentive/Disincentive-Based System to Keep Them in Market of Providing Health Care
- Employers Should Play a Role in Educating and Promoting Healthier Lifestyles through Trickle-Down Incentives

### ***Question 6. Public Policy Promoting Prevention***

- Federal Government Play Greater Role in Identifying and Improving Education and Prevention Services in Communities Struggling with Cultural Competency & Disparities
- Immunization Campaigns & Education against Myths
- Get Providers & Patients More Involved through Incentives in Primary Care & Prevention

(Ex: Horizon Blue Cross Blue Shield of New Jersey called every woman in their plan that was age-eligible for a mammogram, and mammography rates went up only 1%. When Horizon created a physician-reward program for mammograms provided to their network of age-eligible women, mammography rates went up 30%.

### ***Question 7. Public Policy Promoting Healthier Lifestyles***

- Reestablish School-Based Exercise Programs for kids K-12
- Better Education in Elementary & Middle Schools on Basic Healthy Lifestyle Choices & Nutrition
- Government Role in Education & Immunization in Communities with Disparities & Cultural Competency Challenges
- Incentives to Physician Community Away from Treatment to Prevention
- Incentive/Disincentive Model for Individual Lifestyle Choices
- Better Investment & Federal/State Reimbursement for Primary Care

## Press

NorthJersey.com

### **Leaders brainstorm an RX for nation's healthcare system**

Tuesday, December 30, 2008

BY LINDY WASHBURN

STAFF WRITER

President-Elect Barack Obama was the imaginary guest in the room Tuesday as 75 healthcare providers, patient advocates and insurance executives gathered in Trenton to talk about their recommendations for national healthcare reform.

The New Jersey gathering was one of hundreds of "health care community discussions" held nationwide during the past two weeks at the invitation of the Obama transition team. The meetings are intended to generate ideas from the ground up as guidance for the next administration's health reform efforts.

This one, originally envisioned for a dozen or so policymakers, ignited so much interest that participation had to be capped, said David Knowlton, who co-hosted it as president of the New Jersey Health Care Quality Institute and a co-chairman of the state Partnership to Fight Chronic Disease.

"This is your opportunity to get some input into policy," former Gov. Jim Florio, the other host, told the guests.

The topic was complex, but the group agreed on certain themes: personal responsibility, the importance of primary care and the need for greater efficiency.

"With my E-ZPass, I can fly through a toll in North Carolina," said Ken Becker, vice president of the four-hospital Catholic Health East. "But we still can't come up with a transferable health record you can take to the doctor or hospital."

Some favored a strong federal role in regulating and guiding health care. All pointed to lessons from previous failed attempts at reform, notably under former President Bill Clinton.

"Democracy is messy," said Florio, but he pointed out that the big difference from the Clinton years is that the business community is pushing for change. A trade union representative noted that of his members' \$50 to \$60 hourly wage, \$11 an hour goes to health coverage.

Lisa Yourman of Fair Lawn, whose two children have cystic fibrosis, said her family's coverage through a small-employer plan costs \$3,200 a month — twice what her

mortgage does.

"There are enough dollars in the health care system to meet the needs of the American public," said Alex Hatala, president of Health Care East. "It's just being spent in the wrong place."

More support for community-based care and in-home care were among the suggestions from other participants.

True change will involve education, as well, some participants said, such as teaching children in elementary school about nutrition and the importance of exercise.

"We all need to take responsibility," said Susan Volpicella-Levy, a Westwood physician who is president of the state Association of Osteopathic Physicians and Surgeons. "Not just providers, not just insurers, but patients must take responsibility for themselves."

Attention to preventive care, such as vaccines and medical screenings, and proper care by patients of their own chronic conditions, such as diabetes, will improve well-being and save the system money, she said. Incentives can be created to encourage such self-care.

But it takes time for physicians to teach patients about their diseases and how to manage them, she said, and the current reimbursement system does not encourage doctors to spend that time.

"We're at the cusp of seeing primary care, as we know it, go away," said Dr. Richard Popiel, chief medical officer for the state's largest insurer, Horizon Blue Cross and Blue Shield of New Jersey. Insurers pay doctors to treat illness rather than to prevent it, he said. "We need to rethink how reimbursement is structured."

As he jotted group recommendations on poster paper, Lou Marturana, a former PSE&G executive and current director of the Health Care Quality Institute, said he worried about "how to get from here to there."

"It isn't going to be palatable, in a government of elected officials, to reduce end-of-life care for Grandpa or cut the amount of pay for physician specialists," he said. "How do we make these changes in a democratic society?"

The best approach, one participant said, may be to focus first on children and make sure they all have health coverage, and then move on to the rest of the population.

The ideas will be submitted to Obama's transition team Jan. 6, and will also be used to shape New Jersey's healthcare reform initiatives, Knowlton said.

E-mail: [washburn@northjersey.com](mailto:washburn@northjersey.com)