

South Florida BUSINESS JOURNAL

Health care reform is not DOA, our panelists say

BY KEVIN GALE

If health care reform was a patient, some might say it's on life support.

However, participants on our second 2010 Critical Conversations panel say it's not time to give up just yet. Labels like DOA just aren't appropriate.



Our panel – which includes representatives from managed care, hospitals, medical schools, insurers and professional associations – outlines some of the lesser-known advantages of the proposed 1,000-page legislation – and tell why it's not in the public interest to give up. U.S. Rep. Debbie Wasserman Schultz, an influ-

ential voice on Capitol Hill, gives her interpretation on what might happen next.

Reform's big new selling point now may be cost containment, an approach that may gain bipartisan support.

Our special report also includes a short read on just how happy doctors are – or aren't – these days. Should you worry that your doctor feels trapped in a career that's not enjoyable?

10 | CRITICAL CONVERSATIONS MEET THE PANEL

MITCH FELDMAN

CEO, West Boca Medical Center



■ **Web site:**
www.tenethealth.com

■ **Address:** 21644
State Road 7, Boca
Raton 33428

■ **Phone:**
(561) 488-8100

The success of health care reform hinges on expanding coverage to the uninsured. Expanded coverage is critical to the economic and health security of American families, and is necessary to create a high-value health care system that is an economic driver. When patients don't pay for care they receive, providers have no choice but to shift some of that cost to those who do pay. This results in increased insurance premiums, making coverage unaffordable for even more Americans and commandeering dollars that employers could invest in their business and wage increases.

Because government, employers, providers, insurers and individual citizens will all share in the benefits of health reform, all must share responsibility for its cost. That includes a mandate that individuals obtain health care coverage. Without such a mandate, the reforms to the insurance market – including a requirement that insurers provide coverage for pre-existing conditions – will only further undermine the insurance system.

The bottom line: Ensuring that every American has meaningful health care coverage is critical to reforming our health care system.

JOSEPH L. CARUNCHO

CEO, Preferred Care Partners



■ **Web site:**
www.mypreferreddcare.com
■ **Address:** 9100
S. Dadeland Blvd.,
Suite 1250, Miami
33156-7838
■ **Phone:**
(305) 670-8440

Health care reform can only be achieved through a sober assessment of the problems and the removal of political barriers that prevent the bending of the cost curve.

Insurance reform – that includes no pre-existing conditions and caps on differential premiums – cannot happen without a real mandate to buy coverage. The proposed insignificant penalties included in the recent reform bills essentially would allow people to buy coverage after they were sick.

In addition, Medicare payment systems must be changed from fee-for-service, which rewards volume instead of outcome to primary care focused global fees. These are risk-adjusted to reward providers who treat the sickest patients, and encourage prevention and healthy lifestyles.

At the state level, long-term care reform is needed whereby health plans and providers are paid a risk-adjusted, global payment for caring for the elderly, starting at age 60. This would be based upon keeping them healthy at home with their families, with dignity, instead of waiting for them to become frail, and then moving right to a nursing home.

FRANCISCO MADERAL

President, Dade County Medical Association



■ **Web site:** www.
miamimed.com
■ **Address:** 2140 W.
68th St., Suite 300,
Hialeah 33016
■ **Phone:**
(305) 822-4107

All the different parties think they have a better solution for the health care dilemma. Hospitals say, "Give us the money and we will coordinate the care and pay for the services." Insurance companies feel they can control cost by implementing unproven changes. For the government, health care is a hot-potato issue, with overwhelming lobbying coming from all sides.

JEFFREY P. FREIMARK

CEO, Miami Jewish Health Systems



■ **Web site:**
www.mjhh.org
■ **Address:** 520
N.E. Second Av
Miami 33137
■ **Phone:**
(305) 762-1379

Today's nursing home model is unsustainable due to rising health care costs, changing demographics and decreased government assistance. Despite these challenges, quality care must remain our top priority. Operational reforms and investments in programs that improve patient care while reducing overhead are keys to sustainability.

Health care reform may do little to solve the industry's problems. Now is not the time to increase oversight in a sector already overburdened with regulations – few of which improve care. The government can better impact the effectiveness of patient care by funding innovations that will spur medical advances, curbing abuses in our system such as Medicare fraud and Medicaid entitlement spend-downs, and enacting tort reform with the goal of reducing patient costs.

South Florida's health care landscape is changing, both in terms of demographics and patient attitudes. Providers who are committed to a long-term regional presence must adapt. For example, Miami Jewish Health Systems is expanding into new neighborhoods, and will continue to do so, to meet a growing demand for community-based care.

FRED LIPPMAN

Chancellor, Health Professions Division,
Nova Southeastern University



■ **Web site:**
www.nova.edu
■ **Address:** 3200
S. University Drive,
Davie 33328-2018
■ **Phone:**
(954) 262-1508

■ Electronic medical records (EMR) must be implemented quickly. EMR increases the efficiency and gives health care providers dramatic amounts of information for patient care. Medical errors under the current system of paper medical records can be reduced dramatically with EMR. In fact, about 100,000 people in the U.S. die each year because of medical errors. In addition to lives lost, the current system cannot continue taxing the health care system in terms of dollars.

■ Evidence-based medicine should be the standard used to educate health professions students nationwide. This method ensures that we train doctors and other health care providers to treat patients based on scientific research to determine the best medical procedures.

■ There should be a strong emphasis on preventative medicine. It's no secret that Americans suffer from common health disorders including obesity, hypertension and diabetes. That's why doctors should encourage wellness and prevention for their patients to keep themselves healthy to prevent the horrors of morbidity. This will save our health care system billions of dollars.

Most doctors say, "We want to maintain our independent practices. We want to continue to care for our patients with the least outside interference possible."

I believe patients and doctors are on the same page on this one. Patients trust their doctors and want their opinions to be unbiased and without influence from outside parties. Both patients and doctors want to preserve the time-tested traditional doctor-patient relationship.

LINDA QUICK

President, South Florida Hospital & Healthcare Association



■ **Web site:**
www.sfhha.com
■ **Address:** 6030
Hollywood Blvd.,
Suite 140, Holly-
wood 33024
■ **Phone:**
(954) 964-1660

Hospitals work hard to assure patients get the care they need, when and where they need it. Most are already instituting a number of process improvements and information technology reforms that are anticipated to lead to even higher quality and more cost-effective care. Many of these changes are those envisioned federal reforms.

Instead of looking for ways to block or evade national reform, Florida's leadership should actively participate in federal-state partnerships that expand access to existing programs like Medicare, Medicaid and Healthy Kids. We should embrace initiatives that encourage greater personal responsibility for one's health and health insurance. As the American Hospital Association's goal says, "Coverage for all, paid for by all."

To assure the best and brightest health professionals, schools, colleges and universities must instill a passion for preventing illness and injury, along with compassion for the sick. Exposure to the business of medicine must accompany real-world learning from patients about how to best manage chronic diseases and face end-of-life decision-making.

PENNY SHAFFER

South Florida Market President,
Blue Cross and Blue Shield of Florida



■ **Web site:**
www.bcbsfl.com
■ **Address:**
8400 N.W. 33rd St.,
Doral 33122
■ **Phone:**
(305) 921-7055

As a new decade begins, the health care industry is in a transformational state. While consensus on reform is still taking shape, it's clear our country's system needs fixing.

Blue Cross and Blue Shield of Florida understands that current reform efforts are only the first step in a long process. We remain steadfast in our vision of reform, and believe all parties involved must focus on three key areas:

■ **Cost:** Containing skyrocketing costs is paramount. We must emphasize wellness, both in terms of a health care model and cost structure.

■ **Access:** We support a plan in which the federal government provides coverage for the elderly, those with disabilities and the disadvantaged. Enforceable employer and personal mandates would apply to all other Americans.

■ **Quality:** Americans shouldn't sacrifice quality care for reform. We advocate a model that incentivizes providers to treat the whole patient, not just the illness. Additionally, insurers need to be committed to developing innovative and integrated programs that engage and help individuals take an active role in their health care decisions.

DEBBIE WASSERMAN SCHULTZ

U.S. House of Representatives, 20th District



■ **Web site:**
<http://wasserman-schultz.house.gov>
■ **Address:** 10100
Pines Blvd., Pem-
broke Pines 33026
■ **Phone:**
(954) 437-3936

The House of Representatives worked hard to pass the Affordable Health Care for America Act to provide affordable, accountable and accessible health care for all Americans. As we continue our work to make this legislation a reality, there are three reforms that take priority:

■ **No more discrimination for pre-existing conditions.** We must stop insurance companies' practice of denying patients care or charging them more because of health history. This includes gender discrimination. Right now, women are charged higher premiums simply for being women.

■ **Help for small businesses struggling to provide health care for employees.** There is a small business in my district whose health insurance premiums went up more than 170 percent this year because it has one sick employee. This should not be the punishment for businesses taking care of workers.

■ **Close the Medicare Part D doughnut hole.** Our seniors trying to make ends meet cannot fend for themselves with expensive medications. We must strengthen Medicare and, in doing so, help seniors afford their prescription drugs.

Panelists say not to give up on health care reform bill



MARK FREERKS

Mitch Feldman, Linda Quick, Fred Lippman and Joseph L. Caruncho talk about reform.

BY KEVIN GALE

Health care reform has dropped on President Barack Obama's priority list after Democrats lost their Senate supermajority, but our panel of health care experts say too much is at stake to just walk away from the process.

"I think the whole issue of health care in this country is far more important than a single election and the political consequences," said panelist Fred Lippman, a former state legislator and chancellor of Nova Southeastern University's Health Professions Division.

The health care panel marked the second of *South Florida Business Journals* monthly Critical Conversations. The series drills down into the region's most pressing issues. January's topic was the economy, while technology and manufacturing will be covered in March and April.

Meanwhile, political observers noted that Obama didn't refer to health care reform until about halfway through his State of the Union address on Jan. 27. House Speaker Nancy Pelosi still wants some sort of reform enacted, but Senate Majority Leader Harry Reid said there's no need to rush to reach a new strategy.

When our panelists met before the State of the Union address, Joseph Caruncho, CEO of Preferred Care Partners, said he thought sweeping health care reform was DOA.

Caruncho said he recently received an e-mail from a lobbyist that read: "This thing is toast." Preferred Care Partners is one of Florida's largest privately owned Medicare Advantage health plans.

Caruncho said politicians are going to be focused on getting re-elected, and may feel as if Obama can't protect them on the health care issue.

U.S. Rep. Debbie Wasserman Schultz, D-Weston, who participated on the panel via phone, disagreed.

"It is most definitely not DOA. The election [to fill Edward Kennedy's Senate seat in Massachusetts] on Tuesday [Jan. 19] was a message that we need to focus on jobs and the economy. It definitely was not a referendum on health care reform."

Still, she said, "I think the clear message we have from Tuesday is we need to pare this bill down and keep it simple."

Wasserman Schultz, who is widely viewed as a rising star in the Democratic Party, said the current Senate bill is not passable in the House, and is essentially dead.

She said progress could be made by focusing on reforms that are the most basic and beneficial, such as helping people with pre-

'I THINK the whole issue of health care in this country is far more important than a single election and the political consequences.'

Fred Lippman | Nova Southeastern University

existing conditions get coverage, and getting rid of what she called gender discrimination against women in insurance policy costs.

There are reforms Republicans have said they support, but whether they will vote for them is the question, Wasserman Schultz said. "I think we will end up daring them not to."

FOCUS ON COSTS

The price tag of any successful bill won't be anywhere near \$900 billion, Wasserman Schultz said. "You have to delight in incremental success when you are a legislator."

Francisco Maderal, president of the Dade County Medical Association and a doctor specializing in gastroenterology and internal medicine, said with Republicans having a little more say, the cost of programs may come into focus.

Wasserman Schultz said she would still like to focus on accomplishing three broad goals:

- Cover as many as people as possible.
- Bring down costs.
- Provide stability and security to those who are covered.

As an example of providing more coverage, she said young adults could be allowed to qualify for coverage under their parents' policies until the age of 26 or 27.

One of the main problems with a piecemeal approach, said Penny Shaffer, market president in South Florida for Blue Cross and Blue Shield of Florida, is you need everyone in the system to help fund coverage of more pre-existing conditions or easing lifetime maximums for coverage.



MARK FREERKS

Penny Shaffer, Francisco Maderal and Jeffrey P. Freimark discuss health care policy.

That's one reason there has been a push to make young adults covered by health care as they have low utilization rates and would help pump more money into the system.

Mitch Feldman, CEO of West Boca Medical Center, said access to care has to be expanded for more of the population to get service and to extend acute care coverage beyond 45 days.

One way to save money is to shift care to lower-cost settings outside of emergency rooms, such as clinics and urgent care services.

The health care reform bill was 1,000 pages, and there are plenty of concepts that don't necessarily deal with the sweeping issues, said Linda Quick, president of the South Florida Hospital & Healthcare Association. For example, she said, some deal with additional training and education of health care workers – ideas that have been encouraged for years by health care providers and the federal Centers for Medicare & Medicaid Services.

PAY FOR PERFORMANCE

Jeffrey P. Freimark, CEO of Miami Jewish Health Systems, said there's not enough discussion about access and quality of health care.

"I would firmly come down on the side of pay for performance," he said.

Freimark's organization gets \$220 a day for Medicare patients, but the cost of care is \$280, he said, which generates a loss of \$8 million to \$9 million a year.

"You try to subsidize that with ancillary businesses," he said. That includes rehabilitation, biofeedback, pain management and assisted living.

There's little in Florida's Medicaid system that reimburses based on acuity levels as well as the outcomes and experiences of patients. For example, institutions willing to handle patients with more needs and nurse them to health – ensuring they won't be coming back right away – are not properly compensated, he said.

Shaffer agreed, saying Miami Jewish Health handles many complex cases. Payments are based on each and every procedure, rather than providing incentives to look at the most efficient ways to provide care.

Caruncho said the fee system that Medicare uses – and Medicaid, to some extent – "is an inherently ineffective system" that forces providers to do ancillary activities that may not be necessary in order to generate a profit margin. He would like to see a system based more on outcomes, as well.

Feldman said the diagnosis-related groups developed 20 years ago have "become a budget tool subject to the whims of Congress."

About a sixth of patients get implantable devices, such as stents or artificial joints, and government payments don't keep up with prices.

Quick, who also chairs the Greater Miami Chamber of Commerce's health care and bio-science committee, said one piece of health care legislation she likes is comparative effectiveness research and dissemination of re-

sults. Without pay for performance, there is little incentive to align the doctor and hospital, and do best-of-class care, she said.

Quick, who has been part of a study group with Wasserman Schultz, also said she hoped that measures that encourage prevention and wellness might stay in any forthcoming compromise legislation.

Wasserman Schultz said these types of measures would stay in the bill, so long as they don't add to the cost.

Encouraging use of electronic medical records, which could cut down on unneeded tests, is an example of a cost-cutting measure that could still be popular.

The issue of electronic medical records came up in a 2009 *Business Journal* health care panel discussion, but some expressed concern about the cost of purchasing the systems.

But, NSU's Lippman said, "people bitch and complain that it takes so much time and effort up front. But, it helps people and prevents medical error."

Electronic medical records could also help build a system of evidence-based care, which could lead to tort reform, Shaffer said. If doctors followed protocol, they would be better protected in court.

A major problem is that the public just doesn't understand health reform legislation, Lippman said.

The biggest cost to the system is uncompensated care, he said. While the stereotype might be someone in poverty not paying, it's often the working poor who are not covered by insurance.

For example, Lippman said, if a 31-year-old worker falls off a roof and is taken to Broward General Medical Center as a trauma patient, he stays there 10 to 14 weeks and the bill is \$600,000 to \$800,000, he said.

"No one pays for it. That's what people say," Lippman said, adding that, in reality, "you pay for it. I pay for it."

That can happen with property taxes in the case of Broward General, which is part of the Broward Health. Paying patients also subsidize uncompensated care, which is why a Tylenol tablet costs so much.

Lippman suggested that American Recovery and Reinvestment Act funds could be used to help bring about more efficiencies and help reduce medical errors.

"Those are incredibly important pieces of

reform," Wasserman Schultz agreed.

One small business owner told her of having a 172 percent increase in premiums because of a single sick employee, Wasserman Schultz said. "That's not sustainable."

Lippman said the fiscal impact of not doing anything with health reform is so dra-

I THINK the public has unrealistic expectations of the health care system. What most people know about medicine they have seen on television.

Linda Quick | South Florida Hospital & Healthcare Assn.

matic that it could bring down the nation financially.

"You are so right," Wasserman Schultz said, adding that health care is the most significant factor in the federal deficit and the overall economy.

Shaffer said there should be more emphasis placed on health and wellness, which would improve employee productivity.

"I think the public has unrealistic expectations of the health care system," Quick said. "What most people know about medicine they have seen on television."

That leads to questions like: "How come my aunt didn't get the organ she needed?" and "How come it was my cousin who died when they got the transplant?" she said.

The public needs to get away from the concept of just going to a doctor when they don't feel well, Wasserman Schultz said.

The chronically uninsured, she said, are still the most expensive aspect of the system. The failure of reform means we are still left with people coming to emergency rooms, which are high-cost places for treatment.

Shaffer said she'd like to see more personal accountability when it comes to prevention of diseases such as diabetes and some types of cancer.

She said: "More than 60 percent is what we do our selves – life, liberty and the pursuit of happiness – and we've gotten out of balance."