

Rationally Reforming Health Care

Geoffrey N. Swanson, MD
April 30, 2009

“The definition of insanity is doing the same thing over and over again and expecting different results.”

–Albert Einstein

Topics to Understand Today

- Current Health Care “Non-System”
- True Evidence Based Medicine
- Introspective Data Analysis
 - Variance
 - Systemization/Process
- Transparent Enlightenment
 - Commonality of Understanding
- Reduction to Sustainability

Network Philosophy

- Conventional Networks
- BrightPath
 - Foundationally different philosophy
 - Engaged with broad based participants
 - Focused on clinical efficiencies and health care

So What's Wrong with American Medicine?

It Depends Upon *Whom* You Ask!

- Plenty of perspectives to go around--
 - Patients—Cannot afford the care they think they need
 - Providers—Too much interference with how I think I need to practice
 - Insurers—Everyone I deal with is greedy or wants something for nothing
 - Facilities—Everyone we deal with has needs and wants something from us
 - Employers—We cannot fund everyone who wants more benefit and more money from us

The Impetus for Change

- America spends more than twice as much as other industrialized countries, AND our health outcomes are no better...
- The Institute of Medicine estimates that 30-50% of health care rendered in this country is NOT medically necessary...
- A huge majority of physicians desire to best implement SCIENCE in their practice of medicine...
- We have a wealth of money in the healthcare system, but we SQUANDER the healthcare resource on treatments and care which do not give our patients an outcome benefit...

Today's Health Care Equation

- Cost per unit x number of units = Cost of Care
 - As reimbursement per unit decreases, the number of units has increased disproportionately.
 - Therefore, total Cost of Care has increased.
 - Medicine does not conform to usual business models.
- How do you manage utilization?

The Problem

If resources were unlimited or health outcomes were dramatically better, the escalation of utilization and subsequent cost would be defensible...

HOWEVER,

Affordability of healthcare **IS** the problem...

The Problem

In today's world, affordability is primarily addressed by reimbursement rates,

AND

We believe that everything a doctor does is medically necessary,

AND

Patients believe more is better,

AND

Quantity of care is frequently perceived as quality.

The Problem

Medical Necessity **versus** Medical Rationality

Criminal Justice **versus** Civil Justice

Beyond the Shadow
Of a Doubt

Beyond Reasonable
Doubt

The Solution

- Collectively Address our Foundational Problems:
 - Develop a true Delivery System which engages all stakeholders with the idea of Community Resource.
 - Adopt mechanisms to reduce fragmentation
 - Utilize Critically Appraised Medical Evidence
 - Introspectively analyze data into useable and believable information
 - Understand Actionable Variance
 - Understand Systemizing Processes
 - Practice Population Medicine

The Solution

- Clinical Integration
 - *Evidence Based, Data driven, Physician-directed* health care
 - Creates a system infrastructure incorporating key stakeholders
 - Evidence based to reduce variance
 - Requires effective and actionable data assessment
 - Facilitates communication and defragments
 - Manages utilization
 - Embraces key concepts of the Medical Home
 - Adopts Robust, standardized and transparent education
 - Facilitates the Institute of Medicine's definition of Quality (*safe, timely, effective, efficient, equitable, accessible, patient-centered*)

Clinical Integration

Clinical Rationality driving the business of medicine rather than the business aspects of medicine selling the clinical process.

Binds Physicians, Hospitals, Insurers, Employers, Patients and other Key Stakeholders together as a Community Resource with a defined role as the custodian of the Health Care Resource.

Clinical Integration Initiatives

- Pharmacy
- Center for Spine Wellness
- Diabetes
- Pediatric Obesity
- Minimally Invasive Procedures
- Pediatric Immunizations
- Linking Inpatient to Outpatient
- Et cetera

Pharmacy Initiative

An Example of Variance

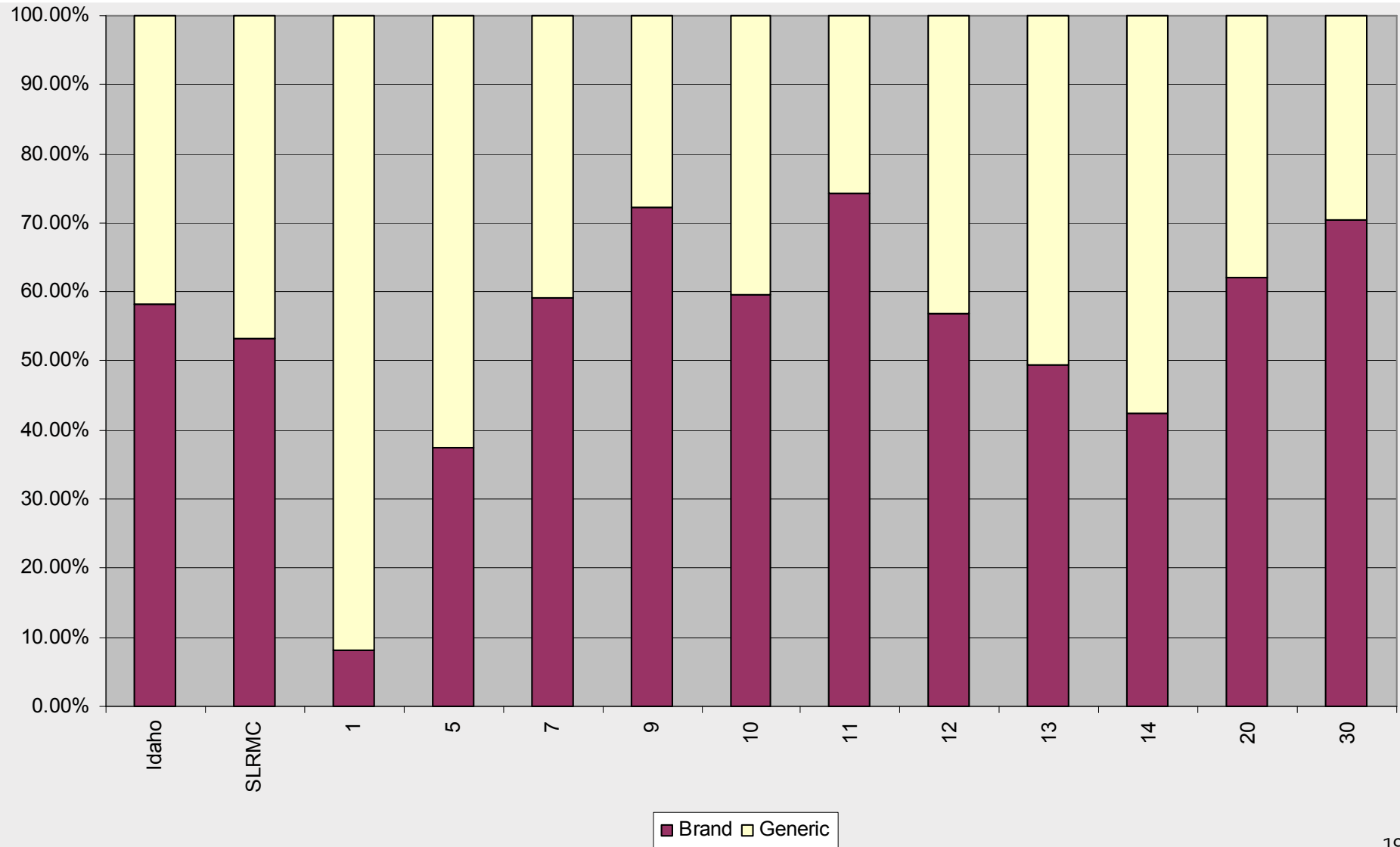
PHARMACY

- Discuss Validated Objective Evidence—NOT Pharmaceutical Marketing Information
- Introspectively turn data into useable and trustworthy information
- Discuss variance and rationales
- Monitor efficiencies
- Proposed return on efficiencies to premium and incrementally to participants

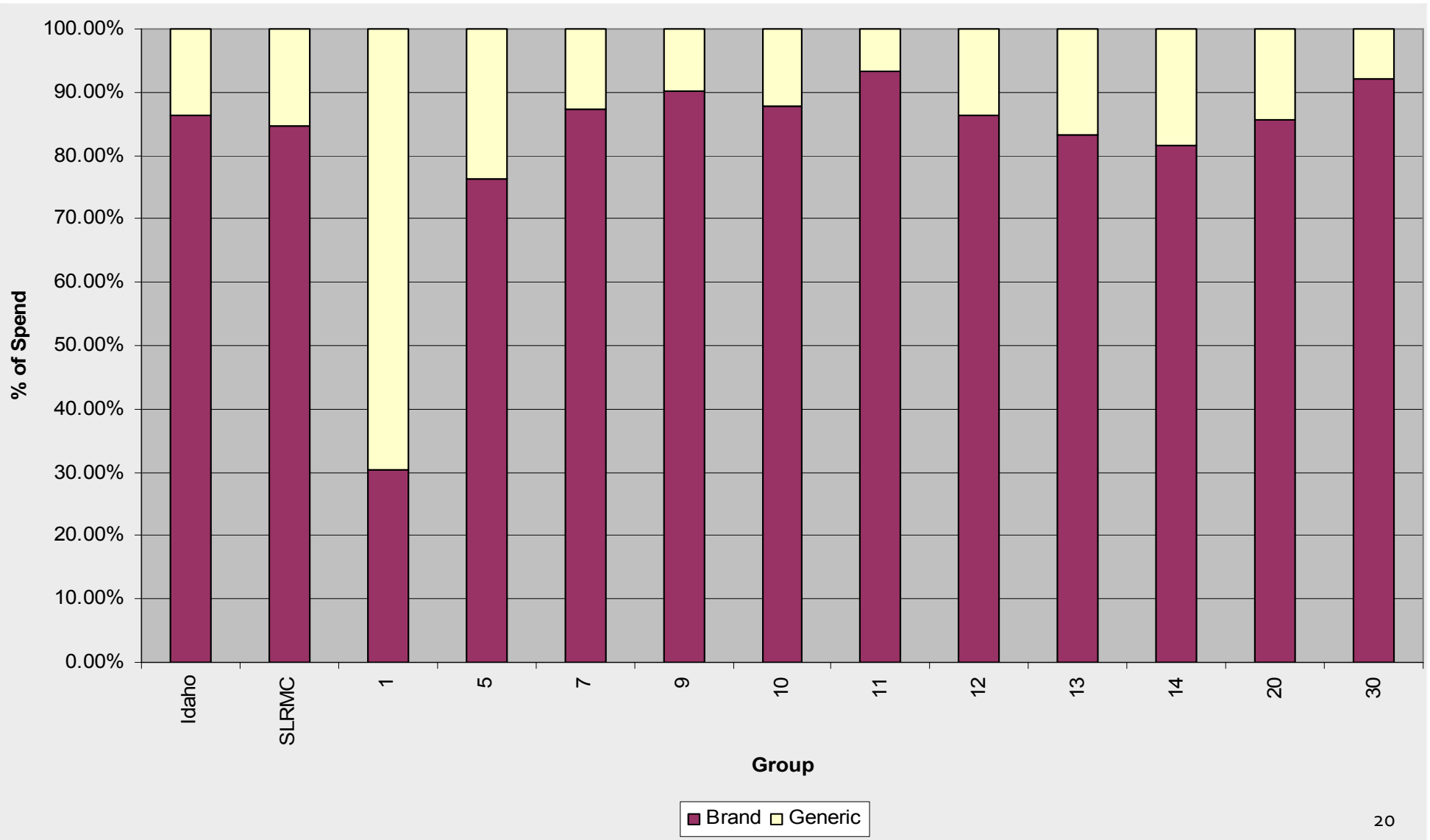
Statins

- Pharmacologically similar
- Differing potencies
 - Simvastatin relatively equipotent to Pravastatin and Atorvastatin
 - Simvastatin not approved for primary prevention and study not likely to be done
 - Crestor most potent
- Demographic distribution indicates that in at least 75% of patients Simvastatin is effective

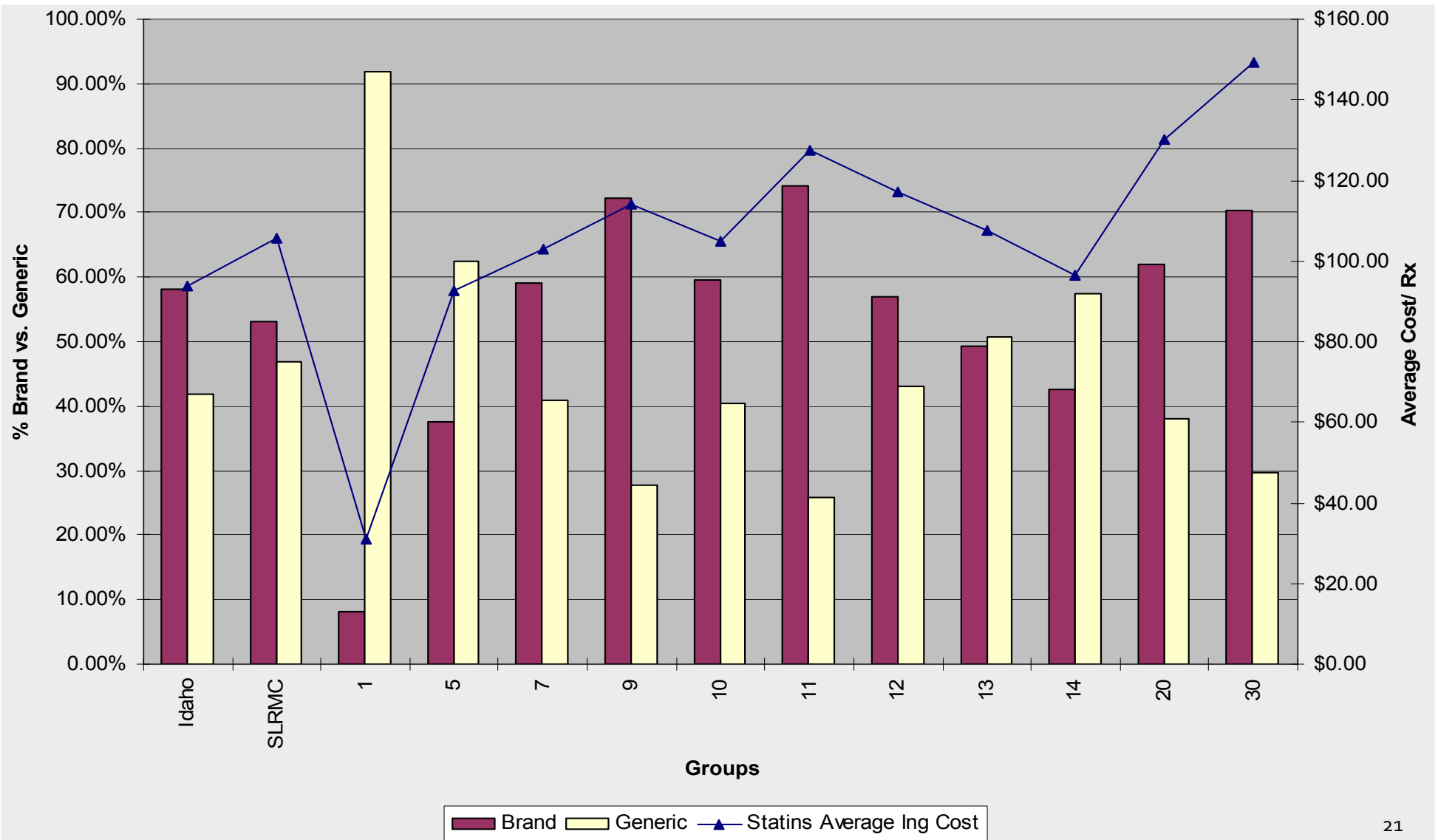
% Market Share: Brand vs. Generic



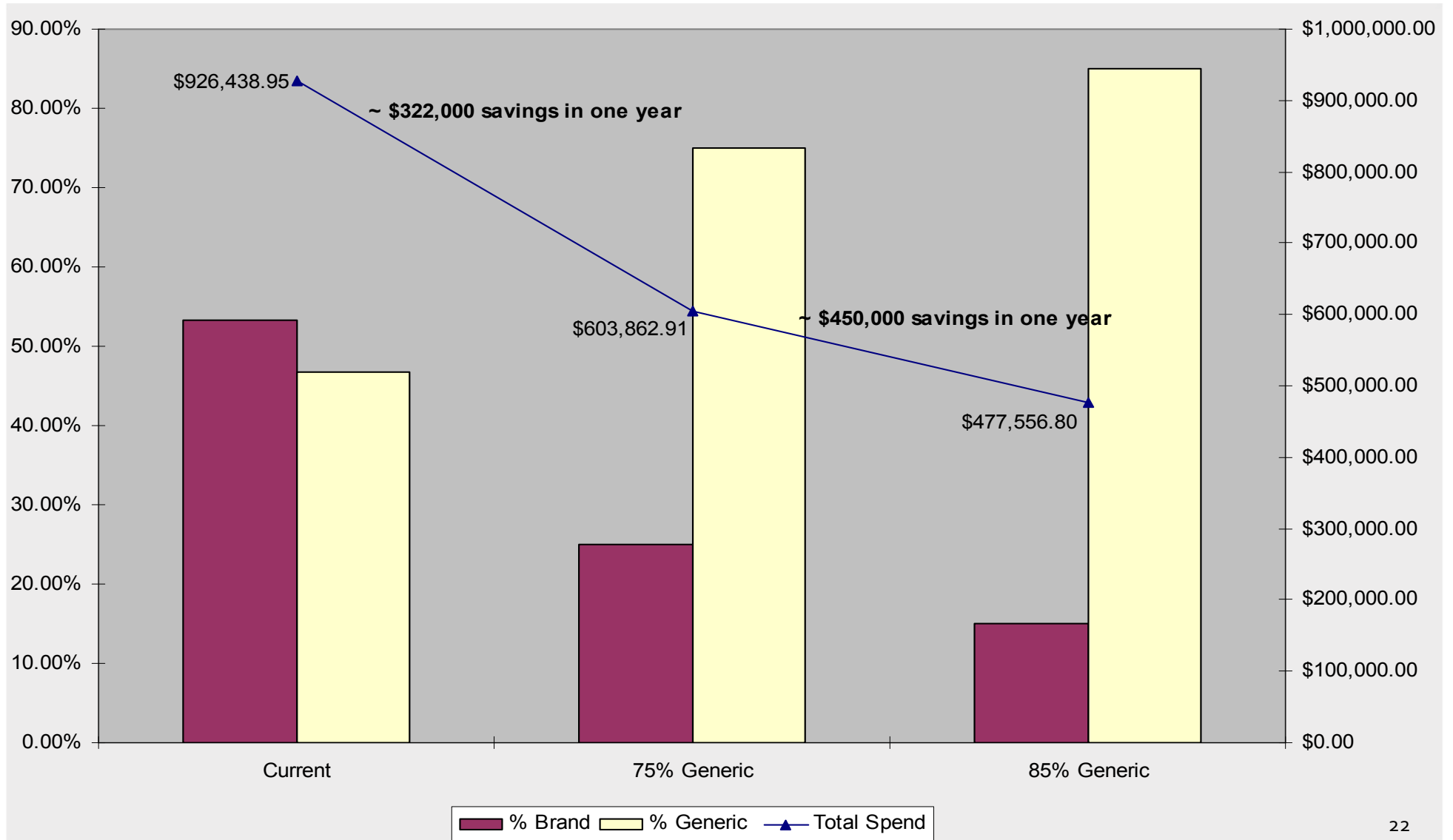
% of Cost for Brand vs. Generic



Impact of Generic Use on Spending



% Change in Generic: Impact on Total Spending



Spine Management

- Idaho is a significant outlier in spine intervention per capita, and a patient is about 5 times more likely to receive a spine intervention than in the lowest utilization site in the region. (Dartmouth Data)

Center for Spine Wellness Initiative

An Example of Process Change

SPINE INTERVENTION

Community Management

Emergency
Department

Primary Care

Chiropractic

Self Referred

ACCREDITED SPINE
INTERVENTION PANEL

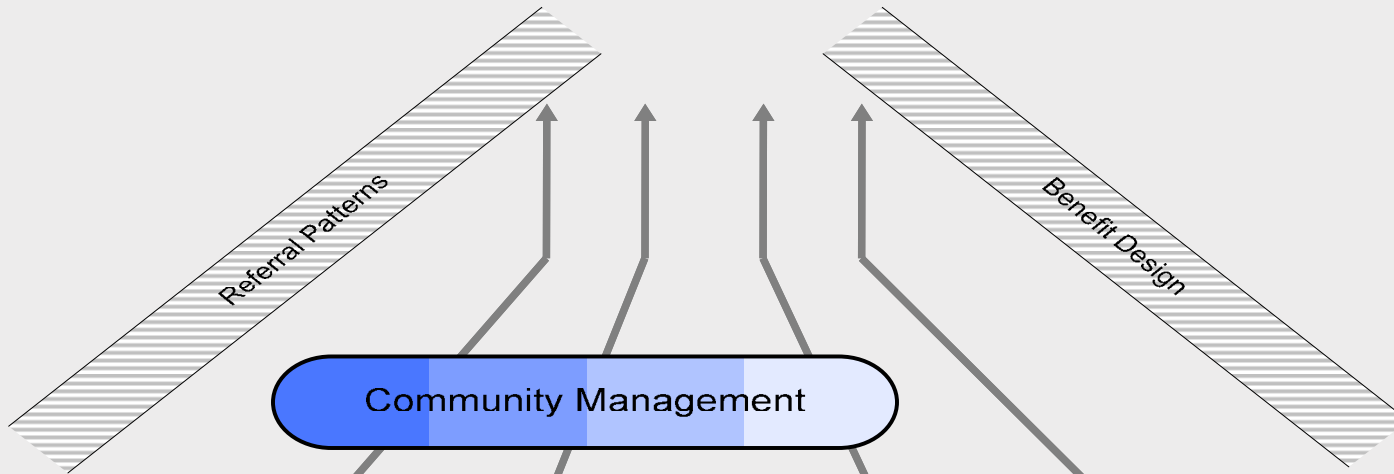


CASE MANAGEMENT
AND
COMMUNITY PROVIDER
REFERRALS

The Spine Wellness Center
*A SELECT Medical Network of Idaho, Inc.
Center of Excellence*

Red Flag Symptoms

Benefit Disincentive

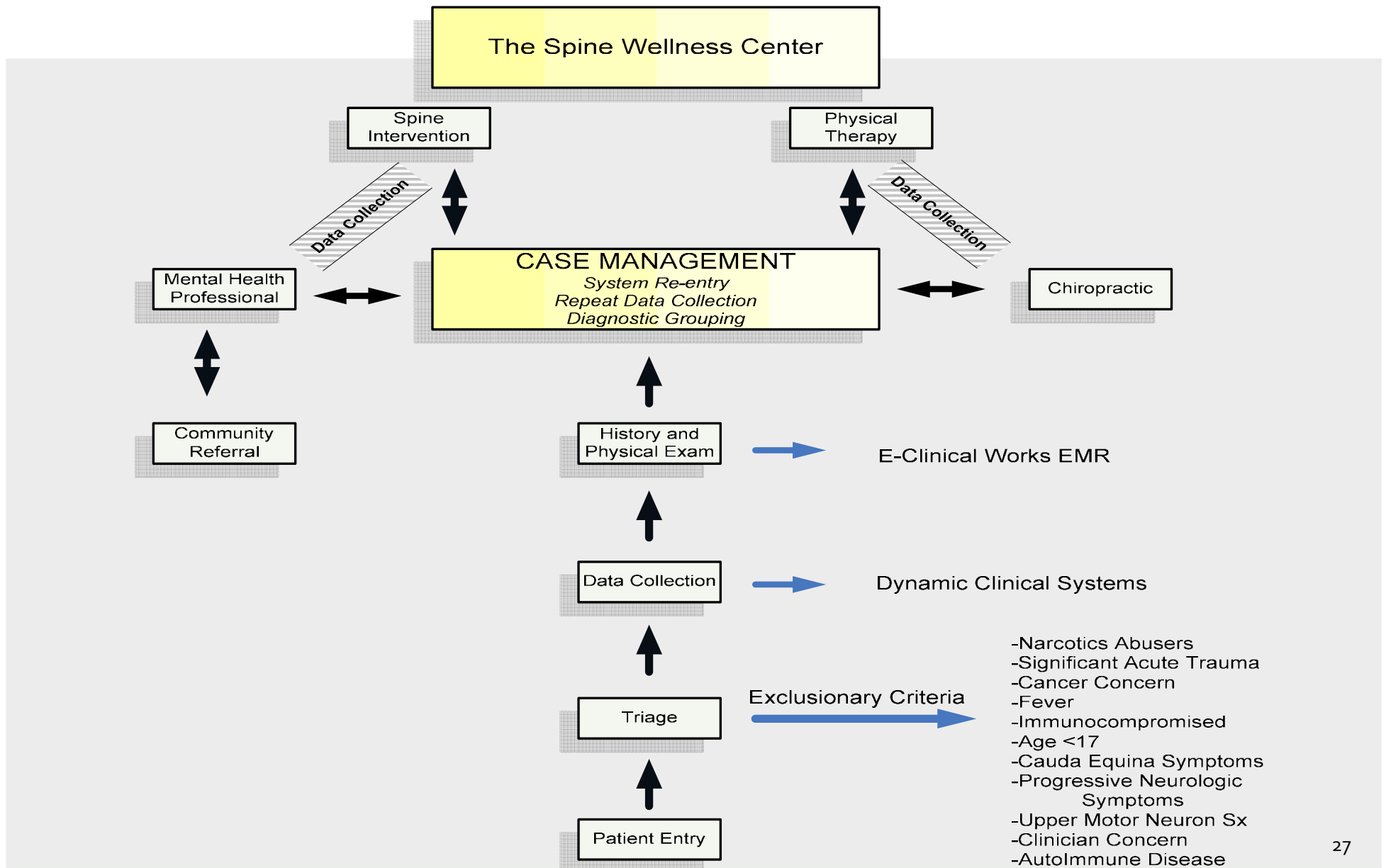


Emergency
Department

Primary Care

Chiropractic

Self Referral



Center for Spine Wellness

- Evidence Based Model
- Focuses on Case Management/Care Coordination
- Systemizes Healthcare
- Uses Accredited Interventionalists
 - NCQA Back Recognition Program
 - Protocol Guidelines for Chiropractic and Physical Therapy

Conclusions

- **Support**
 - Clinical Integration Initiatives
- **Recognize**
 - Critically Appraised Evidence
 - Introspective Data
 - Variance
 - Population Management
- **Understand**
 - Global Sustainability

“The most perfidious way of harming a cause consists of defending it deliberately with faulty arguments.”

- Friedrich Nietzsche