



## **The Next Wave of Healthcare Reform**

Foresight Seminar Meeting held: June 6, 2003

### **Executive Summary**

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#### **Healthcare Reform Requires a Renewal of Values and Vision**

The rising cost and deteriorating quality of healthcare makes change inevitable. Rather than defaulting to change through crisis, speakers and participants at the June 6, 2003 IAF Foresight Seminar proposed convening a national dialogue about what it will take to create a caring system that reflects America's values and calls everyone into mutual responsibility to achieve health for all.

**Three values emerged in this seminar that will be essential elements in a framework for renewal: *caring, access and equity*.** Two vital operating principles seem critical to all public policy and healthcare practice decisions: a **commitment to quality** and a **willingness to learn through experimentation**. This framework should be governed by covenants that honor the mutual responsibilities that everyone has in healing. Patients, healers, payers and policy makers are held accountable to one another for achieving health.

Healthcare reform has to start with everyone and from everywhere to gain sufficient momentum to sweep in a health caring system. Bottom-up innovations will be just as crucial as top-down policy decisions. Two steps may be most important at this turning point in the next wave of healthcare reform:

1. Convene a national dialogue that gives everyone a voice in determining what Americans value and want in a healthcare system.
2. Learn through experimenting with new approaches, practices, and procedures in every aspect of the healthcare system that demonstrate the capacity to change into a caring system.

The June 6 Foresight Seminar drew upon the experience and ideas of 80 participants from healthcare provider organizations, government and business as they interacted with these insightful panelists:

- **Glenna Crooks, Ph.D.**, President of Strategic Health Policy International, Inc., and the author of *Covenants: Inspiring the Soul of Healing and Creating Covenants: Healing Health Care in the New Millennium*.
- **William R. Rowley, M.D.**, Senior Futurist at the Institute for Alternative Futures (IAF) and its for-profit subsidiary, Alternative Futures Associates (AFA).
- **Gail L. Warden**, President and Chief Executive Officer of Henry Ford Health System in Detroit, Michigan.

## The Next Wave: Crisis or Renewal?

### Healthcare Breakdown or Breakthrough

**Healthcare expenditures will be \$1.7 trillion this year or greater than one-seventh the American economy, and this cost is likely to double in the next ten years.** The U.S. government is responsible for over 50% of this expenditure through Medicare, Medicaid and other programs, yet even its ability to set rates is not enough to counter escalating costs. The cost of private health insurance is increasing in excess of 14% per annum. Despite this extraordinary expenditure, the number of uninsured people exceeds 41 million and is increasing; while individuals who have insurance are paying more out of pocket and receiving fewer benefits.

The Institute of Medicine (IOM) estimates between 44,000 and 98,000 people die from medical errors each year. Malpractice insurance rates are so high they are forcing doctors to leave practices and communities where they are needed. Healing requires relationships and time; yet, the system is squeezing out time with patients and shoving in more bureaucracy.

“We have so many times talked about healthcare reform in terms of how we are going to finance healthcare reform without talking about how we are going to deliver it, how we are going to organize it, what the structure is going to be to create the relationships between patients, the delivery system and their communities,” Warden said.

Continuing with the current system will lead to crisis. Working together, the foresight seminar speakers and participants outlined some essential elements in redesigning the American healthcare system.

### Values and Principles for Health Caring

Rowley challenged America to pursue a healthcare system in which “the things we care about are designed into the system.” In the ideas and recommendations shared at this Foresight Seminar, *three values emerged* as central to this vision: **caring, access** and **equity**. *Two operating principles seemed important in guiding the decisions* made to renew the healthcare system: **quality** and **experimentation**.

#### Central Values

- 1. Caring.** After two decades of managed care, the desire for a caring healthcare system is strong. A trustworthy system will put patients first. Healers need time to create relationships with patients and one another to enable the healing process. Healthy communities support individuals in their health objectives. The shift will be from curing diseases to improving the quality of life of patients.
  - 2. Access.** Instead of continuing a system of gatekeepers that seems to “hoard” healthcare, the system should make healthcare available when it is needed. This care should be simple, seamless and continuous.
  - 3. Equity.** A caring healthcare system meets social needs. In the spirit of the World Health Organization’s “health for all” commitment, American healthcare should eliminate health disparities and increase the quality and years of healthy life for all its citizens.
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## Values and Principles for Health Caring (continued)

### *Operating Principles*

**Quality:** As the Seminar participants envisioned what quality would mean in a reformed health-care system, they focused on evidence-based medicine, coordination of care, and patient responsibility and accountability.

- **Evidence-based medicine** improves outcomes, increases safety and lowers costs through a framework of science-based practices. Physicians and allied health professionals need to define these practice models and teach them. Technologies, such as an integrated electronic health record and sophisticated diagnostic devices used in and out of the clinic, can improve health outcomes.
- **Coordination of care** will require developing effective teams that can organize around different kinds of conditions, services and settings to serve patients. This is critical in healing chronic disease.
- **Patient responsibility and accountability** will honor the reality that involved patients will detect things doctors do not. This will require patients to educate themselves about their health, and physicians to listen to their patients' experiences as another form of evidence.

**Experimentation:** A spirit of openness and flexibility will create the space for all the actors in the vast American healthcare system to discover new policies and practices that will achieve caring, access and equity. Experimentation might seem to be at odds with the quality principle of evidence-based medicine, but one participant drew the correct distinction: "The premier provider in an evidence-based practice is one who is capable of implementing change in a rapid fashion."

These values and principles are in keeping with three landmark visions for healthcare reform that Warden outlined in the seminar. The Belmont Vision, created in 1992 by key thought leaders in healthcare, proposed that a more caring system be created that operates in an environment where quality, cost and service meets social needs.

The Institute of Medicine (IOM) more recently proposed fostering rapid advances in healthcare through five demonstration projects in: **chronic care, primary care, information and communications technology, health insurance coverage, and liability and tort reform**. "The concept was that we would take an opportunity to test some really radical or bold solutions by experimenting at the state level before generalizing for the entire country, that it would be a bottom up kind of approach to try to get broad stakeholder involvement," Warden said. Communities that really were on the cutting edge and doing innovative things would share the learning from their successes and failures. "Through demonstration projects and learning collaboratives we could hopefully get this beginning to happen in other places around the country."

The third vision, also proposed by IOM in its "Crossing the Quality Chasm" report, addressed quality through safety and decreasing waste. It also advocated for a patient-centered healthcare system with care based on continuous healing relationships and cooperation among clinicians.

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## Covenants of Obligation and Covenants of Grant

Another critical element in this alternative path to healthcare reform is a return to covenants to structure relationships among all the parties. “Over the history of mankind, there have been two ways to structure relationships: contracts and covenants,” Crooks said. Contracts assume parties will fail and relationships will end. Contracts specify everything that every party will do within the contract. Covenants, however, respect the mutual responsibilities everyone involved in healthcare from patients to physicians and payers have for healing. Covenants are lifelong and self-enforcing.

Crooks recounted how covenants have existed since ancient times between kings and their subjects, between husbands and their wives, between healers and their patients. A person entering a covenant

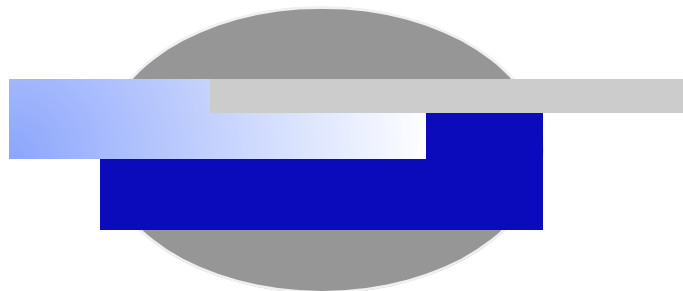
makes a promise. In healing, that promise is exemplified by the oath of Hippocrates, which says, “I will study, will learn, I will teach my fellows, and will teach your sons as my sons.” This “covenant of obligation” affirms that everyone is in this together and encourages coordination and collaboration in a less fragmented system.

The second type of covenant, Crooks says, is the “covenant of grant.” This says the patient does not need to do anything in order to be healed. They just get it. Throughout history, people have been enthusiastic about the covenant of grant while minimizing the covenant of obligation. This human tendency leads to patients who simply lay their problems at their doctor’s feet and say, “fix us.” Crooks cited health outcomes research showing the healthcare system only contributes

about ten percent to an individual’s health, while daily lifestyle and behavior choices contribute 50 %. Many Americans resist individual responsibility and their ignorance of what they can contribute to their own health have helped shape a healthcare system built on contracts.

“My view of hell is living in both covenants and contracts at the same time, and that is what we are doing in healthcare today,” Crooks said. What is needed is to recreate and reinvigorate the covenant of obligation among all healers. Healers, patients and whole communities should be called into this covenant and begin to take responsibility for health.

“Health is not an end in itself. Health is only a way, a vehicle by which you attain a higher goal,” Crooks said. “In my view that is peace and prosperity.”





**Values in Health and Healthcare Systems: An Indicator of Human Evolution**

Healthcare systems that work right will achieve society’s values. So what values are those? Which ones should drive health care? Societal values for health and healthcare are a moving target—continually evolving to higher levels.

The World Health Organization has used values to define our global commitment to “health for all”. (A commitment that every nation, including the U.S., has endorsed.) WHO in its “health for all” vision argues that health will have been achieved when these values are met: **equity, solidarity, ethics, gender and human rights.**

In the U.S. the concern for equity as an underlying value was reinforced in the Healthy People 2010 Objectives for the Nation. There are two “overarching goals” in health for the nation in Healthy People 2010: longer years of healthy life and the elimination of health disparities.

And the IOM Report on Crossing The Quality Chasm reinforces this emphasis of equity as it identifies the six aims for healthcare in the U.S. The healthcare system in the US must be: safe, effective, patient-centered, timely, efficient, and equitable.

Equity in health requires changes in healthcare delivery, in education, and in basic conditions such as poverty. The calls for equity as a central value in health reflect human evolution. We are a long way from having equitable healthcare in the US – either in equity of access or in equity of health outcomes. But at one point we were a long distance from abolishing slavery or apartheid, or establishing women’s rights.

At some point the U.S. will have a healthcare system that reflects fundamental values, including equity and the other aims called for in the IOM’s Crossing the Chasm report. It will take leadership, the ability to move beyond narrow or self-serving positions. A shared vision of health, in the context of who we are and what we want for healthcare, is essential for reaching the next stage of human evolution.

*Clem Bezold, President, Institute for Alternative Futures*



## Formula for Understanding Change

To understand how change will happen in healthcare, Bill Rowley presented the following formula for change:

$$C = (D * V * F) > R$$

**C**hange is equal to **D**issatisfaction times **V**ision times **F**irst Steps that must be greater than (overcome) **R**esistance to Change

The formula explains the dynamics of change:

- Change does not happen unless there is significant dissatisfaction with the present state of affairs.
- However, it is human nature to resist change. Dissatisfaction must be powerful enough to overcome resistance, or the status quo persists.
- Dissatisfaction usually is not enough. There needs to be an idea of a different way of doing things – a vision of a better future. And people must believe this vision is realistic and will work.
- Because of inertia a lot of good ideas never go anywhere. There has to be a way ahead – first steps to achieve the new vision and people willing to lead the way.

### *Applying this formula to healthcare reform:*

1. **Change** is a part of human nature. We are constantly trying new ideas. They either survive or fail. However, the world is constantly changing too, so many policies and practices that worked in the past are no longer useful, and must eventually be eliminated – there is no other choice.
2. There is tremendous **Resistance** to change in healthcare. It is the economic engine of the economy and consumes one-sixth of our entire economic output (GDP). There are powerful stakeholders and many white-collar jobs involved, and none of these want to give up the rich opportunities of the status quo. Reform, even incremental change, will take an enormous amount of effort.
3. **Dissatisfaction** is building for all stakeholders - payers, providers, patients, delivery organizations, and governments. When this will become powerful enough to overcome resistance depends in large part on the ability to implement incremental change.
4. Good ideas of a better healthcare system future (**Vision**) are needed NOW! We can't wait until there is another crisis of rapid change to start thinking about what could be done. We must be ready to implement those great ideas that people have already had an opportunity to consider.
5. We have examples of risk takers who have taken the **First steps** and achieved small victories. It is up to all of us to nurture them.

***The formula helps us understand human nature and the road ahead for healthcare reform. It is up to us to apply it.***



## Commitments to Change

Where is the next wave to come from? “Is it going to be top down, bottom up, inside out, or outside in? It is going to have to come from all of these areas. Some areas are going to grow faster than other areas will. I think that even though the momentum can start at any level, it is our duty to nurture that start, to get things rolling,” Bill Rowley, said.

Answering this invitation to think about how their different sectors of influence could help create momentum, Foresight Seminar participants proposed what they would like to explore as their commitment to change. This summary of their ideas and recommendations illustrate how everyone can have a role in designing the values of caring, access and equity into the system and insisting that the operating principles of quality and experimentation guide policy and practice.

The entire **healthcare community** needs to build a national consensus on what values and vision Americans desire for their healthcare system. The community needs to become actively involved in today’s healthcare system by:

- Promoting a grassroots movement that includes healthcare associations and patients speaking with one voice about patient-centered care.
- Conscientiously supporting demonstrations, experiments, and pilot projects. Giving support to the dreamers who are taking risks.
- Recognizing that the real breakthrough in health delivery access can happen through a series of incremental steps.
- Looking at the cost of disease, not just episodes, and finding ways to prevent disease.

**Patients** need to become informed and assertive participants. They should offer experiences as important evidence in their treatment. They also must become accountable for the behavior and lifestyle choices that shape their health.

**Physicians, doctors and allied health professionals** need to improve the patient-doctor relationship and place more focus on the patient, less on the disease. This can be achieved by:

- Better utilizing technology to improve patient care and reform medical errors.
- Creating, distributing and encouraging use of evidence-based medicine.
- Establishing and implementing an evidence-based practice model within an allied healthcare profession.

**Pharmacists** can work together in creating a vision for their role in the reformed health delivery system. Steps they can take include:

- Stimulating consensus within the professional associations on the need for fundamental reform of healthcare delivery and how pharmacists should contribute to that reform.
  - Leaders in pharmacy can convene other professionals to create a covenant to be part of a healing system. With this covenant pharmacists can call on policy makers to determine the roles and outcomes of care expected from pharmacy.
  - Helping seniors improve quality and decrease cost of drug therapy by coordinating overall drug therapy, and working with prescribers to ensure that seniors are taking medications that are indicated, effective, safe, and taking them correctly.
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## **Commitments to change (continued)**

**Pharmaceutical research and development companies** can take part in this reform by working together to increase efficacy by:

- Using advertising to promote values of caring, equity and access.
- Sharing research findings that can improve quality and promote scientific experimentation in delivery of healthcare to strengthen evidence-based medicine.
- Working together to develop diagnostic tests and medicines to slow down or prevent disease from occurring in the first place.

**Congress** needs to use its power and position to educate the public and recognize these areas that need attention:

- Engaging the public in answering the fundamental questions about what Americans are entitled to receive and what responsibilities they have in healthcare.
  - Making the future happen by supporting the demonstration projects called for in IOM's Rapid Advances report to accelerate learning about reforms that will work.
  - Providing flexibility and support for "bottom up" reforms that institutions and individual dreamers are proving will work.
  - Fighting for good policy that promotes the responsibilities and obligations of covenants; rejecting legislation that is mired in the principles of contracts and entitlements.
  - Addressing global health and poverty.
  - Educating the public about implications of U.S. healthcare policies on the rest of world (e.g., cost and access to pharmaceuticals, healthcare workforce migration to US).
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## **What Will Healthcare Be in America? A Dialogue Begins with the Essential Questions**

The reality of healthcare is that it is not just a system. It is people. It is us. Each of us has responsibilities for reform as individuals, caregivers and healers. Change is now both possible and necessary in the fragmented system. Who will take the initiative? Who will risk stepping forward to move us from a healthcare system to a healing system? Who will make the difference? There is a role for everyone in the next wave of healthcare reform.

We can make healthcare better and more humane. The complexity of healthcare reform is enormous, but human nature is so big and powerful that we can see example after example of people making a difference as individuals, organizations or communities. Resistance to change is very real, but the status quo is unsustainable. Reform has already begun. If change comes through crisis those who are clear about their values and vision will know best what to do.

Americans will first have to grapple with a fundamental agreement over the values that need to be applied in healthcare policy. Do we want healthcare to be fair, equitable and respectful? It is now clear that our entire scheme does not reflect those values or any others explicitly held as important for the health of the country. Establishing a set of values and understanding what they mean when applied in healthcare will mean more than just Americans taking responsibility for Americans. This is a global responsibility because as we live longer and better we influence expectations for every country.

The voice calling for action is growing louder in both the community of healers and among those caregivers who work in voluntary healthcare organizations. The call is for more prevention, for taking responsibility early in life rather than waiting to spend money at the end of life. The call is for community and for linking the healers to bridge the fragmentation among caregivers. At some point the call will come for America to speak with one voice about what healthcare should deliver.

### **Additional Resources**

#### **[Fostering Rapid Advances in Health Care: Learning from System Demonstrations](#)**

This report from the Board on Health Care Services (HCS), Division of Health Care Services (HCS), Institute of Medicine (IOM) recommends five focused demonstrations for improvements in healthcare.

#### **[Crossing the Quality Chasm: A New Health System for the 21st Century](#)**

The IOM's report formulates new rules to redesign and improve care.

#### **[Healthy People in a Healthy World: The Belmont Vision for Health Care in America](#)**

A 1992 vision for healthcare facilitated by the Institute for Alternative Futures with national leaders.

#### **[Covenants: Inspiring the Soul of Healing and Creating Covenants: Healing Health Care in the New Millennium](#)**

Proposes covenants as a way through the impasse of policy and politics to improve healthcare.

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