

HEALTHCARE POLICY: CAN REFORM BECOME REALITY?
A DEBATE FROM DIFFERING PERSPECTIVES
By Peter R. McClung

Before the passage of the House bill, PEBA hosted a debate on healthcare from three different perspectives at its annual evening event on October 21, 2009. **Dr. David Nash**, Founding Dean of the Jefferson School of Public Health; **Dr. I. Steven Udvarhelyi**, Senior Vice President and Chief Medical Officer for Independence Blue Cross; and **Mr. David Wilderman**, Executive Director of the Pennsylvania Health Care Cost Containment Council, gave historical perspective and described how the future may and should look in Southeastern PA. The lively session, moderated by **Jane Von Bergen**, reporter with the Philadelphia Inquirer, grew in intensity with questions from the packed audience at **The National Liberty Museum**.

Dr. Nash answered the first question: "In this climate, what is the greatest opportunity?" "Improving health care quality and being focused on bringing about change. Cost, Quality and Access all need to all be addressed. The fear is that we will do a halfway job on quality." **Dr. Udvarhelyi** focused on the value being received by consumers of health care in the US versus those in other countries. "We are not getting the value," he voiced. He raised concerns about passing a bill that doesn't solve the core issues of cost and quality. "Congress and all the constituents have tried for decades to get to a solution and we are the closest to a reform bill now. But the migration away from true health reform to health insurance reform may miss opportunities to bring down costs and improve outcomes." **Mr. Wilderman** focused his response on medical error in the US as the fourth largest cause of death. "We need to tackle this."

Ms. Von Bergen questioned the panel about the potential for rationing under a national reform effort. **Dr. Udvarhelyi** discussed the potential for significant cost reduction (30%), especially in a high cost area like Philadelphia. **Mr. Wilderman** agreed that there is rationing now and felt that the only way to deliver effective care was through a single payer system. He stated that we need to deliver chronic care in a rational way, which is not occurring now, but he proposed that we can't get there until a change in the reimbursement system takes place. He felt that we can't just tell physicians to do the "right thing." **Dr. Nash** agreed that we ration care every day in today's system. The way to get costs down is to reduce waste in the system by applying evidence-based guidelines.

The formal questions concluded with, "What can employers do now?" The entire panel felt that employers/plan sponsors need to be at the table with their insurers and providers and "get into the game." The coordination of health care between providers, plan sponsors, and insurers is key. All agreed that merely pushing additional costs to members was not the answer to lower costs. Transparency in pricing and quality is necessary, along with significant improvement in chronic disease management programs.

The debate ended with questions from the filled room. Frustration regarding pooled pricing for smaller groups was the focus of the initial question. Improvements in health status had not lowered the rate of premium increases. Also, access to appropriate specialists that appeared to be restricted through lack of appointments was also raised. The panel highlighted the issue of trying to get more specialists through medical school

and the fear that health care reform efforts in Washington could actually increase small employers' costs.

The panel was asked to comment on taxing for vices such as smoking. **Mr. Wilderman** felt that additional vice taxes would not systematically change the system enough to bend the cost curve. **Dr. Nash** felt that brokers and consultants weren't guiding their plan sponsors to value quality and total cost, but instead just discount rates. **Mr. Wilderman** reminded all that information on quality and access is available through PHC4, which had 5 million hits to its website.

After the debate concluded, PEBA honored Sharon E. Kazaras, President of Sharon E. Kazaras Consulting and winner of the 2009 Outstanding Achievement in Benefits and Compensation Award, for her many years of service to PEBA. A cocktail reception followed.

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