

# IMPROVING HEALTH CARE IN THE 21<sup>ST</sup> CENTURY: FOCUS ON MEDICAID

Summary article based on presentation by The Honorable Newt Gingrich at the Fifth Annual Primary Care and Prevention Conference and Health Policy Summit, September 22, 2005; Atlanta, Georgia.

This report contains information from the Health Policy Summit, held in conjunction with the Fifth Annual Primary Care Conference and the Tenth Annual HeLa Women's Health Conference. During the Summit's presentation, the Honorable Newt Gingrich offered key elements of his "Vision for a 21st Century Medicaid Solution." The vision focuses on developing a "21st Century Responsible Citizen Medicaid Act," which will provide improved health outcomes, decreased healthcare spending, and dramatically reduced health disparities. (*Ethn Dis.* 2006;16[suppl 3]:S3-49-S3-51)

**Key Words:** Medicaid, Health Disparities, Electronic Health Records, Healthcare Spending

## INTRODUCTION

The Center for Health Transformation (CHT), founded in 2003, is a collaboration of public and private sector leaders dedicated to the creation of a 21<sup>st</sup> Century Intelligent Health System in which knowledge saves lives and saves money for every American. The Center proposes to apply the principles of a 21<sup>st</sup> century intelligent health system in order to create a 21<sup>st</sup> Century Responsible Citizen Medicaid Act that results in better outcomes, saves money, and dramatically reduces health disparities for America's minorities. In his remarks to participants of the Health Policy Summit, the Fifth Annual Primary Care Conference and the Tenth Annual HeLa Women's Health Conference, Newt Gingrich, former Speaker of the US House of Representatives and founder of CHT, explained principles and solutions for developing these new approaches.

According to Gingrich, there are two core principles that are key to any collaborative effort to drive health transformation.

- **Learn to say, "yes if" rather than "no because."** A team that says "yes if" when encountering a new idea will increase its psychological energy, reinforce the person having the idea, and focus on brainstorming for a solution. "When the team says, 'No we can't do that because,' it stops the conversation, slows down the person with the idea, and creates an argument that must be won before the brainstorming can begin," Gingrich said. Likewise, our systems should be results-oriented, not process driven.
- **Real change requires real change.** The CHT plan, "A Vision for a 21<sup>st</sup> Century Medicaid Solution," addresses the need for "real change" in the nation's healthcare system. It points out that focusing on reforming the current framework of systems, policies, and bureaucracies, rather than creating a 21<sup>st</sup> century system, will lead to decay. The slow and cumbersome structures being used today are costing the United States \$2.2 trillion annually without providing the health outcomes we should demand. "Real change" will include budget reform and introduction of modern methods of healthcare delivery. "If Congress and state governments seek only to save money, we will continue to perpetuate the faults of the current system—which is obsolete and ridden with waste, fraud and abuse—resulting in even worse health outcomes, continued disparities for minorities, and a continued hemorrhaging of money," Gingrich told the Summit's audience.

## Focus on Medicaid

### LONG-TERM SOLUTIONS TO IMPROVE HEALTH CARE

Gingrich recommended two long-term solutions for improving the nation's health care:

- (1) **Reform budget scoring.** Government must differentiate between costs and investments. State budget directors, the Congressional Budget Office, and the Office of Management and Budget must have the ability to see that government dollars spent the right way are investments that save lives and save money and should not be looked at as simply short-term expenditures. Gingrich advocates "open, honest, and accurate scoring processes at both the state and federal levels" and noted that a fully interconnected healthcare network would save Medicaid nearly \$12 billion a year.
- (2) **Adopt policies that will accelerate the introduction of new technology and new innovations.** Policies should encourage the discovery, development, and delivery of technology and other innovations to benefit patients. Health innovations have brought significant improvements in the quality of life and large reductions in health costs, eg, the development of the Salk and Sabin polio vaccines that almost overnight eliminated the need for hospital wards full of iron lung machines and the expensive lifelong care of polio victims.

### TECHNOLOGY IN HEALTHCARE SYSTEMS NEEDED

Gingrich related the need for more technology in government to the hurricane Katrina tragedy in Louisiana, Mississippi, and Alabama in 2005 where all three levels of government failed—city, state and federal, and resulted in a terrible event that we should never have to see in America again.

Millions of paper records were lost and will have to be recreated at tremendous cost to taxpayers. On the bright side, the Veterans Administration office in New Orleans, which has computerized records, has been able to ensure that veterans they serve can have a continuity of care not possible for victims with paper records. In addition, because the federal government mandated electronic drug records in 1988, victims of the hurricane are able to go to any pharmacy to replace their medications.

The first lesson learned from Katrina is that every American should have an electronic health record [as protection against the next terrorist event, hurricane, or disease outbreak] by the end of next year. Almost everyone uses high-tech devices today—camera phones, e-tickets for air travel, and laptop computers. Electronic health records would save nearly \$350 billion over the first 10 years and then \$112 billion every year thereafter. For Medicaid, this translates into a net savings of nearly \$12 billion each year. Another example of technology improving health care is a computer that fits into

a cell phone to help people with diabetes check their blood sugar. The phone analyzes the person's blood sugar, sends the data to the doctor, and forwards a copy to the person's health records. It even reminds the person when it's time to check blood sugar. The total cost of that phone for the next 10 years is cheaper than one hospital emergency room visit.

### HEALTHCARE CHALLENGE: INDIVIDUALS TAKING RESPONSIBILITY

The greatest health challenge in America today is not aging—it is obesity. Gingrich called for mandatory physical education five days a week in grades K-12 and a change in the foods and beverages that students are able to buy at school. He also called for individuals to take personal responsibility for their health. "You can't be obese and be healthy," he said.

Our system is willing to spend money on kidney dialysis and to pay people who are disabled because of blindness that often results from diabetes, but it is not willing to invest in physical examinations and education to teach people to avoid dialysis and blindness.

Bridges to Excellence is a program in which employers provide incentives to physicians and patients with chronic diseases—including diabetes—who engage in proven practices that improve health. The Center for Health Transformation, in conjunction with Morehouse School of Medicine and with leadership from Gov. Sonny Perdue, is introducing the Bridges to Excellence program in Georgia. The program is reported to yield a net savings of \$250 per year per patient. This program applied to Medicaid would mean a savings of \$1.06 billion.

### THREE CHANGES TO IMPROVE HEALTHCARE

Gingrich recommended three changes in the healthcare system:

- Shift the focus to the individual, not the patient. Changing attitude, activity levels and nutritional choices before an individual becomes a patient is key to better health outcomes.
- Emphasize prevention, wellness, and early testing. Acute care should be a last resort. This approach will require a shift in the financing mechanism, health incentives, and the method of paying for the system.
- Make the entire system electronic and potentially wireless. In this age of technology, all persons should be able to carry their health records with them. Patients should be integrated into the system, have ready access to their own records, and be easily connected to health professionals.

Adopting these changes will help us extend the lifespan, improve the quality of life and maximize the opportunity for Americans everywhere to experience better health, more choices, lower cost and greater independence.

### ACKNOWLEDGMENTS

Contributing writers for this report were: Nancy Desmond, chief executive officer and Laura Linn, RN, MN, project director, of the Center for Health Transformation.

### REFERENCES

For more information and a copy of the document, *A Vision for a 21st Century Medicaid Solution*, © 2005, visit The Center for Health Transformation at [www.healthtransformation.net](http://www.healthtransformation.net).