

Reforming the U.S. Health Care System

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Before We Begin...

...The speaker has no conflict of interest to disclose

Governing is a Messy Process...



“Presidents have called for health care reform for nearly a century. Teddy Roosevelt called for it. Harry Truman called for it. Richard Nixon called for it. Jimmy Carter called for it.

Bill Clinton called for it...”

*--President Obama to the American Medical Association,
June 15, 2009*

Today's Discussion...

- **What are the drivers for national health care reform?**
- **What is happening in Washington?**
- **What is ASHP doing?**
- **What can I do?**

An Unsustainable Course...

A Question of Access, Cost, Quality

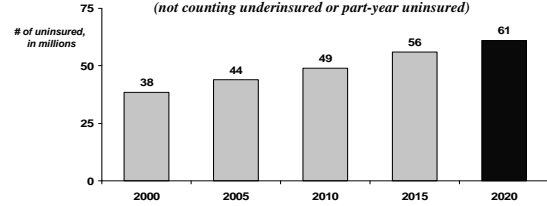
- Reform is not a luxury, but a necessity

“When it comes to the cost of health care, then, the status quo is unsustainable.”

--President Obama to AMA, 6/15/09

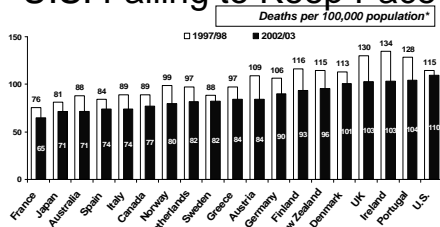
The Rise of the Uninsured...*

Uninsured projected to rise to 61 million by 2020 (not counting underinsured or part-year uninsured)



*U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2001 & 2006; projections to 2020 based on estimates by The Lewin Group

Mortality Amenable to Health Care: U.S. Failing to Keep Pace*



* Countries' age-standardized death rates before age 75; including ischemic heart disease, diabetes, stroke, & bacterial infections
*E. Nolte & C.M. McKee, London School of Hygiene & Tropical Medicine analysis of WHO mortality files; Source: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2008

If We Do Nothing...*

- % of GDP spent on health care:
 - 2007: 16%
 - 2025: 25%
 - 2050: 37%
 - 2082: 49%
- Private spending on health care:
 - > \$4 trillion by 2018 (The Washington Post, 6/9/09)

* "The Long-Term Outlook for Healthcare Spending," Congressional Budget Office, 11/07

Players in the National Health Care Debate



Nancy-Ann DeParle
Director, White House Office of Health Reform

Kathleen Sebelius,
HHS Secretary



Congressional Input

- **Senate**
 - Health, Education, Labor & Pensions (HELP) Committee:
 - Michael B. Enzi, ranking member
 - Finance Committee:
 - Charles E. Grassley, ranking member
- **House of Representatives**
 - Energy & Commerce:
 - Joe Barton, ranking member
 - Ways & Means:
 - David Camp, ranking member
 - Education & Labor:
 - Howard P. McKeon, ranking member

Key Illinois Players in Health Care Reform

- **House Committees:**
 - **Education & Labor:**
 - Phil Hare (D)
 - Judy Biggert (R)
 - **Energy & Commerce:**
 - Bobby Rush (D)
 - Janice Schakowsky (D)
 - John Shimkus (R)
 - **Ways & Means:**
 - Danny Davis (D)
 - Peter Roskam (R)
- **U.S. Senate Committee on Appropriations:**
 - **Majority Whip Dick Durbin (D)**



Dick Durbin (D) meets with Secretary of Health and Human Services Kathleen Sebelius

A Lot to Consider...

Constellations in the Universe of Health Care Reform

1. Advancing science, technology & systems complexity
2. Changing demographics
3. Health professions workforce
4. Quality & safety
5. Payment for quality (*conversely, not paying for 're-work'*)
6. Unsustainable financing
7. Workflow, process control & outcomes
8. Automation & health IT
9. Fraud & waste
10. Comparative effectiveness: cost vs. benefits

The Complexities of Reform

- **Social & economic complexity**
 - Personal values
 - Financing
 - Morality & ethics of health care
 - Special interests



The Complexities of Reform

- **Understanding the nature of the debate:** (*cont.*)
 - Policymakers are focused on top-tier players that have historically impeded change
 - Insurance companies
 - Labor
 - Medicine
 - Hospitals
 - Suppliers (drugs, equipment)
 - In broader public view, pharmacists are seen as commercial interests, rather than

More Input to Consider: National Priorities Partnership



The **right** people coming together at the **right** time, committed to **real action** that will **transform** the nation's health care system...

.....
...to achieve health care reform in the next 5 years.

National Priorities Partnership (cont.)



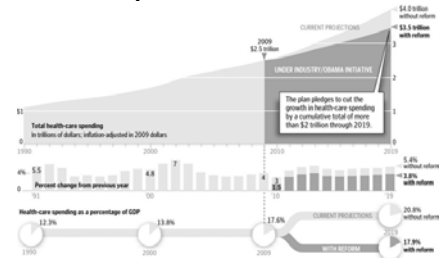
- Six National Priorities:
 - Patient & family engagement
 - Population health
 - Safety
 - Care coordination
 - Palliative & end-of-life care
 - Overuse

Obama Meets with Stakeholders (May 11)



“... we will do our part to achieve your Administration's goal of decreasing by 1.5 percentage points the annual health care spending growth rate”

Impact of 1.5%



“He who wants a rose must respect the thorn.”

--Persian proverb

Economic Stimulus: Laying the Groundwork for Health Reform

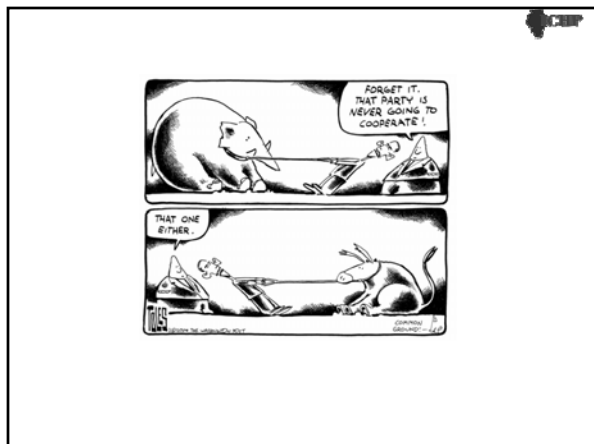
- \$150 billion in new funds to health care
- Health information technology:
 - \$17.2 B incentive for hospitals & physicians
 - Individual hospital grants up to \$11 M
- Comparative effectiveness research, \$1.1 B
- Prevention & wellness, \$1 B
- Health workforce development, \$500 M
 - Primary care



- ### Obama vs. Clinton Approaches
- 500-member task force meeting in secret
- versus**
- Plan developed by Congress:
 - Bipartisan plan?
 - "Budget reconciliation"?
 - Health Reform Reserve Fund
 - \$634 billion over 10 years

- ### "America Health Choices Act"
- Quality & coverage expansion
 - Public plan
 - Delivery system reform
 - Preventive health care
 - Workforce
 - Fraud & abuse
 - Access to follow-on biologics & 340B expansion

- ### The Sticking Points
- A government-sponsored health plan
 - Mandate for individuals to have insurance coverage
 - Expansion of current programs (Medicare, Medicaid, SCHIP)
 - Regulation of private insurance market
 - Cost & revenue




What is ASHP Doing?

ASHP's Health Reform Principles

- **Access:** Ensuring coverage for safe & effective medication use
- **Cost:** Sustainable financing
- **Quality:** Aligning incentives

ASHP Speaks Out


- Health Reform Forum
 - Burlington, VT
 - Dearborn, MI
 - Des Moines, IA
 - Greensboro, NC
 - Los Angeles, CA



- Pharmacy's message:
 - "Pharmacists play a critical role in providing accessible, affordable & quality health care for patients."

ASHP Speaks Out (cont.)

- ASHP advocating to:
 - White House
 - Dept. of Health & Human Services
 - Congress



- Specific "Ask":
 - Pharmacist critical role in health care reform
 - Recognition & payment for services

Importance for H-S Pharmacists

- **Promotes the pharmacists' value:** Demonstrates role of pharmacists in safe medication use
- **Identifies best practices:** Allows innovative practices to be recognized, diffused & provided to patients
- **Builds credibility:** Manifests our commitment to health care reform
- **Focuses on quality:** Provides opportunities to promote prevention & develop workforce

How Will All of This Affect Your Pharmacy & Your Institution?

Impact on Practice

- Movement from distribution to patient care
- Increased technology & technicians
- Workforce incentives
 - Loan forgiveness & residency funding
- Interdisciplinary care
 - Chronic care coordination
 - Wellness & prevention
- Payment incentives to prevent readmissions
- Use of generics & regulatory pathway for follow-on biologics

Key Considerations...

- Your hospital & health system *will* be affected
- There will be a new system
- There will be new payment methods & a new environment
- Generally, payment will be focused on high quality, effective care; safety & quality will play an even more important role

New Imperatives...

- Pay for performance
- Only payment for high quality, effective care
- No payment for 'never' events
- No re-admissions within 30 days
- Measurement of treatment effectiveness
- Development of medical home model

What Can You Do?

What Congress Wants to Hear from Pharmacy

- Greater access to primary care
- Improved quality of care
- Better coordination of care
- Reduced cost of care
- Focus on prevention & wellness
- Effective use of health IT
- Comparative effectiveness

The 'Problem' with Pharmacy's Stance

- Skepticism about "relevance" of community pharmacy for anything other than commodity:
 - Disconnected from health care team
 - Disconnected from patient
 - Delivers "standardized" commodity
 - No "observability" of competence for MTM
- "So what?" (r.e. hospital pharmacy)
 - "You folks do good things, but as employees of an institution..."

Long-Term Challenges in Pharmacy vis-à-vis Public Policy

- Political engagement
- Showcase the "leading edge":
 - Incentives
 - Keep the door open
 - Demonstration projects
- Fundamental education on contemporary realities of medication use:
 - Regulation of manufacturers doesn't ensure appropriate medication use
 - Increased opportunities / roles for pharmacists

Key Messages From Pharmacists....

- Education is key
- Show policymakers & 'C Suite' that:
 - Pharmacists are a critical part of interdisciplinary teams that improve patient safety in high-cost, high-risk environments
 - Drug therapies are increasingly high risk & complex; frequently involve multiple therapies
 - Pharmacists are THE medication experts

Invite Your Representative or Senator To Visit Your Facility...



- Show off the power & value of pharmacists in the clinical setting
- Give specific examples of when pharmacists improved patient care
- Demonstrate how pharmacists are part of interdisciplinary teams that manage high-risk, high-cost, complex, but lifesaving, medications



Questions/Comments/Discussion