

The “Bite of the Apple”

Have you ever heard the old saying asking “How big a bite of the apple can we bite off at one time”? We have that problem in health care reform today. We have a legislative attempt underway that arguably will affect one quarter of an already shaky economy. Remember that healthcare alone is probably nearing 20% of GDP. When you add in the health insurance industry, and then consider the effects upon the legal industry (tort reform) and all of the spin-off industries that are integral parts of health care (e.g. public accounting, information systems, human resources companies and staffing agencies, etc.), you’ve got quite a large economic sector that you’re grappling with.

Those of you who know that I’m a healthcare CEO might suspect that I am trying to avoid health reform in an attempt to protect my industry. This is simply untrue, as I actually embrace health reform. We can and should do things better, but why are we trying to make this massive change all happen at one time in one shaky economy and within one bill? There are some large components to the reform process that need to be embraced. These include the following:

- physician and hospital payment reform;
- quality and transparency improvements (including patient feedback, process and outcomes measures, and progress on measuring the “comparative effectiveness” of our medical therapies);
- utilization review;
- health insurance industry reform;
- tort reform; and
- the establishment of acceptable electronic medical record infrastructure.

I would recommend that we break reform into these 6 major groupings, and that we parallel process reform on each of them with individual, carefully-developed, incremental plans. I would also recommend that we allow absolutely no pork to be introduced into any of these 6 groupings, and that they address the sector for which they are intended only. (I recommend this approach for ALL of our legislative issues as I’m fundamentally against the concept of “omnibus” bills, but maybe that’s asking too much).

Let’s look at an example. Wisconsin legislators recently signed a bill (Assembly Bill 614) which mandates greater transparency in the pricing for services that health care providers offer to patients (which is a laudable goal). We have 10 months to comply, and it will take some time and logistical effort to do so. It will also saddle us with some additional cost to meet this goal. We are comfortable in doing so and support the concept, but this is just one bill from one state! Overlay upon that multiple other bills on other issues pertaining to healthcare (HIPPA revisions, Red Flag rules, etc.) that are already being foisted upon us, and then heap a massive federal health reform package on the top and you are just begging for trouble.

I want to REFORM the health care industry, not CRASH the health care industry. How many of us, in our personal lives, would choose to change multiple things all at once to try to improve our lives versus

working at one or two goals at a time? Common sense dictates limiting the rate and pace of change to that which is sustainable.

What happens when you take too large a bite of the apple? You choke.