

June 18, 2009

Dear Friends and Colleagues:

"The greatest threat to America's fiscal health is not Social Security," President Barack Obama said in a recent White House speech. "It's not the investments that we've made to rescue our economy during this crisis. By a wide margin, the biggest threat to our nation's balance sheet is the skyrocketing cost of health care. It's not even close."

To deal with this growing threat to our nation's well-being, President Obama has launched a massive offensive to make healthcare reform a reality.

How will our community and NCH change with this reform?

To begin to answer this question, we should first consult the Dartmouth Atlas (www.dartmouthatlas.org/index.shtm), which has been compiling data for more than 20 years on per-person costs for care in small geographic "hospital service areas."

- For our Naples area, Medicare spent \$8,125 per person in 2006, the most recent year for which data are available.
- For Florida as a whole, Medicare spent an average of \$9,378 per enrollee.
- For the nation, Medicare spent an average of \$8,303 per enrollee.

So we look a bit better in our area in terms of costs.

But a recent conversation I had with Senator Bill Nelson and several other Florida hospital representatives reminded me of the challenge we face. The senator asked about a map on the Dartmouth site (www.rwjf.org/quality/interactive.jsp?id=38) and wondered, "Why was Medicare paying \$3,000 more per person in Miami than Medicare paid for a person in other areas of the country?"

I explained the economic concept of "goal incongruence"—that is, that the three primary healthcare interest groups (patients, caregivers, and payers) hold somewhat differing objectives.

Patients want to get better and not be harmed. Most caregivers are mission driven wanting to cure patients and, in return, be appropriately compensated for providing competent and compassionate care. Most payers are primarily profit driven, wishing to maximize income, while providing the patient funds necessary for which they are contractually obligated.

I told the senator that when all three groups can come together, only then would the "value equation" for healthcare—defined as quality divided by cost—be improved. To get there, patients must work harder at prevention, caregivers be more prudent in providing evidenced-based medicine, and payers more efficient in driving out waste.

This healthcare debate will be with us for the foreseeable future, and we should learn as much as we can about our options. An interesting and informative article in *New Yorker* Magazine discusses geographic differences and suggested solutions which President Obama allegedly made required reading for his staff. This is a good place to start: (www.newyorker.com/reporting/2009/06/01/090601fa_fact_gawande).

Respectfully,

Allen S. Weiss, M.D., President and CEO

P.S. Feel free to share Straight Talk and ask anyone to email me at allen.weiss@nchmd.org to be added.