

January 21, 2010

Dear Friends and Colleagues:

The challenging question our nation continues to wrestle with is, "What will the future of U.S. healthcare look like?" Recently I got a glimpse of the answer.

I was honored to participate, with 60 other healthcare leaders from around the world, in a three-day session at Harvard University on the subject of "*Redefining Health Care*." The session was led by famed Harvard professor Michael Porter, who co-authored a book on the subject with Elizabeth Teisberg (http://www.hbs.edu/rhc/). Dr. Porter, a six-time winner of the McKinsey Award for the best *Harvard Business Review* article of the year, led us in the Harvard Business School case discussion method, where students analyze a real-life situation. The professor asked the questions, and we all shared diverse views—since participants ranged from a Canadian province healthcare leader to a California insurer of 7.5 million Medicaid patients. As you might imagine, the discussions were lively and spirited.

Dr. Porter skillfully teased out common themes. And several directions emerged that will most assuredly help characterize the future course of healthcare. Among them:

- Integrated practice units (IPU) organized around medical conditions. Increasingly, we will adopt a team approach to treating medical conditions. For example, a heart failure team would consist of cardiologists, nurses, dieticians, exercise therapists, psychologists, social workers, and others. This interdisciplinary team would care for a patient from first diagnosis to last, which may constitute an entire lifetime. IPU would offer patient centered care, as opposed to care centered on the physician, institution or procedure. IPU delivery would co-locate care givers for "one stop" care. Another example would be pregnancy. From the time a mother desires to conceive to the time she returns to her prenatal state, aggregating all the care givers she might need in one location, communicating and cooperating with each other, would lead to better outcomes. IPU also will eliminate much of the fragmentation that causes the current waste and inefficiency in the system.
- Value as the only goal for all parties—patients, care givers, and payers alike. This would mean measuring outcomes relative to cost over the entire cycle of care. What kinds of outcome measures? Whether you are cured from cancer, have a functional heart after a heart attack, or better yet, had a cancer or heart attack avoided by receiving coordinated preventive care. At Harvard, we heard how the Cleveland Clinic measures and shares outcome knowledge. But most of us need to do more.
- **Payment** must be realigned to improving value for patients. Insurers need to change from payers to "players" by paying for value over an entire cycle of care for a medical condition. Bundling payments for a condition will facilitate care givers working together to more efficiently and effectively add value, while reducing or eliminating excessive volume and non-standardized care.
- **Information technology** as the primary tool to facilitate healthcare's new goals. Again, medicine has a ways to go to catch up to the digital world. But I have no doubt that we will get there.

Indeed, these interconnected goals may take us a while, but all are worthwhile. Together, all of us will play an increasingly important role in safeguarding the health of our community and our nation.

Respectfully,

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

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