



*Better care coordination
should be this simple.*

Senate and Healthcare Leaders Testify to Congress on Healthcare Payment and Incentive Reform

By Dr. Randall Williams, Founder and CEO, Pharos Innovations

On September 16, 2008, leaders in healthcare innovation testified to the U.S. Senate Committee on Finance to make the case for transforming our current healthcare delivery system to one that rewards improved care quality over decreased utilization quantity.

The committee chairman and ranking member set the stage for testimony by Drs. Mark E. Miller from Medicare Payment Advisory Commission, Glenn Steele Jr. from Geisinger Health System, Robert Berenson from Urban Institute and Eric G. Campbell from Harvard University School of Medicine. They testified that the healthcare challenges we currently face are the result of a healthcare “non system” where “care coordination is rare, specialist care is favored over primary care, quality of care is often poor and costs are high and increasing at an unsustainable rate.”

They attributed the problem largely to a payment system that reimburses providers by patient encounter, not for the coordination of care or preventive measures that improve care quality. The committee explored solutions for an integrated system that involves providers in a truly patient-centered healthcare program. Two of the participating physician groups in the Centers for Medicare and Medicaid Services (CMS) Physician Group Practice demonstration program, Billings Clinic, a Pharos Innovations partner, and Geisinger were mentioned as examples of programs that work to achieve real system integration, even in rural areas.

The Significance

Our healthcare system needs transformation. Many in the industry are working to enhance care coordination, improve care quality and support the patient centered medical home, knowing that this will drive the cost decrease we need. Most agree that our current healthcare payment system is a key obstacle to success. The testimony provided during the September 16th Senate hearings provide excellent insight into the challenges we face and provide recommendations for real solutions that will work.

Once our payment system is adjusted to reward healthcare providers for the quality of the care they provide, not the quantity, patients become the center of our healthcare system, driving improvement in coordination, quality and outcomes. As a result, providers will be incented to seek innovative opportunities to maximize care coordination; reduce avoidable healthcare utilization, such as re-admissions and improve patients' access to care.

Pharos has been working with provider organizations for more than ten years on creating a new paradigm of chronic care management that supports these initiatives. Billings Clinic and Park Nicollet Health Services are just two examples of how provider groups can partner with organizations such as Pharos to expand the reach, efficiency and effectiveness of care coordination programs for an integrated system that puts quality first.

You can read the detailed testimony at <http://finance.senate.gov/sitepages/hearing091608.htm>.

For more information about Pharos' new paradigm of chronic care management, contact us at pharos@pharosinnovations.com or call (800) 997-3367.

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