

**Connecting Americans
to Their Health Care:**
*Empowered Consumers,
Personal Health Records
and Emerging Technologies*



**NATIONAL CONFERENCE
DECEMBER 7-8, 2006
WASHINGTON, D.C.**

Connecting Americans to Their Health Care:
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2006

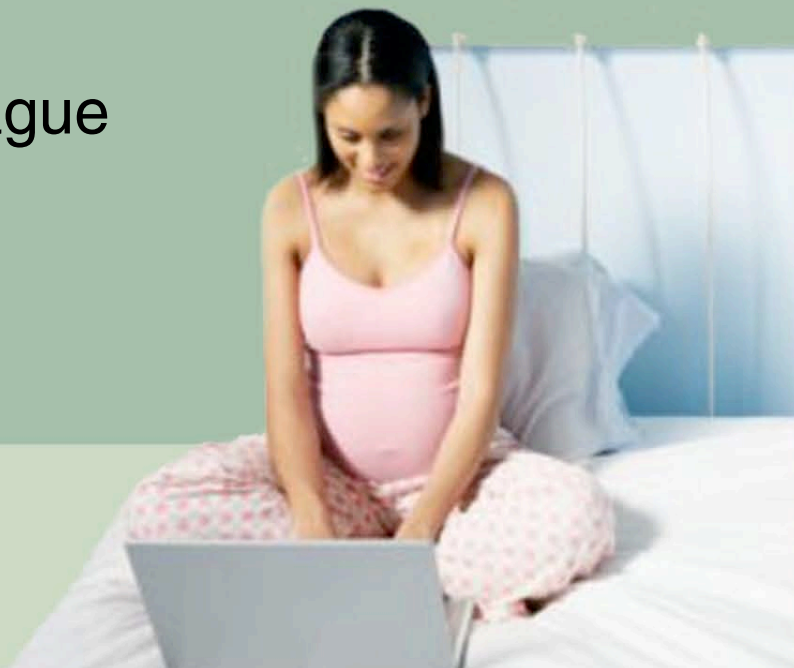
When HSAs Meet PHRs

Gary Claxton - Kaiser Family Foundation

David Merritt - Center for Health Transformation

Michael D. Parkinson - Lumenos, Inc.

Alison Rein - National Consumers League



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When HSAs Meet PHRs

David Merritt

Center for Health Transformation



MARKLE FOUNDATION


Robert Wood Johnson Foundation



Center for Health Transformation

Saving Lives & Saving Money
Transforming Health and Healthcare
Newt Gingrich
with Dana Finney and Anne Woodbury

Planning & Leadership Model

VISION
STRATEGIES
PROJECTS
TASKS

Listen - Learn - Help - Lead

www.healthtransformation.net

David Merritt
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**Center for Health
Transformation**

21st Century Intelligent Health System

**More Choices
Of Greater Quality
At Lower Cost**



Center for Health Transformation

Current System

Provider-centered

Price-driven

45 million uninsured Americans

Slow diffusion of innovation and knowledge

Acute-focused

Paper-based

Third party controlled market
(patient – provider – payor)

Little information on cost and quality

Limited choice

Predatory trial lawyer litigation system

Overall cost increases

Care driven by volume and price



21st Century System

Individual-centered

Values-driven

100% coverage

Rapid diffusion of innovation and knowledge

Prevention and health focused

Electronically based

Binary mediated market
(individual – provider)

Right to know quality and cost info

Increased choice

New system of health justice

Overall cost decreases

Quality of care and quality of life



**Center for Health
Transformation**

Creating a true, rational healthcare marketplace



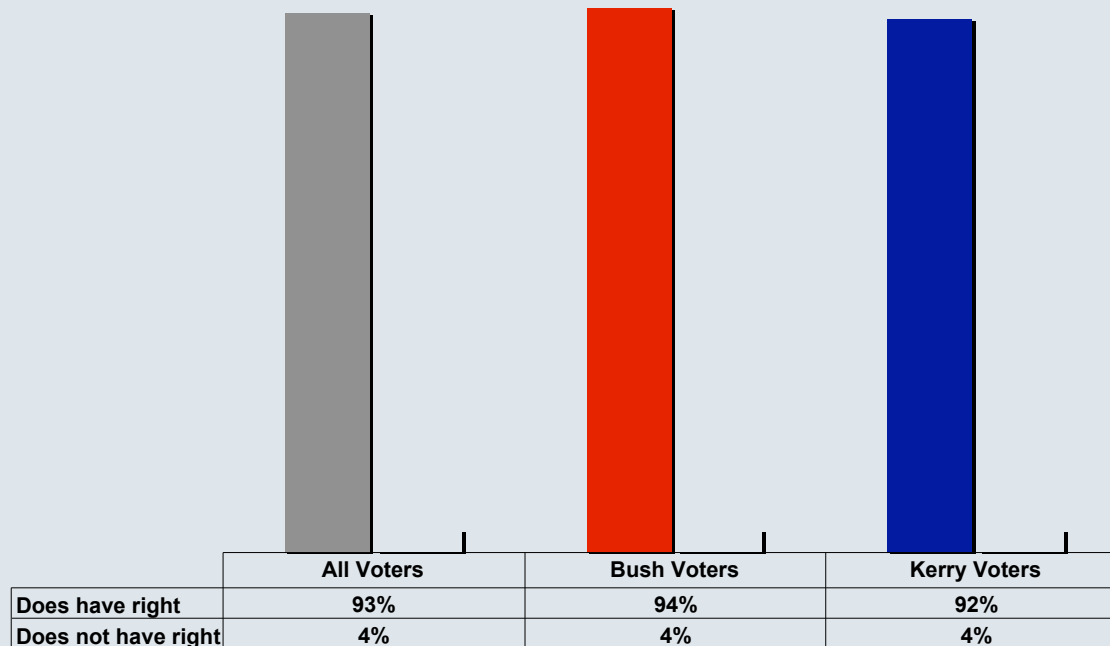
**Center for Health
Transformation**

Consumers have a right to know price and quality information



93% of voters think they have a right to know quality data.

Many organizations are developing performance measures for health care providers like hospitals, physicians, and nursing homes, and then evaluating those providers on their ability to meet the performance measures. Do you think the public does or does not have a right to know the result of those evaluations?





**Center for Health
Transformation**

Consumers Have the Right to Know Cost and Quality Data

www.MyFloridaRX.com

MIAMI - CELEBREX 200 MG CAPSULE Usual and Customary prices for Oct 1 - Oct 31, 2006

You can sort your results by Pharmacy, Zip Code, Drug Name, Quantity, or Price by clicking on the column title.

<u>Name</u>	<u>Zip Code</u>	<u>Drug Name</u>	<u>Quantity</u>	<u>Price</u> ▲
SAM'S PHARMACY 10-6217 8425 NW 13TH TERRACE MIAMI, FL 33126 (305) 463-8475 Map It	33126	CELEBREX 200 MG CAPSULE	30	89.72
B AND S DRUGS, INC. 2356 N.W. 7 ST MIAMI, FL 33125 (305) 541-0177 Map It	33125	CELEBREX 200 MG CAPSULE	30	211.21

Search completed on November 21, 2006



Category: Heart
Condition/Procedure: Heart Failure
Adult, Ages 18 - 64
Time Period: July 2004 through June 2005

Facility / City	Total Hospitalizations	Risk Adjusted Average Charge	Risk Adjusted Average Length of Stay
STATEWIDE	17,705	\$23,265	4.8 days
Jackson Memorial Hospital - 100022 Miami	800	\$22,518	4.5 days
Hialeah Hospital - 100053 Hialeah	115	\$50,127	6.3 days

Acute Myocardial Infarction Mortality Rate (Heart Attack)
Age 18 years and older
Time Period: July 2004 through June 2005

Bayfront Medical Center - 100032 St. Petersburg	Higher than Expected
Bert Fish Medical Center - 100014 New Smyrna Beach	As Expected
Bethesda Memorial Hospital - 100002 Boynton Beach	Lower than Expected

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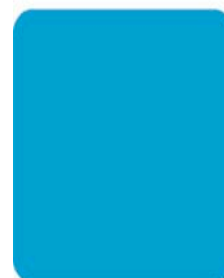
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Consumer-Driven Health Care: Implications for Health Information Technology

Michael D. Parkinson, MD, MPH
EVP, Chief Health and Medical Officer



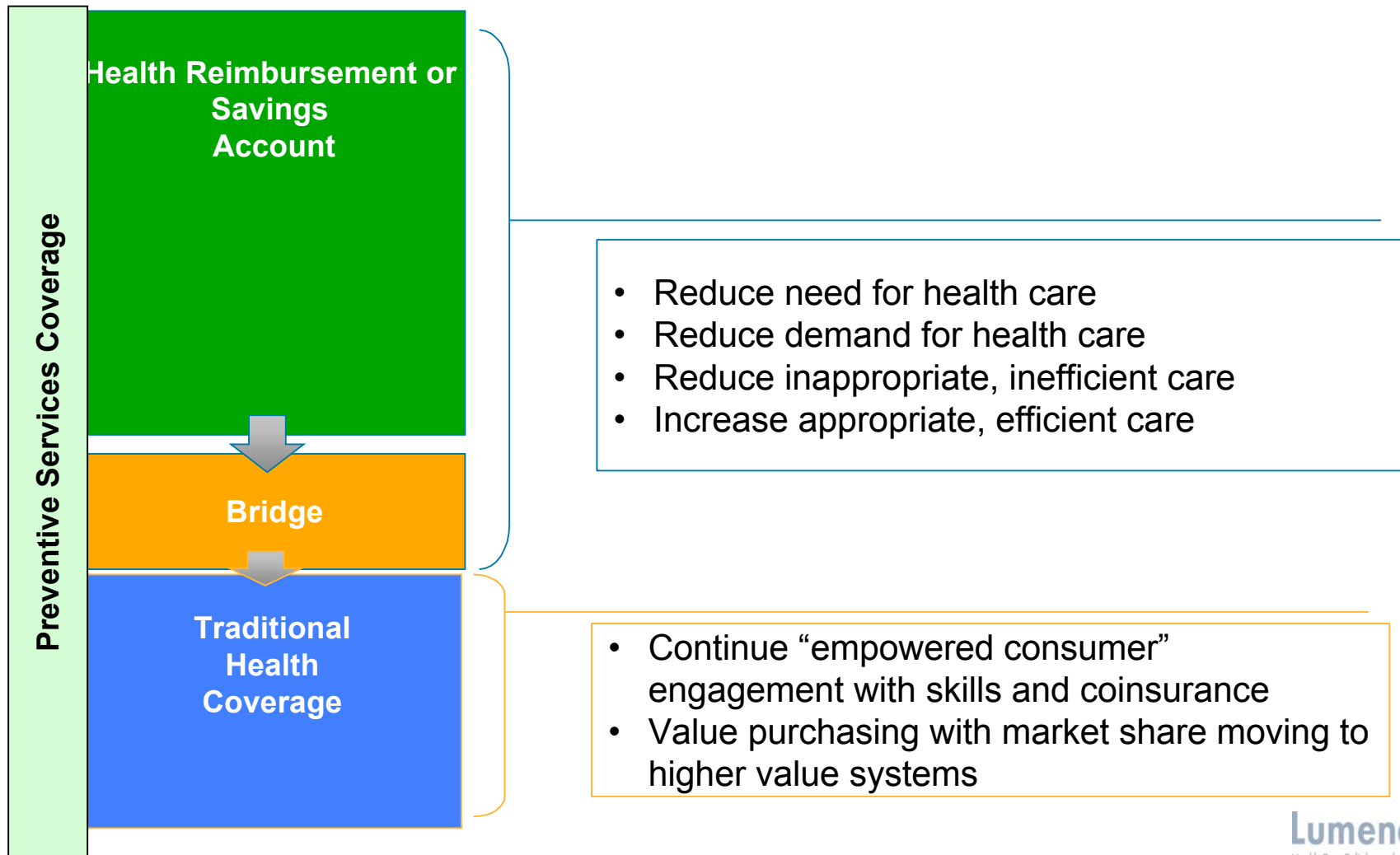
Imagine If . . .



- Individuals saw the money spent from their paychecks and in their taxes for healthcare . . . As their own (it is)
- Individuals knew that 50% or more of health and costs came from choices THEY made in how they lived their lives (they do)
- Individuals were incentivized to know and improve those behaviors (they never have been)
- Individuals knew that 35% of all care was wasteful . . . And came ultimately from their pocket (it is and does)
- They had a health plan that made the right thing to do . . . The easy thing to do (they can, even with imperfect information . . . And they will drive better info faster)



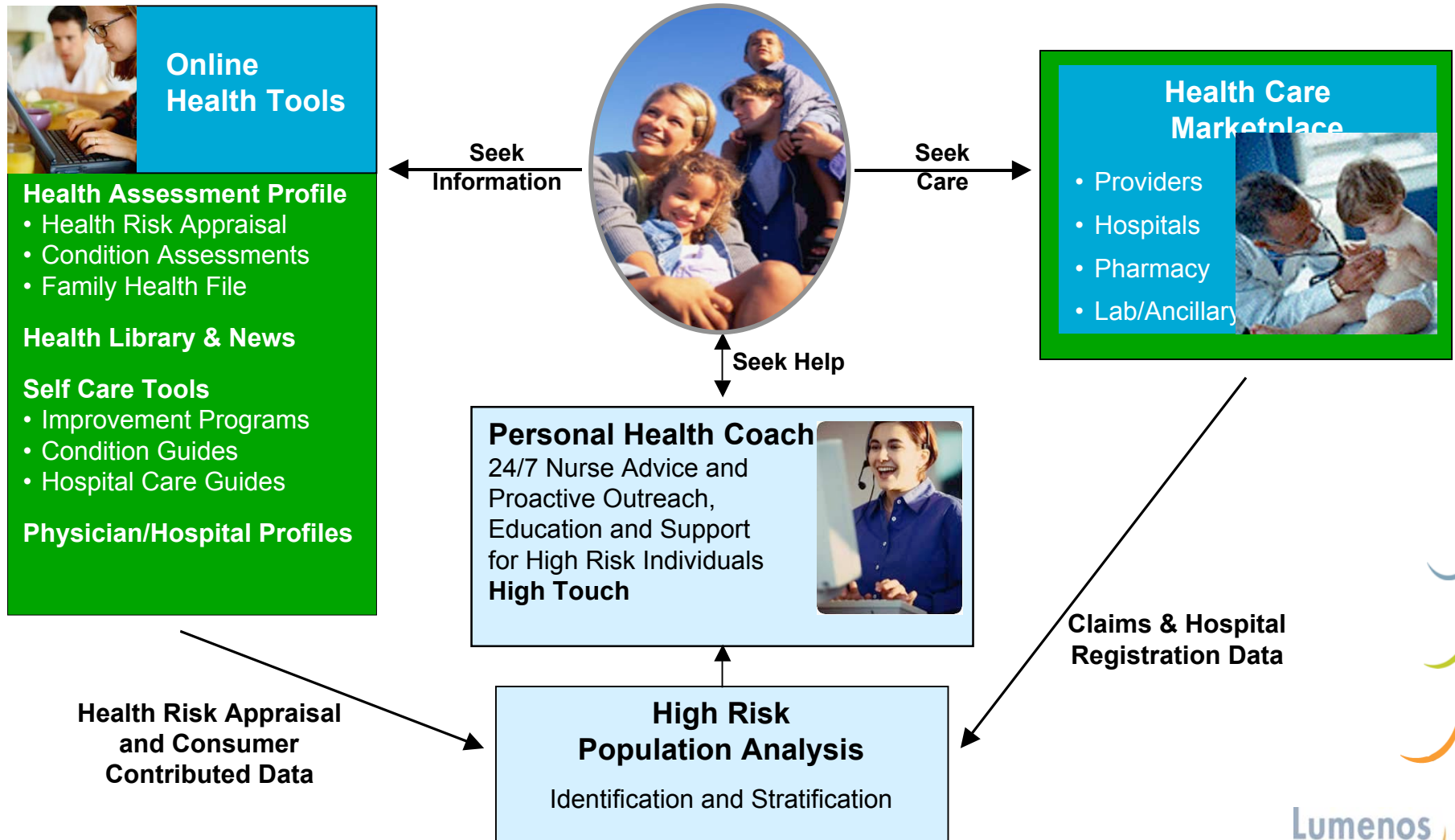
Value Health Care Purchasing Accelerated Thru Account-based CDHP's



Consumer-Centric Health Improvement Model



Lumenos Consumer



HIT/PHR Considerations In Consumer-Driven Health Care



- CDHC will drive quality movement and HIT/PHR faster than other benefit designs
 - “My money: I don’t want to pay again when I don’t have to”
 - Disease competency, outcome and satisfaction measures sought as “quality” captured best by HIT-enabled practices
- Connectivity and transparency ARE valued and will make consumers “vote with their feet”
- “Pay for Performance” will only work if consumers know and understand outcomes they are differentially paying for “matter” to them: health, fewer mistakes, lower cost, greater “value”



HIT/PHR Considerations In Consumer-Driven Health Care



- Next generation integrated health and performance models will require integration beyond “medical care”
- Uniform federal or “public sector” data standards are necessary for widespread PHR adoption portability & connectivity
 - Lumenos employers urged to become proactive
- Consumers can drive PHR adoption once they understand value to them personally . . . Not “system”
- HIT/PHR infrastructure a public good – not proprietary competitive advantage
 - Plaque in Union Station!



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Alison Rein

National Consumers League



When HSAs Meet PHRs: The Role of Consumerism in Health Care

Alison Rein
National Consumers League
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Connecting Americans to their Health care
December 8, 2006



Economic Trends Affecting Consumers

- While Average wages in the US have increased, median income has remained flat
 - Not problematic given average inflation rate – BUT
 - Highly problematic given inflation rates for health care goods and services
- Implication is that people have the same amount of \$ to purchase more expensive – but still necessary – set of goods
- Consumers experience these increased costs both directly and indirectly
 - Directly: higher co-pays and deductibles
 - Indirectly: lost or step-down benefits



In steps “consumer-directed”
health care

Two Dimensions of the Patient Empowerment Theory:

- ✓ Access to information will enable patients to make better choices.
- ✓ Transfer of financial responsibility to patients will engender “smarter” health care consumption.



Why Would Consumers Want Access to Their Health Information?

- ✓ To better manage and coordinate their health and health care experiences.
- ✓ To retain and manage necessary records/documents.
- ✓ To provide up-to-date and accurate information to their loved ones, caregivers, and health care providers.



The **Big** Question: Does Access to Information Change what People Need?

- ✓ With increasing access to health information, will consumers will need less care?
 - Will they be able to reduce the number of duplicative tests?
 - Will they be pressured to forego necessary care?
 - Will they decide they need more care? Better care?
- ✓ With ever-expanding product and service availability, how will consumers manage the information?
 - Will consumers be able to keep up?
 - Will the data available in the next few years even be useful?



How Much Leverage do Patients Really Have?

- ✓ Are considerations of cost really applicable for acute health care scenarios?
- ✓ To what extent will the employer/payer community dictate different considerations of product “value”
 - CMS
 - Other payer value demonstration projects for beneficiaries
- ✓ Can consumers always act on the information?



Patients May Find Value in PHRs...

...but not to save money.

✓ The larger savings to the health care system will likely stem from:

- Broader EMR utilization
- Expanded health information exchange between care providers
- Pay for Performance
- Comparative effectiveness research



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