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www.reachmd.com
info@reachmd.com
(866) 423-7849

The Nation's Uninsured: Part 1

A panel discussion sponsored by US News and World Report and the American Medical Association. What follows are highlights of a recent discussion at the National Press Club moderated by Brian Kelly, the Editor of US News and World Report. Panelists are US Senator Max Baucus, Democrat from Montana and Chairman of the Committee on Finance, the President of the Healthcare Leadership Council, Mary Greeley, and Paul Kekley, Executive Director, Deloitte Center for Health Solution. Here now to introduce the program is Nancy H. Nielsen, President of the American Medical Association.

DR. NANCY H. NIELSEN:

Good morning everyone, thank you so much for coming. You may wonder why we are doing this at a time when Wall Street is tanking and why we are talking about the uninsured, but it could not be more timely, it just could not be. We have seen that the unemployment rate has hit a 5-year high and with tremendous uncertainty. We know that the number of uninsured Americans the last time the Census Bureau released the figures was 47 million, that is about 1 in 7 of us and these are not people who live under bridges. These are people who are members of our families, who are neighbors, who are acquaintances, and we all understand the issue. Why is it that this is such a critically important topic at a time when we are worried about the economy as we look at what is happening in the last week or 10 days on Wall Street. What is it about the uninsured? What are the characteristics? We know absolutely that the uninsured compared to those who have insurance delay preventive and screening testing. We know that they seek care later in their illness. We know that they live sicker and they die younger than their insured neighbors and frankly 46 million Americans without health insurance is not a statistic. It is a tragedy and frankly it is a national disgrace and one that we really need to do something about. It is very important that we all take this seriously. Normally, when I go around the country I ask people to raise their hand, how many of them have had anybody in their family or an acquaintance who has been uninsured for a while? Let me just ask you how many of you know somebody who has been uninsured? That is what I thought. This is us. It really is a problem we need to confront in our country. The American Medical Association has for some time had this as a front-and-center issue. We also want to do more than call attention to the problem of the uninsured. We actually have developed a plan and I will tell you in a minute the 3 principles of that plan, but we actually know that this is a national debate that we must begin and we must not just focus on the problem, but focus on getting to a solution, and so we are thrilled that the 3 members of our distinguished panel are here to help us have a conversation and I am sure that they will invite questions from you as well. The AMA's plan focuses on 3 things. One is enabling individuals to own and choose their own insurance plan. Second, to provide the means whereby low income American can purchase health insurance, and finally market reforms establishing fair insurance rules so that affordable health plans are offered to our citizens. That's our plan, but we know that others have their own plans. We are here to be part of the dialogue. We thank you very much for coming and let me now introduce the panel. You have already heard that Senator Baucus is here with us. First of all the appreciation of the American Medical Association for everything you have done with us and for us lately. We appreciate that and not just lately. Let me be clear about that. Senator Baucus has chaired Senate Finance Committee which has jurisdiction over the nation's tax code, the Medicare Program, social security, and key trade issues, and clearly his committee will be deeply involved in any healthy insurance initiative. He was elected to the house in 1974 and then to the senate in 1978, so 30 years of experience. We are going to need every moment of that experience to try to get to a solution. Next, Mary Greeley. Mary is President of the Healthcare Leadership Council which is a coalition of CEOs of the leading healthcare companies and this council supports consumer centered healthcare reform and emphasizes the value of private sector innovation. She came from the hospital side of the Healthcare

Industry, served as Chief Washington Council for the American Hospital Association and COO in Executive Council for the Federation of American Hospitals, and Paul Kekley who is Executive Director of the Deloitte Center for Health Solutions. He came from both the private sector and academic medicine. Was at Vanderbilt as Executive Director for the Center for Evidence Based Medicine and a Professor both at the Medical School and at the Owen Graduate School of Business and with that let me turn it over to our panelists.

BRIAN KELLY:

Nancy thanks, and welcome to everyone on what is, I am sure, busy day in Washington. Let me start if I can, and you know, may be start at the end here which is what are 2 or 3 ways that you think we can get to common ground on this. What are, you know, we have got an array of proposals, the AMA, the presidential candidates, things that have moved through the Congress in various stages? Where is the common ground, the most likely possibilities of trying to move this issue forward?

MARY GREELEY:

Well, I am the eternal optimist and I think every trade association in the healthcare sector has put out their proposal for health reform. Dr. Nielsen talked about the AMA, the hospitals, physician groups, manufacturers, and the Healthcare Leadership Council really represents all of those different sectors and I have been struck by how much commonality there really exists among this different healthcare reform proposal. I think we all agree that we have existing public program that need to be made more effective. Right now, about 50% of those that are eligible for SCHIP, the Children's Health Insurance Program or those who are eligible for the Medicaid Program are not enrolled. So the resources are there. We just need to do much better job of doing outreach and enrollment and I think just as importantly once we have people in those program making sure that there is continuity and that those that remain eligible stay in the program. You heard a discussion about providing subsidies for those that are not able to afford health insurance coverage. They are not eligible for the public program, but they need a helping hand. We know that 8 out of 10 of the uninsured live in household where at least 1 person is working. So this is a working population and that is why we spend a lot of time focusing our efforts on how to make sure that if they are offered health insurance by their employer that they accept that offer of health insurance, nearly half don't, and just as importantly that we are helping those employers particularly small businesses that want to offer health insurance help them do that, and we know that we can do that. We have programs that are working right now; the State of Oklahoma is providing a subsidy to low-wage workers and has been very effective. Basically, in small businesses the employer will say, we can afford about one-third of the premium. We think our low-wage workers can pay about a third of that premium. We need a helping hand with that remaining third, and then lets not lose sight of what I call true health system reform and it is like the senator just mentioned we need to provide better value for the dollars that we are spending in healthcare and I think there is tremendous bipartisan agreement both inside the Beltway, outside the Beltway, on Capitol Hill, off Capitol Hill, like this is the most exciting area where a lot of work is going on. Let's make sure that we are using Evidence Based Medicine that we are using the highest quality medicine, and if we are doing that, if we can improve the quality we think we can definitely reduce the cost. So I think there is a lot of common ground that the various healthcare sectors and business and consumers and labor really can come together on, but we do have to be able to check our weapons at the door, not just go for our top priority, be willing to take our second position and find that common ground, and we have to do it.

BRIAN KELLY:

Very thanks. Paul, you have been in a variety of parts of the healthcare system and seen it from a number of perspectives including as an employer. How do you see this, the potential for common ground?

PAUL KEKLEY:

Well, I think Senator Baucus in passing said something that is the beginning of that answer which is system or lack thereof. We are getting the results for which this system was perfectly designed which is incentives that are not in line with doing right things but doing

more, quality that is not defined or measured, but quality that is presumed, and access that is highly variable as Nancy said. So, as we sit here, Brian, the health cost will exceed 8% this year. The government had forecasted it would be 6.1 to 6.7%. It would be north of 8%. This would be the sixteenth year in a row that it has exceeded by at least 3% the overall cost that most businesses bear for operating a business. The numbers of people that are uninsured is dwarfed by the numbers who are at peril for health cost. Another 25 million people are underinsured. We have 14 million people in this country who right now owe providers a substantial amount of money, 4000 or more who could be forced in involuntary bankruptcy. So it is a perplexing problem. It is not going to be solved in the next 4 years because it took us 60 years to get here and the solutions are not going to be, we have a great tendency in healthcare to circle the wagons and shoot in. We tend doctors to blame hospitals, or plans, or government, or plans to blame hospitals or doctors, and this is a systemic flaw and it is going to require some shared pain. So in our view some of those building blocks are, first we will have to really define what we mean by Evidence Based Care. If we are only getting Evidence Based Care half the time right now and we know there is an association between the use of electronic medical records and more accuracy in the diagnosis more appropriate interventions then we should expedite access to the EMR. If we know that fewer than 10% of doctors are going into primary care because they leave med school and residency with \$128,000 of debt and we have to explore different ways of attracting primary care to coordinate care and reduce demand on the system. Third, we have to address the payment model.. A shift perhaps from volume in visits and tests to episode based payments or some model that rewards coordination of care and in our judgment those are the 3 building blocks and we can expect momentum in the next 4 years regardless of who is sitting in the White House because it is necessary and I think those are the common grounds on which we can address the issue of the under and noninsured.

Coming up, part 2 of Will the Uninsured Get Health Insurance, highlights of a panel discussion presented by US News and World Report and the American Medical Association at the National Press Club in Washington, DC. Stay tuned for more of this special coverage on Reach MD XM157 which continues right after this brief break.