



The 4th Annual

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World Health Care Congress

April 22-24, 2007 • Washington Convention Center • Washington, DC

DAILY BRIEFING • April 23, 2007

Keynote: The World's Top 10 Diseases

Tadataka Yamada, MD, President of the Bill and Melinda Gates Foundation, addressed the issues facing global health.

- In Dr. Yamada's view, the biggest global health problem is **inequality**, evidenced by 10 million children per year dying in developing countries.
- Many diseases in the developing world can be prevented or easily treated through **low tech approaches**.
- Needed are **more money** (\$25-\$70 billion per year), **people** (1 million health workers), and **political will**. Also, governments in developing countries need to spend more on health care, and individuals need to be more involved in their own health care in developing countries (and the US).
- There is a **big opportunity for the private sector** in developing marketing, in providing and financing health care, and in making products for these markets.
- The Gates Foundation is pursuing **public/private partnerships** that de-risk private sector undertakings. They try to catalyze investments from others, especially governments. Specific activities focus on **infectious diseases, maternal and reproductive issues, and nutrition**.

"It matters that 10 million children die each year. We need to embrace these problems and establish equity."

—Tadataka Yamada

Keynote: Competition

Professor Michael Porter presented his thinking on a new model for transforming health care. Aetna CEO Ronald Williams and Kaiser CEO George Halverson then shared their reactions.

- The current nature of competition in health care is bad, zero-sum competition. The right type of competition will **increase the value of health care** delivered.
- Fundamental change is needed in the **delivery of care**.

- Needed is **integrated, coordinated care** for "conditions" (such as diabetes) over the entire **cycle of care**.
- **Measuring outcome results** will be the most important driver of systemic transformation.

"The type of competition that must take place is competition based on value."

—Michael Porter

- Mr. Williams and Mr. Halverson both agree with Professor Porter's long-term, big-picture vision. Mr. Williams sees the challenge as one of **bringing about the change**.
- Mr. Halverson sees **two models**: 1) For **acute** care (25% of costs) with a data-rich infrastructure so consumers can make more informed decisions; and 2) For **chronic** care (75% of costs) requiring a coordinated team approach.
- **IT** will play a critical role in the transformation, linking providers and aggregating data for decision making.
- There was agreement on the need to deal with the **uninsured** population.

Executive Congress

The Executive Congress involved a series of panels tackling issues of health care reform, quality, and HSAs. Key points:

- George Halverson argued that reform needs to focus on the **delivery of care; not the financing**.

"The focus of the current political debate is on the financing of health care; it needs to be on the delivery of health care."

—George Halverson

- **Tools** are needed to transform care. Ideally, an **EMR**, but where not possible, a **PHR** and registries. These link the delivery of care and provide data.
- Reform requires creating a **culture of health** for consumers and ending the health system's culture of "control."

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- System-wide **incentives must be changed** and physician accountability is required, brought about through **measurement of individual physician results**.
- Much spending is driven by “**supply-sensitive care**” where the amount of care provided is based on available capacity. Instead, **preference-sensitive care** is needed where patients are given information about various options to make a decision based on their preference.
- Panelists disagreed about HSAs. Those in favor cite **lower costs** through greater **patient responsibility**, decreases in unnecessary care, and switching to generics. Opponents cite **high deductibles** (with many employers not providing funds for these deductibles), lower patient satisfaction, and possible avoidances of care.

CEO/COO/CFO Summit

In the Summit's first session, on **patient-centered care**, Dr. Larry Goodman provided a thorough overview of the financial turnaround at Chicago's Rush University Medical Center. Under Dr. Goodman's leadership Rush was able to turn into a profitable system centered around patient satisfaction.

- Dr. Goodman discussed the change in executive management and the need to **change the culture** of the institution.
- Every employee **must believe in the mission** of the company, from the CMO to the elevator operator.
- **Points of improvement** focused on were: managed care, marketing, revenue cycle, sale of Rush-Prudential, operations, and alignment.

“If there's one thing I learned...the individual physicians, nurses...they're taking a risk in being there; it's just remarkable...how much these individuals care about the places for which they work.”

—Dr. Larry Goodman

- In the Summit's session on consumerism the panel spoke about 4 topics that successful organizations must focus on in the future including: convergence of accounts (HSA, FSA, etc), price and quality transparency, consumer experience, and incentives.
- There is a growing **erosion of the benefits of tax exemption** and the increasing need for hospitals to show they are qualified to receive such breaks.

- 56% of the dollars are through private payers, which will **accelerate the presence of Medicare Advantage**.
- Large organizations have a better chance of survival and ability to attract capital; thus the trend in the future will be toward more consolidation and larger delivery networks

“We must get away from point solutions to end-to-end solutions.”

—Consumerism panelist

Public & Private Purchaser Summit

Hannaford Brothers' Peter Hayes introduced a framework for employers to develop and implement quality metrics, improving outcomes while reducing healthcare costs.

Representatives of private and public purchasers, coalition executives, PBMs and provider organizations provided comments and thoughts on how organizations can move to a system that better measures provider performance.

- Employers recognize they must start to develop a “**market-based system**” with effective tools to transform the healthcare market
- Current CDH/cost-sharing strategies fail to solve the underlying causes of health care quality problems and may contribute to cost increases.
- Employer efforts should instead **focus on the quality, efficiency, and performance** of healthcare providers.

Register today for the 2008 World Health Care Congress. Please visit: www.whcc2008.com

Event Highlights

- All audience survey results, speaker presentations, event photos, and much more are all posted to: www.whcc2007.com/community (password: whcc20074a)
- 16 interviews filmed in the WHCC Press Studio in the Executive Networking Lounge. Sign up to be interviewed to share your views and thought leadership.
- 6 active bloggers are at the WHCC '07! Visit the blog for daily updates at: www.worldhealthcareblog.org
- Over 30 provider executives engage in a lively discussion during the Invitational Pay-for-Performance dinner, sponsored by BMG.