HOSPITAL ASSOCIATION OF SOUTHERN CALIFORNIA®

April 9, 2014

Briefs Focus

Comments Made at the HASC Annual Meeting, April 2-4, 2014

By Jim Barber
President/CEO
HASC

Have you seen anything like 2014 in your entire career?

Is health care reform passing you by or running you over?

Hospital leaders face ACA, Covered California, mergers and affiliations, physician alignment, new outpatient and retail providers, changing hospital utilization patterns, reduced payment from nearly all sources, and the pressure to transform their organizations in time to meet all these challenges.

A CEO said to me, "It's like we're in a tunnel and everyone's digging out in different directions."

But here's perhaps the biggest issue we face on the state and national level:

What if Obamacare fails? Then what would happen?

I doubt Obamacare will fail because of some last minute Hail Mary Republican miracle play. Even with a Republican Senate in November, we're clearly on the ACA bus through at least 2017.

In three or four years if Obamacare doesn't deliver on bending the cost curve, improving health, health delivery and quality, or doesn't meet the affordability expectations of the general public, I do not think we'll go back to pre-ACA business-as-usual.

I do not think the new entitlement to health coverage is going to be ripped away from millions of Americans.

Are we then on a slippery slope to single payer?

No, not for all America, but in a blue state like California, single payer could be the next step for health care reform. Unless you believe single payer is the way to go, we need to do everything in our power to make the ACA work!

You see, people don't look to the private sector to fix problems with entitlements. Entitlements are like civil rights and people look to big government to enforce civil rights. Health coverage, after decades of debate whether it's

a right or a privilege, has for all intents and purposes, become a right. This is a one-way street.

So ironically, and this is totally ironic, especially for Congressional Republicans (listen up!), Obamacare may actually be the best hope to preserve the multi-payer, pluralistic financing, private delivery, health care system.

Is that statement a shocker to you? Do you buy it at all? Maybe you do and maybe you don't, but we're pretty sure of a few things:

- Millions of Americans are getting coverage for the first time in their lives. As frustrating as it might have been to get coverage, you better believe they're going to like it better than being uninsured.
- Millions more are getting coverage that's more reliable and affordable.
- Millions apparently think coverage through the exchange was free. Obama said I get coverage so … what do you mean I have to pay a premium or a co-pay?
- Obamacare has created hope and a lot of confusion. We'll work through the implementation debacle, and then to the extent that coverage equates to access – and that is not always the case – but to the extent that it does, then millions of people, if they can get in to see a doctor, will enjoy better health and better health care.

And hospitals are supportive of that endgame! But to play a meaningful role, we have to change in the following seven ways.

1. We're going to embrace transparency. Yep, embrace public reporting of our performance, even if the report cards aren't perfect. We'll engage the report card producers, improve the metrics, and get standards that are appropriate and actually mean something.

But one thing's for sure: patients want a window into our hospitals. The "Father Knows Best" approach doesn't fly with a more sophisticated consumer.

2. We're going to post our quality and patient safety record in plain English. Plain English is not dopy smiley faces or frowny faces; we don't have to completely dumb down scores and symbols, but we can't report clinical mumbo jumbo or highfalutin statistics either.

We need to own this space! Quality and patient safety are our responsibility, always have been, and always will be.

3. Our prices will be simplified and available so people can compare. And that means the price a patient can expect to pay, not the rack rate.

We need to bury the charge master!

When a patient calls the hospital to get what they're going to pay out of pocket, they want a live person who takes their information and gives them a straight, all-inclusive answer – just like the outpatient surgery centers do.

Be your own secret shopper; see if your hospital can give you a total price to replace your hip.

4. Physician charges will be bundled with hospital charges. Patients don't want 10 separate provider bills for a single hospital stay. That means surgeons, pulmonologists, anesthesia, ED, radiology, pathology and all the other independent practitioners have to play ball. I get that they're independent, but patients don't.

5. Our patient care won't end at discharge. We're going to be health care providers, not just sick care providers. Our "brand" is sick care – the hospital is where you go in the back of an ambulance. The emergency department is the access point for most of our patients. That's going to change with responsibility for post-acute care, readmissions, compliance with discharge instructions and home care.

6. We'll assume more risk for population health, wellness and prevention. That requires physician alignment on a big scale and it requires payment reform. It doesn't mean we need to be health plans; it does mean we have to be integrated delivery systems.

And I understand that with physicians it's easier to negotiate the sharing of money than the sharing of power.

7. And finally, we're not going to be victims of health care reform. We're not going to become a commodity cog in the greater health care system. We're going to be champions of reform and leaders of change.

Some reforms are bad for hospitals. Not all change is good change. People say, “Change is good,” but it’s not always so.

Some reform problems are honest mistakes in policy or policy implementation. That’s fixable by well-intentioned people working together.

Some “reforms” are just plain malicious. The SEIU ballot initiatives are dangerous, deceptive and dishonest. It’s counterfeit reform and if a compromise solution cannot be reached, we are ready to defeat the SEIU initiatives at the ballot box.

Many hospitals will struggle. People in boardrooms and C-suites are worried, and with good reason. But I am convinced that worry will turn into action.

We will re-vision, re-organize and re-create hospitals to be integrated delivery networks, wellness advocates and population health systems. That is our future.

John Quincy Adams said: “If your actions inspire others to dream more, learn more, do more and become more, you are a leader.” That kind of leadership is the calling of each and every one of us who work in health care today.