



NEWS RELEASE

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Physicians Can Lead Health Care Reform Through Payment and Delivery System Reforms Linked to Guaranteed 1.5 Percent Annual Savings in Health Care Costs and Health Coverage for All

New York, NY, May 20, 2009 – Physicians can and should play a leading role in achieving health care reform by working towards comprehensive reform of the way health care is paid for and delivered, helping achieve a guaranteed 1.5 percent annual savings in health care costs that would pay for covering all Americans, according to a *New England Journal of Medicine* Perspective piece published online today.

In “Achieving Health Care Reform: How Physicians Can Help,” co-authors Elliott Fisher, M.D. M.P.H. professor at the Dartmouth Institute for Health Policy and Clinical Practice, Donald M. Berwick, M.D., M.P.P. president and CEO of the Institute for Healthcare Improvement, and Karen Davis, president of The Commonwealth Fund say that achieving savings that are sufficient to cover everyone is possible, and “need not impose a hardship on patients or providers.”

Slowing the growth of health care costs by 1.5 percentage points annually would allow spending – including total provider income – to rise from \$2.6 trillion in 2010 to \$4.3 trillion in 2020, while saving the health care system \$3.1 trillion of the estimated \$40 trillion the U.S. is projected to spend in that 11-year period.

The authors say that to achieve real reform, voluntary efforts to achieve savings may not be enough, and legislation may be needed that will allow the federal government to reduce updates in Medicare fees if the 1.5 percent annual savings target is exceeded. Further, the savings should be linked both to health insurance coverage for all and comprehensive reform of the health care delivery and payment systems.

The authors cite reforms physicians could champion to eliminate waste and avoidable complications, such as integrated systems of care, innovative payment models including shared savings, bundled payments, or global fees for primary, acute, or comprehensive care, and performance measures that promote care coordination.

“U.S. physicians are leaders in providing excellent medical care, and can also be leaders in the effort to achieve a U.S. health system that is also excellent,” said Commonwealth Fund President Karen Davis. “A high performing U.S. health system is what all

physicians and patients need and deserve for the future health and economic security of our nation.

The authors conclude that physicians can become our most credible and effective leaders of progress toward a new world of coordinated, sensible, outcome-oriented care in which they and their communities will be far better off. Defending the status quo is a bankrupt plan for the United States, and physicians have an opportunity to help us all see beyond it.

This is a clarion call to U.S. physicians to seize this once-in-a lifetime opportunity to achieve health care reform that deserves the name reform, said Dr. Elliott Fisher.

Physician leadership can be the key to ensuring success. Let's not miss this chance.

The Commonwealth Fund is a private foundation supporting independent research on a high performance health system.