

HEALTH CARE REFORM:

A Journey

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PRESIDENT'S MESSAGE

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President's Message

This year was a dramatic one for health care reform and, for several months around the Supreme Court's decision on the constitutionality of the Affordable Care Act, a time in which an unusually large number of Americans were closely following federal health policy. As we learned last summer, the Supreme Court ultimately upheld the law, enabling vital health care delivery and health insurance reforms to continue and an estimated 30 million Americans to gain health insurance coverage by the end of the decade.

It has been rewarding to see the United States finally on the path to joining all other major industrialized countries in ensuring near-universal health insurance coverage. This accomplishment is one that U.S. presidents have struggled to achieve over the past hundred years—and one that I've worked toward over the course of my entire career. Thanks to the health reform law, we as a nation will no longer have a health care system that allows so many Americans to suffer from treatable diseases because they cannot afford health care—or to lose their savings to pay for treatment.

This year has also served as a time to reflect on my 18 years as president of The Commonwealth Fund. As an economist with a background in both policy and academia, my overarching goal for The Commonwealth Fund has been to help improve U.S. health system performance by identifying and evaluating achievable solutions to systemic problems of access, quality, and efficiency, especially for the most vulnerable.

In many ways, the Affordable Care Act has been the fruition of work that The Commonwealth Fund and

others have conducted over the past 20 years. The law's principles were articulated a decade ago in such articles as "[A 2020 Vision for American Health Care](#)" (2000), which helped promote the concept of patient-centered primary care, and in "[Creating Consensus](#)" (2003) and "[A Shared Responsibility: U.S. Employers and the Provision of Health Insurance to Employees](#)" (2005), which outlined an approach to coverage expansion that included individual and employer mandates, a purchasing pool for affordable coverage, and public program expansions.

Today, a number of these principles and recommendations are beginning to realize their promise: There has already been substantial progress in the first two years of the Affordable Care Act's implementation. An estimated 6.6 million young adults gained coverage in 2011 through their parents' health insurance, thanks to the provision guaranteeing dependent coverage up to age 26. And, after 12 years of increases in the uninsured, the number of people without coverage dropped by 1.3 million in 2011. As of December 2012, 18 states and the District of Columbia have submitted applications to HHS to operate a state-run exchange in 2014, and six states are pursuing a state-federal partnership exchange. In addition, seven states and the District of Columbia have used new federal matching funds to expand eligibility for adults through their Medicaid programs, covering 600,000 people.

Nearly all states have taken legislative or regulatory steps to implement the law's early [insurance market reforms](#),



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including a ban on gender and age discrimination, and coverage of preventive care services without cost-sharing. Over the course of 2012, insurers either lowered their premiums or paid consumers and small businesses rebates amounting to more than \$1 billion under the law's requirement that they spend at least 80 to 85 percent of their premium revenues on medical costs, as opposed to administration and profits. And nearly 94,000 uninsured people with preexisting health conditions have gained coverage through state-based preexisting condition insurance plans.

In addition, the Centers for Medicare and Medicaid Services (CMS) is supporting many innovative health care delivery and payment initiatives to help identify what strategies work best to improve care and lower spending. There is evidence that such federal initiatives, and others in place in states and in the private sector, are already beginning to slow health care spending growth. Although the fact that health care spending grew at the slowest rate in 50 years in 2009 and 2010 is partly attributable to more people skipping care because of costs, we may also be witnessing the early impact of the spread of new models of health care delivery, improved quality and safety, health information technology, and preventive care.

It is gratifying for me to reflect upon the fact that The Commonwealth Fund has—over the past 18 years—contributed significantly to these achievements in a number of ways:

- providing timely policy analysis
- identifying promising models of coverage and health care delivery and encouraging innovation
- creating comparative analyses, including national and international comparisons
- fostering the international exchange of information
- training future leaders
- communicating effectively.

PROVIDING TIMELY ANALYSIS

The Commonwealth Fund Commission on a High Performance Health System, established in 2005, has shaped a guiding and unifying vision for the work of the Fund. The Commission, first chaired by the late James Mongan, M.D., the former president and CEO of Partners HealthCare, and now by David Blumenthal, M.D., the Fund's incoming president, includes experts and leaders representing every sector of health care, including federal and state policy, business, and academia. Its landmark reports, including *Bending the Curve: Options for Achieving Savings and Improving Value in U.S. Health Spending* (2007), *A High Performance Health System—An Ambitious Agenda for the Next President* (2007) and *The Path to a High Performance U.S. Health System: A 2020 Vision and the Policies to Pave the Way* (2009) substantially informed the debate leading up to enactment of the Affordable Care Act.

The predecessor to the Commission was the Task Force on the Future of Health Insurance, created in 1999 and chaired by Dr. Mongan. That body identified strategies for expanding and improving coverage for America's working families and informed Massachusetts' groundbreaking health reform plan. Task Force members included Kathleen Sebelius, current Secretary of the U.S. Department of Health and Human Services.

The Commonwealth Fund has since become known for measuring progress on issues related to health insurance coverage and access to care. We began the National Survey of Health Insurance in 1997, which later evolved into the Biennial Health Insurance Survey—an ongoing source of information on coverage trends, including high rates of uninsured young adults. In a 2004 report, we proposed extending the age for dependent coverage to address this problem; the idea was later realized in the Affordable Care Act.

The Biennial Health Insurance Survey also helped us identify the growing problem of “underinsurance,” which arises when people cannot afford their out-of-

pocket medical costs despite having health insurance. Last fall, Commonwealth Fund researchers found that the number of underinsured adults rose by 80 percent between 2003 and 2010, from 16 million to 29 million. The essential benefits provision in the Affordable Care Act will help reverse this trend over the coming decade.

Today, in addition to the Fund's new Health Insurance Tracking Surveys, which will help gauge the impact of the health reform law, the Affordable Health Insurance Program provides timely analyses on implementation of the law's coverage provisions, such as the state health insurance exchanges that will serve as marketplaces where individuals and small businesses can buy private coverage.

The Program on Medicare's Future (1997–2008) likewise provided analysis that informed the development of the Medicare Part D prescription drug benefit, helped flag the overpayments to private Medicare Advantage plans that were eliminated under the Affordable Care Act, and demonstrated the need for care coordination within Medicare and the health system at large.

The Fund has also been a pioneer in payment reform, supporting early work on what is now known as bundled payment; funding evaluations of pay-for-performance programs and other payment innovations; and, more recently, looking at shared savings programs. The Payment and System Reform program has also provided guidance to the new Center for Medicare and Medicaid Innovation.

HIGHLIGHTING INNOVATION

In 2000, The Commonwealth Fund created the first foundation-sponsored health care quality program. The program has supported important research on the causes and shortcomings in health care delivery, while highlighting innovative interventions to reduce hospital readmissions, enhancement of health care information technology infrastructure, and patient safety. The

program is also contributing to our understanding of the collaborative care models known as accountable care organizations, by identifying trends and keys to success.

Commonwealth Fund–supported analysis of the program's [State Action on Avoidable Rehospitalizations \(STAAR\)](#) shows that the initiative has led to statistically significant reductions in hospital readmissions within 30 days of discharge. A national survey of hospitals suggests that those participating in the STAAR program are more likely to have adopted interventions like enhanced assessments of patients before they leave the hospital, enriched patient education, and better contact with postacute care providers prior to discharge.

The Patient-Centered Primary Care program, launched in 2005, is largely dedicated to another promising model of care: the patient-centered medical home. This program is helping primary care practices around the country transform into medical homes, which provide around-the-clock access to coordinated care that meets patients' needs. [Preliminary results](#) from medical home studies suggest a 21 percent decrease in hospitalization and 31 percent decrease in emergency department use, leading to reduced health care expenditures per capita.

Other programs have focused on specific populations in need. The Fund's Program on Vulnerable Populations aims to improve care and identify models of care that meet the special needs of low-income, uninsured, and otherwise disadvantaged groups, as well as methods of assisting safety-net providers in becoming high-performing health systems.

Building on the foundation's long history in child health, the Program on Child Development and Preventive Care, which ran from 2001 to 2009, helped promote the healthy development of young children by encouraging routine developmental and behavioral screening of young children and screening for parental depression. The program also worked to coordinate pediatric practices with community services and specialized care.

In addition to strengthening primary and well-child care, The Commonwealth Fund has focused on improving the quality of long-term care services and supports. The Fund's Long-Term Care Quality Improvement program has been instrumental in the drive to transform nursing homes into resident-centered organizations that provide high-quality services. Advancing Excellence in America's Nursing Homes, a national campaign for which the Fund provides leadership, involves more than half of U.S. nursing homes in efforts to make them better places for residents and their caregivers.

CREATING COMPARATIVE ANALYSES

In an effort to help states and local areas achieve “the best,” the Fund has published a series of comprehensive scorecards that track measures of health system performance at the national, state, and local levels. We have created online comparative databases for commonwealthfund.org with some of these data to help generate the will and capacity to improve performance. Variation in care at the state, county, and hospital referral region or hospital levels can also be tracked on The Commonwealth Fund's robust quality improvement Web site for health professionals, www.WhyNotTheBest.org. The site offers custom performance reports and interactive maps.

Since 1998, the International Program in Health Policy and Innovation has conducted annual international surveys, which have brought international performance comparisons with other industrialized countries to bear on the U.S. health reform debate. The influential report *Mirror, Mirror on the Wall: How the Performance of the U.S. Health Care System Compares Internationally*, which draws on the survey findings and the National Scorecard on U.S. Health System Performance, helped establish that the United States underperforms on the major dimensions of health care performance—quality, access, efficiency, equity, and healthy lives, despite spending twice what other countries spend per

capita on health care. These data were instrumental in making the case for health reform.

FOSTERING INTERNATIONAL COMPARISONS

By conducting its annual international health policy survey, establishing international partnerships, and hosting international forums for health ministers and their staff, the International Health Policy and Innovation program promotes cross-national learning on a number of levels. Learning about other countries' approaches to attaining a high performance health care system is of particular benefit to the United States, given the nation's relatively low return on its health care investment.

FUTURE LEADERS

Another goal of The Commonwealth Fund has been to promote future health care leaders. In 1997, the Fund launched what is now the Mongan Commonwealth Fund Fellowship Program in Minority Health Policy, based at Harvard Medical School, in an effort to prepare the next generation of minority physician leaders. And the Fund's international Harkness Fellowships, which date back to 1925, were refocused in 1996 to align with the Fund's emphasis on health care policy. Today, under the guidance of the International Health Policy and Innovation program, the fellowship enables policy researchers and practitioners in nine countries to spend up to 12 months in the United States conducting a health policy-oriented research study. The Picker/Commonwealth Fund Scholars program, which operated from 1991 to 1999, helped propel the patient-centered care movement.

EFFECTIVE COMMUNICATION

The publishing process has changed dramatically in the past 18 years, and The Commonwealth Fund's communications department swiftly adapted. Our approach to publication and dissemination went completely online during my tenure, and our subscribed

audience—thanks to our social media presence—has risen to nearly 40,000. We produce more than 100 publications annually, as well as an active blog, several successful online newsletters, and a podcast and video series.

NEXT STEPS

As the Affordable Care Act moves toward full implementation, we at The Commonwealth Fund will continue to provide needed analysis of the process and drive forward innovations in payment and delivery. It has been a great source of professional fulfillment to lead the Fund over this historic period in American health care.

In every organization, however, there comes a time for new leadership with new ideas. I look forward to returning to the Johns Hopkins Bloomberg School of Public Health and working on critical issues around Medicare and integrated care. It has been a privilege to lead work that is so important to ensuring that every American receives the best possible care and the opportunity to have a healthy, productive life.

