



COMMISSION ON A HIGH PERFORMANCE HEALTH SYSTEM

Keeping Both Eyes on the Prize: Expanding Coverage and Changing the Way We Pay for Care Are Essential to Make Health Reform Work for Families and Businesses

Statement from The Commonwealth Fund Commission on a High Performance Health System

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Families and businesses have a lot at stake in the current national health reform debate. If Congress fails to act, we will continue to have poor health system performance, eroding insurance coverage, and ever-rising expenditures that eat into family wages and savings, and drive up costs for businesses.

In earlier reports, published over the past several years, the Commonwealth Fund Commission on a High Performance Health System has called for a comprehensive, integrated approach to health system reform, with the recognition that multiple changes are needed to help the U.S. achieve affordable access to care for all, higher quality, and slower growth in costs. In particular, the Commission has recommended five broad strategies that should underlie comprehensive reform: 1) extending comprehensive, affordable, and seamless insurance coverage to all; 2) aligning incentives to reward high-quality, efficient care; 3) organizing the health system to achieve accountable, coordinated care;

4) investing in public reporting, evidence-based medicine, and the infrastructure necessary to deliver the best care; and 5) developing a leadership structure that can set aims for health system performance and priorities for improvement and monitor performance.

We are encouraged that, to a large extent, the debate in Congress has recognized the importance of these issues.

While most Americans, like those in other developed countries, would agree that covering the uninsured is an ethical imperative to assure that all receive the care they need in the event of illness or injury, many also fear that the cost of extending insurance coverage to all is too high, especially during a period of economic uncertainty. But extending coverage to all is actually the economic cornerstone of health care delivery reform. If done right, covering the uninsured can be key to aggressive health care cost

containment by making it possible to change the way we pay for care and limit spending growth, without concerns of excluding the most vulnerable from needed care or undermining essential hospitals and physicians.

Investments to enhance coverage may seem very large, but should be taken in the context of the roughly \$35 trillion that we will spend on health care over the next decade. If the investment can improve the efficiency of the system, returns could more than offset federal investment.

How does that happen? In addition to coverage expansions, which have garnered most of the attention during the current debate, reform provisions should address cost and quality. Payment and system reform lays the foundation for assuring that the dollars we spend on health care are well spent and lead to more effective, efficient, and coordinated health care.

The key elements of these strategies are:

- An insurance exchange that provides transparent choices of health plans, including private plans and any public plans or consumer cooperative plans offered.
- Market rules and oversight of insurance companies to limit premium increases and reduce insurance overhead.
- Payment innovations that reward better outcomes and better coordinated care, and replace

current incentives that encourages waste, duplication, and fragmentation of care. These payment innovations include:

- » Creating a Payment Innovation Center that will facilitate rapid adoption of new methods of paying that will reward results while slowing cost growth.
- » Paying for better, patient-centered primary care with an emphasis on coordination and prevention (medical homes); holding providers accountable for outcomes (accountable care organizations that take responsibility for excellent, indeed improved, outcomes); and bundled payments that also encourage coordinated care.
- » Assuring the prices we pay for care are aligned with value and are not excessive.

We know from real-world experiences within the United States that it is possible to achieve much higher quality care, with much better results for patients, at lower costs when providers innovate and eliminate waste.

To stimulate such efforts nationally, we must take the first steps in coverage and payment reform now. This is a unique opportunity. Reforms enacted now can provide a foundation to elaborate and refine as we gain experience. If done right, upcoming health reform legislation can reverse the negative trends in U.S. health system performance and provide a more secure future for U.S. families and businesses.

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