

# States Are Moving on Health Care Reform

*In the absence of a national plan, some states are tackling comprehensive coverage of the uninsured.*

BY JOEL B. FINKELSTEIN  
Contributing Writer

WASHINGTON — What was a trend is looking more like a wave as an increasing number of states, no longer content to wait on the seemingly glacial pace of national politics, are seeking their own comprehensive solutions to the growing ranks of the uninsured, state health care reformers said at a conference sponsored by AcademyHealth.

"Can state innovations work on a national problem? It's somewhat of a rhetorical question. There's a growing sense of insecurity among our people that more and more of our citizens ... are losing access to affordable health care. It's becoming more like a lottery with more losers," said Jim Leddy, a former Vermont senator who helped ferry through a sweeping health care reform law in that state.

States are coming to realize that the uninsured are a shared problem, said Kim Belshe, secretary of California's Health and Human Services Agency.

"We've seen in California that when we can draw a connection between a problem that affects a minority of people, relatively speaking, and how it relates to the broader California, that it creates a policy environment where we have a greater potential to affect meaningful reform," she said.

In California, this meant demonstrating that the uninsured were having a significant impact on others in the community such as uncompensated care, leading to higher health insurance premiums, overuse of emergency departments leading to closures, and high rates of uncontrolled chronic disease leading to lost productivity, she said.

Although states are taking this problem on themselves, they have, so far, shied away from single-payer approaches. Instead they are building on public programs, including the Medicaid and State Children's Health Insurance Program, which together provide states with substantial, if still insufficient, federal funds.

If the states are to serve as laboratories for reform they will need to be empowered, not abandoned by the federal government, said Mr. Leddy.

"For too long, the laboratories have been bankrupt in terms of ability of states to address problems of their citizens because we fundamentally have not had the support of our national government."

Some state reform plans also include provisions to enable and even encourage companies to continue providing coverage for their workers.

"The erosion of employer-sponsored insurance plans must not be allowed to become a collapse.

Whether we agree philosophically with it, we simply cannot afford a collapse of what is the foundation for what we have now," Mr. Leddy said.

Beyond expanded access, state health care reformers are focusing on prevention and wellness.

"We not only have to treat chronic conditions better, we also have to have strategies that deal with the incidence and the prevalence of these conditions, in particular diabetes and obesity," said Mr. Leddy.

Personal responsibility has to be an important component of that equation, but that should not be interpreted as a code word for social Darwinism, or survival of the healthiest, wealthiest, and luckiest, he said.

While there remains a lot of variability between states and their ability to undertake such broad reforms, an increasing number are turning to the examples set by Vermont, California, and a dozen other states in the process of passing reform measures, not only for the lessons they hold, but also for the encouragement they provide, experts said.

"A lot of people feel if California as a state can make meaningful inroads in terms of our coverage and cost challenges, then that offers some hope and promise for other states, just given the size and the magnitude of our challenges," Ms. Belshe said. ■

# Consumer-Friendly Health Care Delivery May Be Next Big Change

BY JOEL B. FINKELSTEIN  
Contributing Writer

WASHINGTON — The advent of health savings accounts and consumer-directed health plans has inspired entrepreneurs and academicians to design innovative delivery systems that cater to patient demand, experts said at a conference on technology and health care innovation.

"The next big change in health care will be patients managing their own care," said John Goodman, Ph.D., president of the National Center for Policy Analysis. "Last year 95 million people got on the Internet to research their health problems. They didn't always get the best information. They didn't always get accurate information, but they were out there searching for answers."

Patients are already turning to online services for consultations, discounted drugs, simple blood tests, and even home strep tests, said Dr. Goodman. Increasingly, patients will also demand market-based bundling and pricing of health care services.

"Most of the entrepreneurs out there in this market are people who have stepped outside the third-party payment system," he said.

One of those entrepreneurs is Michael Howe, chief executive officer of MinuteClinic, which offers "retail health care" through more than 100 sites in 15 states. Chain drug store giant CVS Corp. bought MinuteClinic earlier this year, and many of the health care centers are located in CVS/pharmacy stores.

The health care centers are staffed by nurse practitioners and physician assistants trained to deal with a limited number of conditions including routine infectious diseases and to administer common vaccinations.

The clinics have done for health care what automatic teller machines did for banking, said Mr. Howe.

"You wouldn't go to an ATM for a small business loan, and you wouldn't go

to a MinuteClinic to reset a femur."

For that reason, each location maintains a relationship with physicians' practices where they can refer patients whose needs are beyond the scope of the clinic's providers. The company is also working to ensure that patients' records can be transmitted to physicians' offices, he said.

The clinics use technology such as electronic health records, best-practice protocols, and quality monitoring to keep costs down, said Mr. Howe.

"On average, [our costs are] about 50% of what it cost at a primary care physician office, about 40% of urgent care, and significantly less than an ER," he said. Patients also save time by coming to the walk-in clinics rather than waiting hours for medical attention somewhere else.

And private companies are not the only innovators making health care more consumer friendly.

At the Arizona Telemedicine Program's UltraClinic, if a woman has a positive result on her mammogram, she can undergo a core biopsy, have a pathologist read the slides, and receive an oncology consult all within 4 hours of walking in the door rather than the 4 weeks it can take to go through this process, said the program's Dr. Ronald Weinstein.

This approach saves a lot of suffering, he said. "Eighty percent of the problems I have to deal with, as the head of a large laboratory, is women waiting for their pathology results on their breast lesions."

The program is possible only because of the availability of telemedicine technology allowing consultation between physicians at different hospitals and the development of an ultrarapid virtual slide scanner that allows a pathologist to assess the biopsy within minutes of the procedure.

"We were motivated because of the fact that consumer-driven health care is an emerging area, and that is essential to supporting these kinds of bundled services," he said. ■

**At one clinic, if a woman has a positive mammogram, she can have a core biopsy, a pathologist read the slides, and an oncology consult all within 4 hours.**

## New Obesity Society Targets Policy

SAN DIEGO — The recent merger of two obesity associations to create the Obesity Society is expected to consolidate efforts to influence government programs and funding for the obesity epidemic, Richard M. Downey, J.D., said at a symposium on obesity sponsored by the American Society of Bariatric Physicians.

Mr. Downey is a staff member for the North American Association for the Study of Obesity, which has been renamed the Obesity Society.

In December 2006, the organization completed a merger with the American

Obesity Association, where he previously served as executive director.

The new Obesity Society will push for creation of a National Institute of Obesity Research, he said.

The Obesity Society is likely to demand better evaluation of obesity prevention programs, Mr. Downey said. The lack of coordination and evaluation of programs to prevent childhood obesity makes it difficult to learn from experience and replicate successes, a recent Institute of Medicine report suggested.

—Sherry Boschert

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