



## Healthcare 19.1

“National health insurance for all!”

- President Theodore Roosevelt, 1912

In 1912, nearly 100 years ago, President Theodore Roosevelt began an ambitious mission while running for President under the Progressive Party when he promised that along with “*woman’s suffrage*” (19<sup>th</sup> Amendment, August 19, 1920) and “*safe conditions for industrial workers*” (OSHA – August 9, 1969), there would be “*national health insurance for all.*”

Since then, nearly every American President has made healthcare a “national priority” regardless of whether they were Republican or Democrat, liberal or conservative, from the east coast, west coast or the heartland. Theodore D. Roosevelt, Dwight D. Eisenhower, Lyndon Johnson, Richard Nixon, Bill Clinton and George W. Bush have been among the most influential presidents throughout the evolution of the healthcare industry. While hailing from varying backgrounds, age, beliefs and political affiliations, each has been unified through their approach to throw more money and/or regulation at the problems facing the industry.

Simply stated, during the last 20 years healthcare has grown from just short of \$1 trillion to \$2.7 trillion USD annually and has nearly doubled as a percentage of GDP as the largest industry in the U.S. (and the world’s annual healthcare is at \$4.7 trillion). **More money is clearly not the solution!** We waste more dollars in healthcare in the form of fraud, abuse, legally defensive medicine, duplications, incompetence and administration than the United Kingdom spends on their entire healthcare industry.

The idea that healthcare will be regulated into submission won’t work either. Statistics show that the US has over 950,000+ physicians, 5,000+ hospitals, 2,000+ insurance companies and great numbers of self-insured companies, all of which are highly regulated by federal and state law.

Today, 19 presidents after President Theodore Roosevelt, we have President Obama’s “Affordable Health Care for America Act”<sup>1</sup> a nearly 2,000 page perceived transformation of healthcare that is the “law of the land” and will require electronic changes in all segments of healthcare. Estimated to cost a trillion USD over the next decade, it includes individual and employer mandates, as well as price controls on pharmaceuticals, hospitals and insurance companies. Additionally, the substantial state mandates are now being opposed by over 26 States’ Attorney Generals at current count.

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<sup>1</sup> [http://docs.house.gov/rules/health/111\\_ahcaa.pdf](http://docs.house.gov/rules/health/111_ahcaa.pdf)

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With the serious legal challenges led by Florida and a plurality of states now apparently heading to the US Supreme Court, the best case for administration is a partnership of the law where parts of the law stand and other parts are overturned. It is possible that the entire law will be overturned; however, should the Court allow the law to stand in its entirety the regulation may be taken apart piece by piece, as has been publically professed by the Republican leadership.

If we are not methodical and deliberate in our approach and follow clearly stated objectives, we will realize the same results as the last 100 years - higher spending combined with lower quality patient care. Armed with the experiences of our past, we must break out of this failed paradigm and transform the system. From Teddy Roosevelt to Barack Obama, 19 presidents have tried, we now have to succeed – thus, Healthcare 19.1.

How do we apply this 19.1 call to change for healthcare – we must envision healthcare delivery at lower cost across the board and still achieve improved access to quality healthcare while continuing to raise the standard of quality and wellness. As a nation, we have transformed many industries and do not need to look far for examples of proven processes and technology game-changers to help achieve true healthcare reform.

President John F. Kennedy addressed Congress on May 25, 1961 stating, *“I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to the earth.”* He did three crucial things when assigning this goal to the nation:

- He set clear and tangible objectives;
- He set a realistic timeframe of nine years; and
- He challenged U.S. industry to get it done.

I think few would argue that those nine years brought unprecedented innovation in technology that we cannot live without today.

Healthcare can follow suit. First we identify our objectives. For example – eliminate the uninsured, reduce obesity, reduce the growth rate of healthcare costs to Consumer Price Index (CPI) + 2%, eliminate some forms of cancer and/or lead the world in life expectancy and low infant mortality – all within the next 10 years. These are all attainable.

As in the plan to go to the moon, we did not set out to build one rocket, one crew and one mission. We did not spend years working on theory to then launch it in an all or nothing attempt to fulfill the vision of President Kennedy. No! What did we do? We started with modifying ballistic missiles to carry payloads into space. We experimented until we sent a chimpanzee to space and brought him back safely. We then sent Alan Sheppard “one time” around the earth and brought him back safely. We embarked on the Mercury, Gemini and finally the Apollo missions, all consisting of incremental and progressive steps. It should be noted that the only thing the Apollo 10 mission achieved was to go to the moon, circle it and come back. It was only after a long list of missions that Neil Armstrong set his boots on the surface of the moon from the Apollo 11 space mission.

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We can apply that same methodical approach to healthcare. First set out a national agenda and divide the problems into a number of smaller, more feasible projects. During the first phase we should address how healthcare insurance is sold and provided.

Today, excluding Medicare and self-insured employer plans (under ERISA), healthcare is regulated for by state legislators and the State Department of Insurance, who create laws and special state mandates (Florida has over 30 such regulators). Each state regulates who and how a “national insurance company” such as Aetna, Humana, United Healthcare, Cigna, Wellcare and WellPoint (the nation’s largest for profit insurance company) does business in their state.

The banking industry found balance between state and federal interests, where we have both state chartered & regulated banks and the nationally chartered banks which are regulated by the Comptroller of the Currency and other national regulators. This system allows a bank such as Bank of America to deal with one main regulator. Keeping state regulation for intrastate insurance companies and creating a national insurance regulator would allow insurance companies that meet certain conditions to be regulated by that federal agency. This system would also allow the ability to offer national policies exempt from state mandates. In exchange, the insurance companies agree to community ratings and to eliminate denial of insurance due to pre-existing conditions. Lower administrative costs for insurance companies and more competition would quickly be realized.

Previous findings by the U.S. Justice Department must be followed-up. States that require a Certificate of Need (CON) to build or expand major healthcare facilities are anti-competitive, and at least in principal, violate the spirit and intent of antitrust law. This practice creates virtual geographic monopolies for hospitals, to select one example. This will allow a free market to develop, versus the highly regulated market we have today. Most Americans, except in densely populated metropolitan areas, do not have more than one or two choices as to which hospital they will go to in the event of an emergency. Many might argue that healthcare is a free market, yet my experiences have proven that most of healthcare is highly regulated.

It should be noted that each proposal mentioned thus far is administrative and completely within the control of Congress and the President and allow for a more open system.

Technology has been the forefront of our future in most industries for decades; applying it to healthcare management should be no different. Technology should be the "Sputnik" moment to catapult healthcare and healthcare management to the 21st century and beyond.

America prides itself as having the best medical care in the world, yet statistics demonstrate otherwise. As the most technologically advanced Nation, America should take the lead in providing both the most advanced healthcare in the world, as well as one that is affordable and accessible to all, therefore improving morbidity, mortality and increase quality of life.

*Noel J. Guillama*

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