Health Policy Newsletter

Volume 17 Number 3 **September, 2004** **Article 10**

Department of Health Policy Update And Highlights of Special Events

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Suggested Citation:
Reisman M. Department of Health Policy update and highlights of special events. Health Policy Newsletter 2004; 17(3): Article 10. Retrieved [date] from http://jdc.jefferson.edu/hpn/vol17/iss3/10.

Department of Health Policy Update and Highlights of Special Events

It has been an exceptional year for Jefferson Medical College's (JMC) Department of Health Policy. In December 2003, the Office of Health Policy was elevated to the status of a full academic department within the medical school. Concurrently, David B. Nash, MD, MBA, who founded the original Office of Health Policy in 1990, was named the Dr. Raymond C. and Doris N. Grandon Chair of the new department. A white coat procession of JMC chairs was held this spring in honor of his investiture. This year, Dr. Nash was also appointed co-director of Jefferson's new Master of Science in Public Health program, along with Richard C. Wender, MD, of the Department of Family Medicine.

As the Department of Health Policy grows, it continues to provide venues for discussion of important and timely health policy issues. This past spring and summer, the Department hosted the 13th Annual Grandon Lecture, the 4th Annual Disease Management Colloquium, and the 10th Annual Summer Seminar. Following are highlights from these events.

Aetna Chief Delivers Grandon Lecture

On May 6th, John W. Rowe, MD, Chairman and CEO of Aetna, Inc., the nation's largest health insurer, presented the 13thAnnual Raymond C. Grandon Lecture at Thomas Jefferson University. His talk was entitled "Health Care Costs: Why Are They Rising?"

Health care costs continue to increase at double-digit rates. Dr. Rowe pointed to hospital services as the leading driver of rising costs, accounting for more than half of the overall spending increase. Employers are shifting more and more of these costs to workers, primarily through higher deductibles and higher prescription drug co-payments.

Dr. Rowe examined several emerging strategies among government and employers to improve health care purchasing and control spiraling costs. Last year, the Bush Administration signed into law the Medicare Prescription Drug, Improvement and Modernization Act, the biggest overhaul of Medicare in its 38-year history. According to Dr. Rowe, one of the most significant changes in this new legislation is a provision establishing Health Savings Accounts (HSAs), tax-free accounts designed to help employees save and pay for health care expenses.

Employers meanwhile are demanding better quality of care through organizations such as The Leapfrog Group, a national coalition of health care purchasers dedicated to promoting improvements in patient safety. In addition, they are beginning to give their employees increased responsibility in health care decisions and financing. More employers are now offering consumer-driven health plans, where workers manage their own health care benefits and spending. These plans are proving to have a significant impact on quality and cost, said Dr. Rowe. A recent study shows members of Aetna's consumer-driven plan HealthFund are helping to drive down health care and pharmaceutical costs by seeking increased preventive care and taking greater advantage of health care tools and information.

Following Dr. Rowe's talk, a reactor panel provided a broad range of perspectives on the topic of rising health care costs, addressing such issues as tort reform and its effect on the marketplace, the increasing demands of aging baby boomers, the impact of new pharmaceuticals on health expenditures, and patient decision-making in underprivileged populations. The panel included, from Thomas Jefferson University Hospital, Neil Lubarsky, Senior Vice President, and Jay Sial, Vice President, Managed Care Contracting and Financial Planning, and Chief Operating Officer, JeffCARE, Inc; from Thomas Jefferson University, George Valko, MD, Medical Director, Department of Family Medicine, and Michael Vergare, MD, Chairman, Department of Psychiatry and Human Behavior; and Barry Freedman, President and CEO, Albert Einstein Health Care Network.

The Grandon lecture series is funded through a gift by Raymond C. Grandon, MD (JMC '45). A renowned internist with a special interest in cardiovascular care, Dr. Grandon was a clinical investigator of cardio-active drugs and helped to coordinate the nation's first commercially successful cardiac rehabilitation program. Dr. Grandon is former president of the Pennsylvania Medical Society and has served the state of Pennsylvania and the nation's medical community in a variety of advisory and regulatory capacities over the course of his long career. Currently, Dr. Grandon is president of the Central Pennsylvania Chapter of the Jefferson Medical College Alumni Association and a member of the Department of Health Policy Advisory Board.

4th Annual Disease Management Colloquium Held on Jefferson Campus

Over two hundred health care professionals gathered on the Jefferson campus this summer to attend the 4th Annual Disease Management Colloquium. The June 27-30 event examined the role that disease management (DM) plays in Medicare and Medicaid, healthcare cost efficiency, quality and medical errors reduction.

The conference featured talks by over 30 leading experts in this rapidly growing field. In an opening presentation, Dr. David Nash, Chair of the Department of Health Policy, set the stage with his discussion of "The Emerging Role of Disease Management as a Major Driver in a Reformed 21st Century Health System." Dr. Nash presented recent case studies of DM efforts, outlined strategies for successfully managing chronic illnesses, and described the cultural challenges facing DM programs, such as physicians' reluctance to adopt an evidence-based approach to their practice of medicine. Aetna Chief Delivers Grandon Lecture 4th Annual Disease Management Colloquium Held on Jefferson Campus

According to speaker Paul Keckley, PhD, most providers do not practice evidence-based medicine (EBM), resulting in deficiencies in preventive and chronic care and other serious quality gaps in the health care system. In his presentation on "Incorporating Evidence-Based Medicine into Disease Management Programs," Keckley, Senior Fellow, Vanderbilt Center for Better Health, and Founder and Senior Advisor, EBM Solutions, discussed the implications of EBM for disease management providers. Looking ahead, he described an evidence-based care management model of the future that includes incentives for collaborative care, better use of information technology, and more engaged consumers.

A number of speakers addressed the benefits of DM in Medicaid and Medicare programs. Stuart Guterman, PhD, Director, Office of Research, Development and Information, Centers for Medicare and Medicaid Services (CMS), described several CMS demonstration projects underway designed to explore new ways of providing DM services to Medicare

beneficiaries. One contributing factor to the success of any DM program, he said, is the implementation of a sophisticated data system to better monitor and manage the care of patients. In another presentation, a panel of experts discussed efforts to incorporate DM services into state Medicaid programs. Louis Rossiter, PhD, Senior Research Fellow, The College of William and Mary, examined innovative state-run DM programs around the country, which, he said, have the potential to redefine the standard of care in Medicaid.

One of the highlights of the Colloquium was a CEO panel discussion featuring executives from American Healthways, Health Dialog, CorSolutions, and other leading providers of disease and care management services. Panelists discussed the challenges of implementing disease management programs and strategies for success. All agreed that technology will continue to be a significant component in disease management and emphasized the importance of providing physicians and other providers with technological support to better manage clinical information about their patients and contain the costs of health care.

Summer Seminar: The Medicare Modernization Act

On December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act was signed into law. Now known as the Medicare Modernization Act (MMA), this landmark legislation includes significant changes to the Medicare program, including the addition of a prescription drug benefit for millions of older and disabled Americans. In an effort to answer the many questions surrounding these changes, the Department of Health Policy invited five prominent experts on the topic, representing the major stakeholders, to speak at the 10th Annual Summer Seminar, held July 16th at the Hotel Sofitel in Philadelphia.

Larry Goldberg, Director of Washington National Affairs Health Care for Deloitte & Touche LLP, opened the seminar with an overview of the MMA. He examined key elements of the bill, including a new Medicare Part D drug benefit for outpatient prescription drug coverage to begin January 1, 2006, and the prescription drug discount card, which became effective this past June.

Given the rising drug prices, these discounts may not be enough, according to speaker John Rother, Director, Legislation and Public Policy, AARP. Rother questioned the overall value of the drug benefit for consumers, especially older individuals, who are having an increasingly difficult time affording medications. The AARP supported the MMA because it does help low-income Medicare beneficiaries; however, Rother said, it is critical to start an effort to get prescription drug costs under control.

Providing a political backdrop to the MMA, Charles Kahn, President of the Federation of the American Hospitals, said that while the new legislation has had a rocky start, it has been wrongly aligned. Kahn, a nationally known health policy expert with many years of experience on Capitol Hill, described the MMA as a "political pawn in a world of perpetual attack." Despite the Democrats' criticism of the MMA, said Kahn, it is an extremely important expansion of the Medicare program, one that provides beneficiaries with long-needed prescription drug coverage and better enables America's hospitals to provide quality care to seniors.

Speaker David Shulke, Executive Vice President of the American Health Quality Association, examined several of the quality provisions contained in the MMA, including the electronic prescription program, submission of hospital quality data, and quality

improvement organizations (QIOs), a network of private organizations that work with consumers, physicians, hospitals, and other caregivers to refine care delivery systems. Under the new Medicare legislation, he said, the work of QIOs will expand to include such efforts as the prevention of surgical complications and improvement in ambulatory drug therapy.

In the final presentation, Richard Smith, Vice President, Policy and Research, PhRMA, provided the pharmaceutical industry's perspective of the Medicare Modernization Act by first addressing the debate over rising drug costs. According to Smith, prescription drug prices have increased at about the same rate as other health care services since the Medicare bill was signed into law. Defending the discount drug card, Smith said the focus now should not be on controlling drug costs, but on providing Medicare beneficiaries with affordable access to the newest and most effective medications.

Following the presentations, a panel of representatives from the pharmaceutical industry responded to the talks and discussed related issues, such as the importance of designing quality initiatives that demonstrate the effectiveness of specific drugs and the need to develop tools to measure health outcomes of Medicare beneficiaries.

For more information on these events, as well as upcoming Department activities, please call 215-955-6969, or visit www.jefferson.edu/dhp.

About the Author

Miriam Reisman is the Managing Editor of the Health Policy Newsletter for the Department of Health Policy at Thomas Jefferson University.