

Wisconsin Technology Network

wistechnology.com

Healthcare reform and cost: It's déjà vu all over again

By Barry Chaiken • 11/30/07 • © WTN Media. For personal use only. No mass duplication or distribution.



In 1980, Stanford University Business School professor Alain Enthoven authored a book titled "[Health Plan: The Only Practical Solution to the Soaring Cost of Medical Care](#)." On the first page of his book, he wrote about the strain healthcare costs were putting on federal, state, and local governments. He then addressed the private sector, particularly the automobile industry, where soaring health insurance costs were a difficult burden on employers.

According to Enthoven, healthcare costs made up 6.2 percent of GDP in 1965 and ballooned to 9.1 percent in 1978. Today, healthcare costs eat up over 16 percent of GDP. In the 27 years since Dr. Enthoven published his book the United States has seen little progress in controlling healthcare expenditures.

Looking back over the last two decades, we see numerous efforts to restrain costs. In the 1980s, managed care and managed competition became the flavors of the month. In the 1990s, disease management came in vogue. In this new millennium, healthcare information technology is being touted to save us from this never-ending crisis.

How to get well

On November 25, the [New York Times](#) devoted all of its editorial column inches to addressing the high cost of healthcare. In it the editorial board reviewed the causes of our spiraling costs while offering some potential solutions. The editorial concluded with these sobering words:

"By now it should be clear that there is no silver bullet to restrain soaring healthcare costs. A wide range of contributing factors needs to be tackled simultaneously, with no guarantee they will have a substantial impact any time soon. In many cases we do not have enough solid information to know how to cut costs without impairing quality. So we need to get cracking on a range of solutions."

When we compare the various chapters and sub-chapters of Dr. Enthoven's book to the sub-headlines found in this recent New York Times editorial, we are struck by the overlap. It seems that in almost three decades we have made little if any progress. The causes are the same, the proposed solutions are the same, and our success has been nil.

Although our healthcare system struggles with access, covering the uninsured, and medical errors, generally Americans receive pretty good healthcare, especially when their illness is not routine. Unfortunately, the resources currently required to provide that level care are beginning to impact our standard of living and competitiveness in the world.

No silver bullet

So, what are our next steps? If we continue to approach the problem the same way, looking for some silver bullet, we can only expect the same outcome. Therefore, it is time for us to try something new.

A comprehensive approach to healthcare reform is necessary. Everyone, including physicians, nurses, patients, administrators, and insurers must work together to form the solution. Continuing to approach illness and deliver care the same way that we have been doing for decades is sure folly.

Physicians and nurses must begin to see their responsibilities in a different light and begin to do their tasks differently. Administrators and insurers must assist and incent them. Patients must take responsibility for their care and work to prevent illness rather than wait passively for resource-intense medical miracles to fix them.

Therapies need to be driven by science and rational thinking rather than habit and personal preference.

Healthcare information technology can provide some critical tools to achieve this necessary change, but those working within the healthcare system must employ these tools in different workflows and processes. Utilizing the tools to "automate" existing processes only works to continue delivering unacceptable outcomes.

True change

If we want to truly address our problem of spiraling healthcare costs, it is time to get to work fostering the change management necessary to reform our healthcare system for the better. Otherwise, we will read Dr. Enthoven's book a decade hence and realize nothing has changed except for the slogan.

Related articles

- [Marshfield Clinic completes rollout of tablet PCs](#)
- [Rural hospitals playing a game of IT catch up](#)
- [Tom Still: Medicaid data management a healthcare IT success](#)
- [Milwaukee takes another step in electronic patient data exchange](#)
- [DHC 2007: Without fuller IT adoption, health costs might drain America's wealth](#)

Dr. Barry P. Chaiken is the CMO of [BearingPoint](#) and the chairman of Wisconsin Technology Network's annual [Digital Healthcare Conference](#).