

You Get What You Pay For

By Carl Heard, MD, MMM

*Member, Board of Directors
Western Clinician's Network*



The healthcare market is scintillating with change. There is the prospect of millions of newly insured, wide adoption of electronic health records, and novel mechanisms to insure efficiency and improved quality. These and many other changes will alter the landscape for many years to come. We at the Western Clinician's Network are focused on one subject that has not hit the headlines and does not even rise to the level of a cocktail discussion: How does all this change relate to the fundamental law of economics, "You Get What You Pay For."

In the U.S. physicians are paid either on encounters (when we see patients) or when we perform pro-

cedures. As a result, the U.S. system is adept at producing encounters and procedures, but stunted in improving measures of public health or reining in costs. Our most highly compensated medical professionals and most costly healthcare systems provide care that evidence supports is necessary only about 50% of the time. So-called "pay for performance" programs may help rectify the situation but, as reported in the British Medical Journal recently the effort is not likely to succeed even with large investments. The pragmatist must then ask: How do we pursue a system that pays for what we want: measurably improved health of the individual?

To have a more affordable and patient-centered health system, the U.S. must widely adopt electronic health records ("EHRs") and apply predictive analytics methodologies. The incorporation of EHR's and predictive analytics will allow providers, hospital systems, insurers and accountable care organizations to capitalize on free market forces that have improved quality and cut costs in other sectors of the U.S. economy. Predictive analysis (the estimation of future medical events) allows for measuring the impact of an encounter or procedure on the future health

of a patient. However, to be the basis for reimbursement redesign, researchers such as myself must be able to accurately predict the likelihood that a patient will pursue a healthier future. We at the Western Clinician's Network are just beginning the process of identifying those factors which most accurately predict a patient choosing and being able to pursue those steps required to assure a healthier future. We believe that once these factors are identified, they can be used not only to drive proportionate reimbursement, but also to guide healthcare systems more effectively aid individuals in their pursuit of a healthier future. Most importantly, we will be predicting the future of adverse health events, making those understandable and actionable by provider and patient, and avoiding the temptation to use the opportunities presented today to simply create a better cost containment system for tomorrow.

The impacts of a healthcare system that reimburses healthcare professionals and systems for measurably improving the health of the individual could not be more profound. Quality improvements in healthcare have been resisted for decades, since many are process measures that only tangentially relate to improved outcomes. Out-

comes have been routinely confused with process measures when perhaps the first and most important outcome is that of survival and disease avoidance. The main reason to include everyone in insurance is not so much to assure that they are paying for care they will eventually need when they do not sense a need to alter their health future, but to assure that they will realize the healthiest possible future. The reason to incorporate electronic health records into the practice of medicine is not simply to comply with funder requirements, but to improve our ability to help patients avoid current and future adverse health events. The formation of new risk bearing mechanisms must be driven by the deep commitment of physicians and health-

care systems to the health of their patients, and not merely as another attempt to control costs.

The time is now for the healthcare professions to pursue the purpose of our work: that of helping our patients and communities to live healthier lives. There is only one way to achieve this goal: by re-designing the way physicians are paid for the work we do; to be paid for what we all want. And, we, as clinical experts, must create the evidence that allows for realigning payments based on the measurably improved health of our patients and to realize the economic dream in health care: to be paid for what we all really want.

Carl Heard, MD, is a self-described "horse and buggy" doctor

practicing medicine in his beloved Nevada. A graduate of the Medical University of South Carolina, Charleston, S.C., Dr. Heard completed his residency in Family Practice at the University of California, Irvine and also earned his Masters in Medical Management from the Marshall School of Business at the University of Southern California. In addition to his research activities with the Western Clinician's Network, Dr. Heard serves on the agency's Board of Directors. Western Clinician's Network is a non-profit 501(c)(3) organization. It was founded in 1992 to provide education, training, peer support and research in order to improve primary care and public health.

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