



APCO Worldwide Health Policy Dinner and Discussion
July 21, 2009
St. Regis Hotel, Washington, D.C.

On July 21, 2009, APCO Worldwide, a global leader in health policy and health care consulting, hosted a dinner in Washington, D.C. featuring Ken Thorpe, Ph.D., one of the nation's leading health economists. [Thorpe](#), a member of [APCO's International Advisory Council](#) and professor and chair of the department of health policy management at the Rollins School of Public Health at Emory University, shared his insights and answered questions about the issues and obstacles that Congress and the Obama Administration must face if health reform is to become a reality in 2009.

What's in Health Reform for Me?

Dr. Thorpe discussed the major political problem lawmakers will face as their constituents begin to ask, "what's in health reform for me?" The general public is looking for relief in their copays and premiums, Thorpe said, yet for the 85 percent of Americans who already have health insurance, there is nothing in current health reform legislation that would improve health or bring down costs. The innovative ideas proposed during the 2008 campaign season have been cut. Instead, current legislation deals with the "politics of redistribution" and how to expand coverage. "We've gotten into a dynamic of 'dumping' to pay for health care reform," Thorpe said, "and we're dumping the important stuff."

The Congressional Budget Office and Cost Containment

Thorpe stated that CBO Director Douglas Elmendorf was right to call attention to the fact that current legislation fails to make the "fundamental changes...necessary to reduce the trajectory of federal health spending by a significant amount." The July 16 statement has been a blow to many health reform advocates. However, Thorpe – also an ardent health reform advocate and proponent for universal coverage – sees the statement as validation that Congress must enact systemic changes, rather than simply expand coverage.

"We are on the verge of dumping a lot of money into a system that doesn't work," Thorpe said. Congress should instead take a step back and develop legislation that would not just expand coverage, but that would also change the health care spending trajectory.

Three Missing Pieces

In order to enact meaningful health reform that improves quality and affordability for all Americans, Thorpe suggested that Congress and the Obama Administration need to be bold in three areas:

1. Change the health care delivery system and payment models to promote health and wellness
2. Improve care coordination
3. Reduce administrative costs

These changes, Thorpe said, would entail minimal cost – the equivalent of "a CBO rounding error." And, they would go a long way to improve health and bring down health care spending in the U.S.

Additional Cost Containment Ideas

Some attendees expressed frustration that CBO tends not to score savings. And, that CBO does not recognize the economic value of a life saved. Thorpe concurred, but said, “We need savings that are scorable and produce real-world savings,” Thorpe said. “The fact is that CBO has yet to see any legislation that really changes the delivery system. If we give them a proposal coupled with payment reform and package it well, they’ll think differently.”

When asked about recent proposals to give MedPAC more authority to oversee Medicare spending, Thorpe said the idea could be helpful, but is “not a magic bullet” to solve the cost issue.

When asked about the absence of liability reform in health reform proposals, Thorpe agreed we need a new system for handling claims – whether specialty courts or another mechanism. However, such reforms will be difficult with a Democratic controlled Congress.

The Timeline for a Health Reform Bill

When asked why the Obama Administration continues to push for a vote, Thorpe indicated that the continued push is primarily a mechanism to increase momentum. If Congress was to vote on a bill before August, then a stronger option should have been introduced two weeks ago.

No one knows when the Finance Committee bill will come out, but Thorpe said they are currently in the best position to come out with a bill that fundamentally changes the health care delivery system.

Monitoring the Health Reform Debate and its Impact

APCO can help you navigate the health care landscape and keep you up to date on the health reform debate. As health reform makes its way through Congress, our team will continue to monitor and analyze these policy issues and how they might impact our clients if implemented.

For more information about how APCO can help you navigate the complex health care landscape, or stay up-to-date on the latest information on the health care debate, please contact:

Robert Schooling

Managing Director, Worldwide
Health Care Practice Leader
(202) 778-1085
rschooling@apcoworldwide.com

Courtney Piron

Senior Vice President
Director of Health Policy
(202) 778-6320
cpiron@apcoworldwide.com

Kirsten Thistle

Senior Vice President
Director of Health Care
(202) 778-1051
kthistle@apcoworldwide.com

