

Rational Approach to Healthcare

To health care management

PRAGMATE

January 2, 2010

Authored by: Mark P Kajdos

Rational Approach to Healthcare

Introduction

We all agree that the health care needs to change and that our existing model will not work. There are also many views on how to improve it. The health care as it is today is result of both economical and scientific influences. We are witnessing the most amazing advances of technology and science combined with an outrageously byzantine organization of delivery and financing. Why is that?

- **Majority of our efforts in medicine focuses on treatment of disease.** We have sophisticated diagnostic equipment, expensive medications, and highly developed treatments. All these have two things in common – they are expensive, and they are applied only after the disease became clinically apparent.
- **Most people have strangely detached view of responsibility for their own health.** We are quite cavalier about our health while we are young – we do many things that we know we should not have. When the inevitable disease strikes, we go to the doctor asking to fix what is broken. In too many cases we call on the lawyer to sue somebody to pay for our misfortune. Not many of us are willing to take care of our own health – primarily because it is actually quite difficult.
- **The way we pay for healthcare is designed to maximize costs.** Much of our healthcare financing is designed and managed by people who honestly believe that laws of economics stop at the hospital door. First, most of the prices are established between employers and payers. Second, the provider who decides about what tests or procedures to schedule rarely knows how much it will cost. Third, since most patients are concerned primarily with their out of pocket expenditure, they expect the best after they paid their \$25 copay. This system has no incentive for reducing costs.

Our costs for healthcare have grown faster than costs of almost any other service or product. Without change in managing our health and in financing it we will inevitably end up with full governmental control. This will mean rationing of healthcare and many other unpleasant aspects for most of us. Who would argue that the government will make healthcare more efficient and less costly?

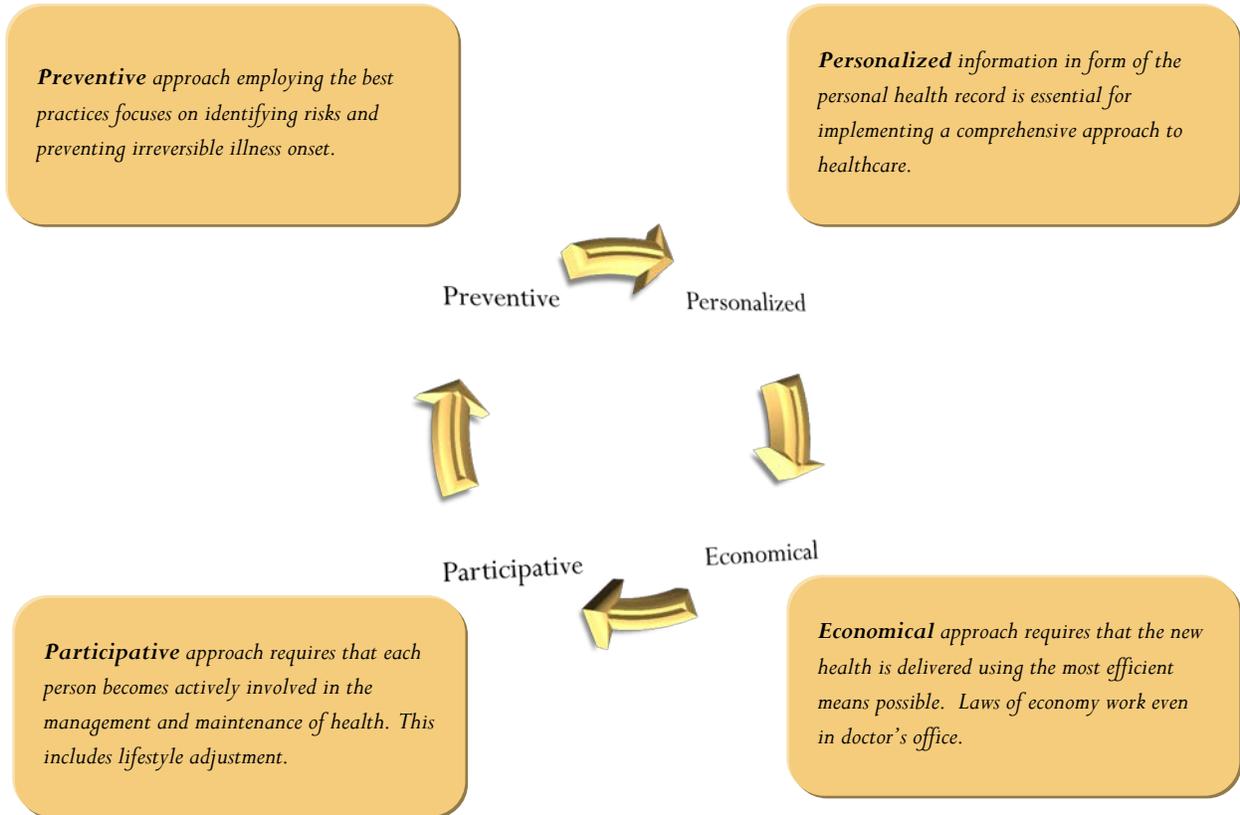
The change needs three major changes:

- **Our science needs to focus on health rather than on disease.** We need to learn to prevent the disease and we need to learn to focus on individual genetic, behavioral, and environmental causes of disease. We need to treat the disease before it emerges.
- **We need to take responsibility for our own health.** This includes uncomfortable changes in our lifestyle, focus on healthy habits, and a lot of exercise. We also need to become more active in selecting and using healthcare appropriately.
- **We need to accept that laws of economics cannot be changed by our decision.** Government mandate cannot make corn grow faster any more than it can make healthcare economical without using proven market models. The costs need to be part of decisions about treatment. The consumers of health care must feel the direct economic impact of their health care.

In order to improve our health system, we will have to utilize our information technology. The current technology can make us more effective in taking care of our health.

Rational Approach

The new approach to health care must include elements that are personalized, elements that focus on preventions, elements that are participative, and the whole solution must be economical. What is the meaning of these terms and how would they benefit our health?



The need for personalization and participation in health care management by individuals will require expansion of health care dispatcher – a person familiar with whole range of available medical care that can perform the initial evaluation and low level treatment. This person needs to focus on management of healthy patients and patients with manageable chronic condition. Currently, the family and primary care physicians are closest to this role.

According to the “Health, United States 2007” published by US Department of Health and Human Services (table 93), the number of visits to primary care providers are decreasing and the number of visits to specialists are increasing for the observed 1980 – 2005 period. The table 105 of the same document shows that while the general primary care physician percentage is decreasing, the percentage of subspecialty physicians is increasing. In other world, the class of providers that can have most beneficial impact on healthcare is remaining flat, while the specialty care, where the costs are highest, is growing.

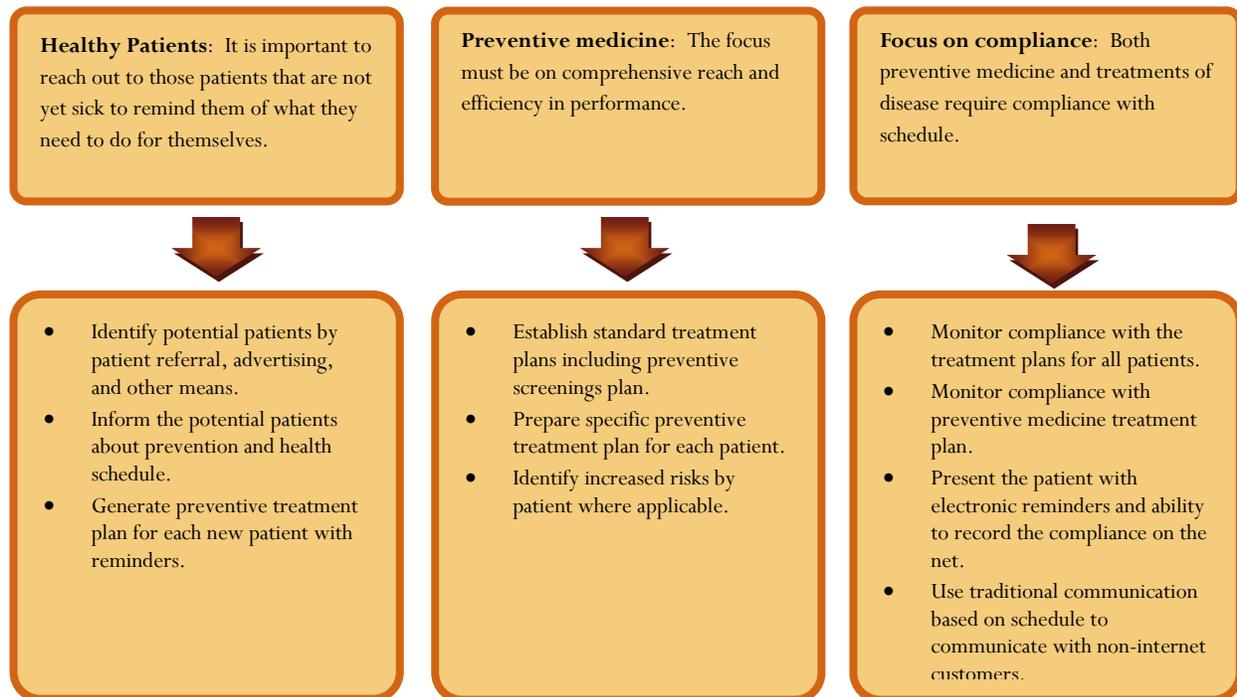
The primary care will have to carry most of the responsibilities of the new medicine. Specialist focus will continue to focus on solving advanced symptoms for those diseases that reached clinical symptoms and exceeded the scope of the primary medicine. The primary medicine will have to take on the most responsibility for this new medicine.

PRAGMATE

New Practice of Medicine

The new practice of medicine focuses on prevention of disease and on improving consistency of health care delivery. It is based on assumption that relatively small costs incurred in prevention will prevent higher costs of treatment.

The practice of medicine that has most potential in the new practice of medicine will come from the primary care and from changes in the patient behavior. The primary medicine is in the best position to lead this change. This presents both challenges and opportunities.



The picture shows a number of elements that are not frequently implemented as a part of the medical practice model. The focus of the medicine will have to include people that are healthy – potential patients – and ensure that they are covered under the preventive treatment schedule.

Much of the above activities will require deployment of technology as the key to new medicine is ability to cover larger population more efficiently. Technology can create a participative environment where both providers and patients share information. The personalized model will require that all data about the patient are in same place accessible both by the patients and providers. The model of practice centric electronic medical record will have to accommodate the new medicine by making the practice records accessible or presentable to the personal health record.

Economy of prevention

Preventing disease is a virtuous activity. But, as with many other virtuous activities it is not always comfortable to pursue. It requires us to do things that we did not have to do before. It forces us to pay now and benefit later. Concepts of prevention require rational approach and discipline.

Individual impact of prevention is currently the greatest obstacle to wide adoption of preventive medicine application. Only few of us are willing to do what is obviously needed – staying active and keeping healthy weight. Visiting physician once a while for checkup may not be that difficult, but the majority of people tends to do nothing until they have to. The primary motivator for the individuals will still be a lowered health insurance premium when they can maintain preventive schedule.

Employers are the ones who have to bear the weight of the health insurance premiums and the costs of disease related absences. Employers will also find the concepts of prevention understandable. When the employer maintains equipment, the concept of costs saved by prevention is usually quite clear. The employers that implement health maintenance programs will not only improve lives of their employees, but will also see decrease in the health care costs.

Primary medicine providers have the most important stake in the prevention. First, most of the preventive medicine falls squarely into the scope of primary healthcare. Second, the incorporation of the primary medicine methodologies outlined in this article creates a substantial revenue opportunity.

Health insurance carriers' business model typically improves with the increase of premiums and healthcare costs. Self insured employer management agreements that are structured on cost plus basis will bring more revenues with more costs. Even though the health insurance does have interest in keeping the costs growing, predictive medicine has potential of transferring the high costs of treatment into a more predictable primary care costs.

In summary, all those that pay for healthcare will benefit from expanding the role of preventive healthcare.

Include healthy patients

The concept of “healthy patient” has an oxymoron sound, but it simply represents the people who are either healthy or have diseases with no clinically significant symptoms. It is the population that can benefit most from the preventive medicine and that represents the greatest challenge for the preventive medicine.

The healthy patients will be mostly young or middle age. They typically do not have primary (go to) provider and if they do, their visits are only occasional and related to the current cold or other temporary ailment. There will be a minority of health conscious that are physically active and interested in their health, but majority will have high risk lifestyle such as sedentary lifestyle with ascendant or fully developed obesity. The challenge is to get them personally involved in their personal health.

The solution to this challenge is marketing and promotion within the practice. For example:

- Families of the current chronic disease patients can be included by simply explaining the increased genetic risk to the patients and let the patient convince everyone to join.
- Employers may be contacted to help distribute the educational materials about the preventive healthcare and to motivate their employees to engage in the program.
- Using other traditional marketing efforts may be very effective in expanding your practice.

There is whole industry to support you in your marketing campaign. It should be noted that any form of direct person specific marketing as suggested above is not only the most effective, but also least expensive form of getting your message to people. Remember that there is wealth of information in your patient database!

The primary practice can most benefit from the addition of preventive medicine for healthy patients. Most of the actual procedures can be performed by technician through mid-level healthcare professional and most can be time managed outside the normal patient flow. By establishing routine patient – provider relationships via preventive medicine, the practice is uniquely poised as the trusted provider and the first place the patient goes when he or she is sick.

Track treatment compliance

The treatment compliance is an important issue in effectiveness of the treatment. Based on XXX statistics, the compliance in prescription medicine is as low as 20%. The lack of treatment compliance will increase costs of healthcare simply by requiring repeated visits or, in some cases, allowing the disease to expand into hard to treat levels.

The reasons for lack treatment compliance are many. The patient felt better after first few treatments and failed to show up for the rest. This omission is particularly dangerous in cancer treatment. The patient forgot to get refill or something else caused interruption in the treatment plan.

The only way to manage the treatment compliance is to measure it and to act on basis of that measurement. There are several compliance elements that manageable treatment compliance requires:

Treatment Plan

- Fixed schedule of visits.
- Content of each visit.

Schedule Compliance

- Compliance with specified schedule.
- Changes in subsequent visits due to delays.

Content Compliance

- Fixed schedule of visits.
- Content of each visit.

Obviously, prepared treatment plans that incorporate the sound medical approach to each disease and patient information specific to the treatment plan represents the best starting point. The measurement requires recording the comparison of the plan and of what actually happened.

Knowing your compliance level – both of the overall practice and of the individual patients – is the prerequisite for incorporating the appropriate processes. This is where a comprehensive technology – business process will produce the best result.

Manage Reminders

Primary medicine manages a large amount of information. Rather than deep focus on few complicated cases, the challenge is in managing many situations in the most effective manner. Typical primary practice is focused on managing multiple encounter information and the payer relationship. Without effective workflow management, adding more tasks seems impossible.

The workflow approach to the management is the only way to handle multiple tasks. The workflow organizes many tasks into manageable lists of actions. Automating management of multitude of tasks is the only way to operate efficiently. The ideal supporting system can ensure that all required tasks and nothing more is presented in a clear fashion. The system that supports easy initiation and processing of reminders (tasks) is the key to successful implementation of rational health care management.

For example, the system should show all outstanding reminders for a patient during check-in. That way the workers can not only know what needs to be done, but by recording the results of the actions they keep full auditable information that is easily retrievable in the future.

Summary

Management of health care is a challenge. It is so because the health concerns of each of us are quite personal. The notion that it can be managed by implementing industrial methods is offensive to many. But it is the hand of reality that is forcing change.

The deeply personal physician to patient relationship is the most important aspect of the primary care. This relationship is under pressure because of the increasing complexity of all health care. This creates additional demands on the provider time. As demands on the primary physician increase, the time available for each patient decreases.

To preserve this most valuable aspect of the primary care, the practice managers should investigate which of the available methodologies could be effective in decreasing the administrative effort per patient and increasing the care effort per patient.

The Patient Relationship Management system expands on the practice management system with EMR (Electronic Medical Record). It knows the population of the patients, represents a secure communication path, improves quality of healthcare by improving treatment plan compliance, and applies best practices of preventive and predictive medicine to improve quality of the patient population. A properly managed medical practice has procedures to perform all these functions. The PRM system can make it work more efficiently and more consistently.

Most of the preventive and predictive medicine will be delivered by the primary care providers. They will also receive greatest benefit from using the PRM system. Patients that would otherwise not visit the office will be reminded to have their tests done. This will not only improve their health, but it will help the practice business.

Using specialized software for managing your health or the health of your employees is the only logical approach.

For more details visit www.pragmate.com or contact Mark Kajdos to see a demonstration of MedGrail, a revolution in PRM technology.

Mark Kajdos

1-800-859-5893 OFFICE

205.873.0850 MOBILE

E-mail: mkajdos@pragmate.com