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## *Value-Driven Healthcare Reform*

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The healthcare system in the United States is failing. Despite significant competition in the US marketplace and per capita expenditures exceeding most developed countries, the value of health care services is deteriorating while the price is increasing beyond our ability to sustain the system. Ongoing efforts to improve efficiencies via information technology solutions are creating new opportunities for reform, but these methods are principally geared toward cost savings and standardization of procedure as fiscal solutions. Rather than focusing solely on the economics of health care, value-driven systems need to be understood and reorganized in terms of the health outcomes per dollar spent.

**Value-Based Systems.** In their seminal work *Redefining Health Care: Creating Value-Based Competition on Results*, Michael Porter and Elizabeth Teisberg have provided a widely-accepted diagnosis and treatment focused on how to redefine competition around value and improving results for the consumer. “Competing on patient results,” they show, “is a positive sum competition from which all system participants can benefit. When providers succeed in delivering superior value, not only do they win, but patients win, employers win, and health plans also win through better outcomes achieved at lower costs.” There is consensus in the analysis, namely that repairing the healthcare system so that it works for all interested parties will be achieved by leveraging consumers (principally public and large employers) to integrate information and best practices that drive healthcare system participants to compete for their business by providing high quality services at competitive prices.

**National Healthcare Initiatives.** The US Department of Health and Human Services (HHS) recently launched its *Value-Driven Health Care Initiative* to catalyze partners in several regions to identify and implement value-focused solutions. HHS believes that regional and local public-private collaboration is essential to the success of the value-driven healthcare initiative because healthcare is delivered locally, and is provided in a diverse range of environments that differ in their history, resources, populations served, market characteristics, and medical cultures.

A core component of its initiative, HHS is developing a nationwide network of community stakeholders – including purchasers, health plans, providers, consumers, and private companies – who are investing their time and resources toward shared, meaningful, actionable goals while also disseminating healthcare information critical for making informed decisions and stimulating competition.

These national trends will affect our local healthcare delivery model and continue to cause rapid change and consolidation. TeamPraxis remains firmly committed to supporting the community stakeholders investing in improving the flow of information and quality of our care.