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Health care reform: Build on what works

By J.C. Watts

Because of all the hoopla over the proposed public option in versions of the health care package, we overlook that there are two things on which Republicans and Democrats agree.

One, there needs to be reform. Two, the United States must reduce long-term health care costs.

While policymakers have yet to finish their work, they can realize much savings while providing better care to all Americans by preventing and managing the chronic disease epidemic plaguing millions of people.

First, we must reduce the staggering and avoidable costs associated with chronic disease by focusing on prevention and better managed care. Overall, 75 percent of every U.S. health care dollar is spent treating chronic disease patients, including 99 cents of every Medicare dollar and 83 cents of every Medicaid dollar. The annual treatment cost for just seven chronic diseases, including asthma, cancer, heart disease and diabetes, is a staggering \$277 billion.

When the lost productivity — from sick days, hospital stays and time off for doctor appointments — is included, the total tab is nearly \$1.3 trillion. As the baby boomer generation ages, these costs will only increase.

Early detection and better treatment of chronic diseases leads to happier, longer lives and, of course, less suffering. Chronic diseases such as diabetes and heart disease, two that I have unfortunately experienced in my family, are often preventable, or at least manageable, through proper diet and exercise. Early detection can reduce the range of possible complications and broaden the available scope of treatments.

This leads to my second suggestion that I have long advocated: Include preventive medicine as an ingredient of any comprehensive health care plan. The United States spends trillions on health care, but less than 1 percent on prevention.

A recent study of the cost of care for Type 2 diabetes patients offered compelling evidence that the Congressional Budget Office's 10-year cost calculation period is too brief to capture the savings that eventually result from prevention programs, and suggested using a 25-year "budget window" instead.

If we're going to tackle a problem as important as health care reform, this type of new information needs to be seriously considered.

While better management of chronic disease and increased emphasis on prevention offer significant promise for future cost savings, my third suggestion is to build on what works today: Choice and competition.

This includes Medicare Part D, the privately delivered prescription drug benefit program, subject to federal oversight, established in 2003. Providers negotiate with drug manufacturers and pharmacies and establish formularies that meet federal minimum standards. Seniors can pick and choose from multiple plans and providers.

Medicare Part D has been a success. The projected costs for prescription drugs delivered through Medicare Part D are actually \$117 billion lower over the next decade than estimated just last summer.

Medicare Part D is successful because it provides choices between private plans and traditional Medicare fee-for-service plans. Competition between multiple private insurance providers helps keep costs down and consumer satisfaction high.

Since competition among insurance providers has proved effective in reducing health care insurance outlays and improving consumer satisfaction, let's extend this model by allowing cross-state competition and flexibility. If a provider in my home state of Oklahoma, for example, can provide a New Jersey resident with a plan that works for her, then allow her to buy what works.

Greater competition would allow greater choice. Consumers could buy plans that fit their needs at their time of life. Small businesses could form alliances and negotiate better rates with providers. This would lead to another bipartisan goal: Fewer Americans going without health insurance.

Younger consumers may prefer to pay for routine medical expenses and want a high-deductible/low monthly rate plan that provides coverage in the event of a health-related catastrophe. Older consumers may want a plan that includes co-pays for doctor visits and more generous hospitalization benefits. The demand for flexibility is wide and deep. The choices should be as well.

By working with the legislation introduced by Sen. Max Baucus, the chairman of the Senate Finance Committee, Congress can build on these areas where agreement exists and drastically reduce long-term health care costs by focusing on what works. That means stopping chronic disease before it takes hold and providing better management when it does.

It's emphasizing preventive care and healthier lifestyles. And it's unleashing the forces of competition and choice to provide consumers with options for cost effective insurance, treatments and medicines, all of which will improve our health and drive innovation for decades to come.

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