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The 2009 Health-Care Reform Debacle

Obama has surrendered policy to politics. Here's a workable proposal to get health-care reform back on track

By [Bill George](#)

Health-care reform—version 2009—is heading for a train wreck. The debate in Congress is generating more heat than light. While senators and congressmen are on August recess, they are getting an earful from worried constituents, who sense the flaws in proposed plans. The Obama Administration would be well advised to take its own recess to develop a sound, workable policy proposal that can be reintroduced in the fall.

By focusing on politics instead of policy, the Obama Administration has erred in letting Congress create an unworkable reform. The final health-care legislation is being severely compromised by myriad lobbyists and special interests who advocate to protect their turf but rarely contribute to sound long-term policy. Already numerous side deals have been cut with industry groups that make a noncompetitive market even less competitive. The bills under consideration will only make a broken system worse, resulting in unintended consequences.

Health care already accounts for one-sixth of U.S. gross domestic product, and this legislation pushes it toward one-fifth. The system is extremely complex with many interlinked parts. Of the four major elements of health-care—access, cost, quality, and consumer focus on wellness and prevention—current reform efforts address only access to insurance. By tinkering with just one aspect without looking at the whole picture, the President and Congress risk destabilizing the system further.

Granting access to health insurance to all Americans is a worthwhile goal. However, we cannot do so without addressing problems of ongoing cost escalation, major quality issues, and unhealthy lifestyles. The risk in ignoring these other three areas is runaway costs that could bankrupt Medicare while producing convoluted legislation that satisfies no one.

AN AFFORDABLE HEALTH-CARE PROPOSAL

What's needed is an approach that enables all Americans to gain access to health insurance while incentivizing them to adopt healthy lifestyle practices and rewards their providers for reductions in spending. Here is an integrated proposal for achieving all these goals on a fiscally sound basis:

1. The greatest risk to individuals is facing catastrophic events without insurance. Instead of providing full insurance coverage, the government should sponsor self-funded low-premium, high-deductible catastrophic coverage plans. Catastrophic coverage would kick in after the individual absorbed the deductible. To reduce deductibles, consumers could pay higher monthly premiums.
2. To administer these plans, the government should set up insurance cooperatives that require mandatory portability for workers changing jobs and no limitations for pre-existing conditions, so that no one would fear loss of health-care coverage. These cooperatives would be self-funded and run independently under rules set by the government. All billing would be handled electronically to eliminate paperwork.
3. To address lifestyle issues contributing to the high cost of chronic disease, the federal government should launch a national wellness and prevention campaign—much like the smoking cessation campaign—focusing on sound nutrition, physical fitness, stress management, and reduction of obesity.

4. The federal government should partner with state and local governments to expand community clinics that provide basic services for modest fees and teach people how to improve their health. These clinics would also help consumers access the massive amount of health-care information available on the Internet. This approach puts responsibility for healthy lifestyles where it belongs—on individuals, with support from their caregivers.

5. To promote quality outcomes for chronic disease, the government would shift from reimbursing procedures to paying for keeping people healthy. Physicians and hospitals would be paid for keeping people well, not doing more procedures and tests. Physicians and caregivers would develop integrated approaches to patient care, rather than automatically opting for high-tech, high-cost approaches.

Comparative effectiveness studies would help patients and physicians choose the most cost-effective, proven procedures for treating chronic illness, including accelerated approval of generic drugs after patents expire.

6. Changes in tort laws should be enacted to protect physicians and hospitals that follow these procedures from punitive damage claims, thereby reducing the malpractice claims and class action suits that dramatically drive up costs.

7. To address high end-of-life costs, patients would shift to hospice facilities or their homes where they would receive palliative care.

By focusing on wellness and prevention, consumer empowerment for healthy lifestyles, improved quality in chronic disease management, and reducing overuse of health care, excessive paperwork, and end-of-life costs, this integrated plan ensures affordable access to all Americans while addressing the major elements of health-care costs.

The only costs of this program would be for a national health and wellness campaign and funding community clinics. These costs, a fraction of the \$1 trillion price tag being considered by Congress, would more than pay for themselves as citizens choose healthier lifestyles.

This is the only way that we can ultimately ensure health coverage for all American citizens and high-quality, cost-effective care that strengthens our economy and builds a healthy population.

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