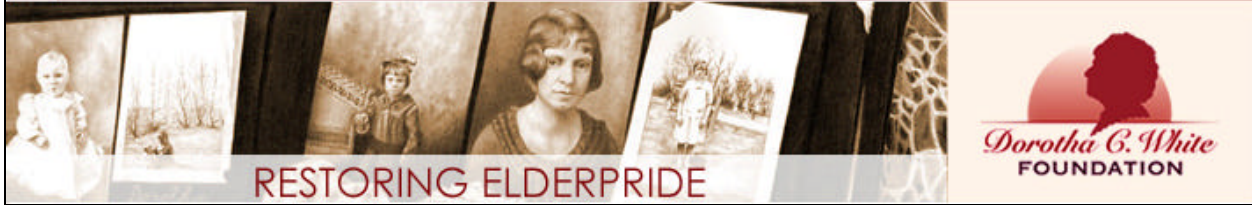


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UNIVERSAL HEALTH PRESERVATION (PREVENTS CHRONIC DISEASE BALANCES THE BUDGET)

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Currently the health care crisis is upon us with 77 million baby boomers coming on line for care. They are all prone to have 4 to 5 chronic diseases upon reaching the Medicare benefit age of 65. We are currently spending at a rate that will reach 30% of GNP by 2010. Therefore, to avoid national bankruptcy we must lower the rate of increase in health care costs by eliminating wasteful clinical practices, improving quality controls, balancing the budget and most importantly pursuing restorative outcomes. That accomplishment will be the result of this proposed paradigm shift from crisis care to "Health Preservation of America". This shift promotes three basic principles:

1. **Health care is a privilege and each American must take personal responsibility**
2. **The billions of dollars of waste in the current system must be eliminated**
3. **We must mandate a universal benefit package that insures all Americans, and uses outcomes as the basis for payment**

Health preservation is defined as a proactive set of life style principles that will change the cultural bias towards self-preservation. These preservation principles include a holistic life style for each American biased on fitness, nutritional values, avoidance of harmful chemicals, positive relationships, meaningful family values, and spiritual commitment to self and others. This is the desired state for everyone, but currently our nation's healthcare reimbursement system does not support this pursuit. More specifically, as a nation, we pay our nursing homes and Skilled Nursing Facilities (SNFs) based on diagnoses and treatments, creating an incentive for keeping elderly patients ill instead of making them well. Instead, we should reimburse our Long Term Care (LTC) industry for creating desirable outcomes to achieve Health Preservation.

The objective of health preservation is to improve the quality of life in American for an aging population. The goal is to pursue this life style in an effort to preserve personal health and lower the cost to society for:

1. Chronic Diseases
2. Re-hospitalization
3. Over medication
4. Redundant and unnecessary crisis testing
5. Turnover of health care staff
6. Injury to staff and patients
7. Pursuit of treatment based on symptoms
8. Waste due to lack of focus on causation and well defined outcomes
9. Payment is for treatment and housing
10. Waste due to lack of focus on restorative services and reintegration back to community based programming

What are the five Chronic Disease and cost of care killers?

- Diabetes
- Obesity
- Cardio vascular disease
- Hypertension
- Lung disease

What is the cost of Chronic Diseases? 43% of the health care expenditures are spent annually on chronic diseases. That translates into \$860 billion dollars spent after the disease is active and tight as a noose. What can we do to prevent rather than just treat Chronic Diseases?

Fitness: prevents chronic diseases

Studies have given physical fitness high scores on building immune systems and warding off chronic illnesses. For example the use of cardio vascular training equipment builds the cardio system to preserve health and build the immune respiratory system.

Nutrition: prevents chronic diseases

Studies have shown that a proper diet of fiber, fruits, vegetables, and white meat builds resistance to heart problems, cancer due to carcinogens, obesity, and diabetes,

Avoidance of Harmful Chemicals: prevents chronic diseases

Studies and history have shown that cessation of smoking and use of illegal, non-prescription and some prescription drugs, and alcohol allows the body to sustain its immune system without dependency on chemicals.

Positive Relationships: prevent chronic diseases

Studies and experience has proven that a stable relationship with a companion removes and can eliminate stresses in life decisions, thereby preventing chemical and food abuses and preserving the body and mind through positive re-enforcement of self and attitude. This converts to a stronger mind and body for building and preserving the immunity to chronic diseases.

Meaningful Family Values: prevent chronic diseases

The family unit remains the most stabilizing force in Americans lives regardless of age. Even though the divorce rate has complicated the process, the nuclear family still prevails as the most important factor in warding off weaknesses of the body and the mind. Not only does this affect the health of America it affects the very future of our economy.

Spiritual Commitment to Self and Others: prevents chronic diseases

Mind over matter.

"You are what you think you are." "Do unto others as you would have them do to you." "If you can conceive it, believe it, you can achieve it." These quotes all revolve around faith and spiritual values. If you cultivate your spirit you will grow physically, mentally, socially and spiritually. What an indestructible combination of life builder! The immunity of the self and others to chronic illness thrives on belief and hope -- these are the cure-alls for the mind to ward off the weaknesses of the body.

Preventive Chronic Diseases Summary:

Since it has been shown the above principles are true and will reduce the stranglehold that chronic disease has on our aging population, let's explore what we, *the people*, can do to preserve the health of all beings, and at the same time save the dollars that are being spent on chronic disease.

The paradigm must shift from health care to health preservation as the prevailing obligation of health care professionals for the cost and quality benefit of all Americans. Economically this can be accomplished simply by rewarding the compliant with benefits that the non compliant have to earn:

- 50% tax write-off for fitness costs (equipment, memberships, trainers, etc.)
- 50% tax write-off for the right foods and nutrients purchased
- 50% tax write -off for counseling and rehab for substance abuse
- 50% tax write-off for anger and problem resolution counseling including abortion and drug abuse
- 50% tax write -off for family functions and get-togethers
- 50% tax write-off for contributions to church and charities

The average taxpayer is going to have the following tax profile before and after this set of principles:

AGI	\$75,000
Exemptions (4 family members)	(14,000)
Deductions (itemized)	(15,000)
Taxable income	\$46,000
Tax	\$10,200
Tax credits for health preservation:	
Fitness (club fees)	\$3,000
Nutritional	\$2,000
Counseling	500
Problem resolution	\$1,000
Family functions	\$1,000
Contributions to church	<u>\$1,000</u>
Allowable expenditures	<u>\$ 8,500</u>
Tax savings at 50%	<u>\$4,250</u>

Economic benefits can be converted to Moral benefits by using Tax Savings if invested in long term care insurance. This provides benefits for later use for long term care, that if not over utilized, can be used for retirement and living costs.

Re-hospitalization and Over Medication:

9 out of 10 nursing home patients will have at least 5 hospitalizations per year after the age of 80. Currently, the doctor rarely visits the patient in the nursing home before a drug is prescribed or a diagnosis is made. Instead the nurse obtains a telephone order from the doctor for medications, treatment or for the patient to go to the emergency room as a stop-gap measure.

To stop this waste of health care dollars the following rules should be established:

- No telephone orders
- No change of diagnosis without a complete history and physical by the physician after visiting the patient at the nursing home
- No increase in medication dosage or starting additional medications after the age of 75 unless justified by a cause and effect (care plan)

Redundant and unnecessary crisis testing:

All caregivers must have an active care plan that focuses on restoring function and pursuing a positive outcome of improvement or stopping decline before ordering testing unless it is a screening test for a known problem.

Turnover of health care staff:

All health preservation services will be provided by professionals schooled in medication reduction, restorative, and rehabilitation services that provide programs that resolve physical, occupational, social, and psychological problems. Staff performance is measured based on the execution of and accomplishment of an outcome driven care plan. To guide the process case management software and a library of outcome models for each problem triggered must be utilized. This makes productive and efficient use of staff's time resulting in better quality and higher morale...thereby reducing turnover.

Injury to staff and patients:

A motivated and professional staff will prevent defects in the pursuit of positive outcomes by being alert to the patients' problems and treatment plan. There will be precautions set up by the caregiver teams to comply with the quality control standards and performance measures in the pursuit of positive results including cost effectiveness, profitability, and quality of life. The staff injury rate and patient fall rates have been linked to the ability of the staff to handle the risk of injury and falls through the use of teams and prevention strategies.

Pursuit of treatment based on symptoms creates waste due to lack of focus on causation and well-defined outcomes:

Currently physicians, hospitals, and clinics are not required by law to have care plans in place to support the delivery of medications, care, and pursuit of outcomes. Without these tools the clinicians in most cases are not required to determine cause before ordering treatment, testing or medication. *More often than not the doctor and hospital are treating symptoms not causes.* Therefore, the ability to prevent further occurrence is hampered and made more complicated. This is the biggest generator of wasted resources due to missed diagnosis. The use of care plans, model approaches, and measured outcomes must be put into the regime so the control of quality dictates the pay for performance rather than the counting of mistakes and assuming that absence of mistakes is quality of care.

Payment is for treatment and housing:

A paradigm shift from current best practices to an evidence based system is urgently needed. I call this the conversion of inductive medicine to deductive medicine. Inductive processes lend themselves to art forms not sciences. Health care needs to become a deductive science with the use of computers and models of care based on historical data. *Then we can break the old habits of paying to keep patients sick, capitalizing on illness, and making money on declining health.* The institutional bias can be changed to a transitional bias. Meaning the institutional warehouses for the old are turned into the carehouses of the new baby boomer paradigm. Economic incentives will have to drive the improvements in care under an outcome based payment system. Let's call it Pay for Performance (PFP). The basics payment principles will be:

1. Provider contracts will require computerized evidence based case plans
2. Base rate will be for minimal complexity ranging up to maximum complexity

3. Add-ons will be authorized for restorative services including surgery, rehab, and discharge planning

Waste due to lack of focus on restorative services and reintegration back to community based programming:

Dr. W. Edwards Deming defined waste as the loss of profits and the destruction of quality. Waste in health care is rampant due to the above thesis. Wasted time, effort, low expectations, and results based on the pursuit of money not outcomes. A restorative model replacing the medical and social models that now exist with the payment for positive outcomes would change the paradigm immediately. In a Monopsony (one buyer market) the government can and should dictate deductive case management processes to eliminate waste and capitalize on quality of life. Not only can the budget for America's health depend on it but can thrive on it. The spending can best be estimated and controlled by standardizing the benefits and paying for and pursuing outcome not income.

Implementation Strategies:

1. Disconnect health care insurance premium cost from employers
2. Shift cost to employee health savings accounts
3. Withhold employee premiums from pretax salaries
4. Set premiums based on annualized health profiles
5. Fund the unemployed from Medicaid funds
6. Fund catastrophic care from Medicare
7. Utilize health insurance industry to collect, invest and disburse health funds
8. Allow significant tax deductions for keeping fit and well

Disconnecting the health insurance premium from employers would include all of health insurance not just long term care insurance. The National Health Program would not require the employer to fund anything. Since the employer cannot control the cost they should not have to pay the cost. The cost would be the responsibility of the individual who is the only one that can control their health and subsequent costs. However, the employer would need to compensate the employee for excluding that benefit. I know this sounds bizarre, but that is the way it should have been set up when Blue Cross became the catalyst for employer paid health care premiums. Now the employer is stuck in the middle.

For the health preservation incentives to work the individuals, both employee and uninsured must take responsibility for their health so the costs can be controlled...then the funding of individual health savings accounts will be withheld by the employer based on the employees' health profile. Rate setting would be based on age, health, past utilization, and everyone shares in funding the safety nets for Medicare (catastrophic for the elderly) and Medicaid (uninsured only).

Major tax deductions would be allowed for staying fit, healthy eating habits and annual screening for chronic diseases. Obviously, the insurance companies would have to be the managers of the funds for investment and processing of the claims keeping State and Federal governments hands off the money. This is a privatized approach with employers withholding the funds, and claims managers (i.e. insurance industry), would invest the premiums and disburse the funds to the providers on a timely basis using outcomes as the measurement for payment.

To facilitate transitioning the current system to a privatized fund the Federal Government would transfer the Medicare trust funds to a newly created National Health insurance account. The Health Insurance companies would cease to collect premiums and the states would no longer pay for Medicaid coverage. Then the employer withheld premiums would go into the National Health insurance savings accounts for the employees. The employees would choose which health insurance company would administer their savings account based on that companies' rate of return on their portfolio of investments.

This solution makes winners out of all the stakeholders! First of all the cost control has been shifted to the consumer, and the consumers have power to exercise over the providers, as it should be. Secondly, the providers are paid on the basis of outcomes in a timely manner. Third, the employers, State and Federal governments are taken out of the middle. Fourth, excess funding can now be invested in American businesses and a return generated on the money. Fifth, in theory, we are eliminating the waste in the system. Of course achieving this would require ISO standardized benefits, computerized processing of claims and medical records and economized models of care for directing the clinical processes under a Six Sigma type of environment.

This cannot be accomplished with the incremental change usually implemented by the Federal government. It will require sweeping change. It is anticipated that the 77 million voting baby boomers who began to turn 60 in the past year will be on this bandwagon of positive changes for eldercare.