

Paying for efficiency is an unnatural act in health care. With so many health care professionals, facilities, and insurance companies involved in patients' care, it is seldom clear who is responsible for what, let alone who is wasting money and who should be doing more.

The New York Times recently reported on the hurdles in lowering health care costs:

A physician, for example, may try new approaches to trim the costs of providing care, but the results usually benefit insurers more than doctors. Strides in efficiency may be good for society, though there may be scant financial motivation for the doctors themselves.

One way to solve this problem is to encourage doctors to offer a complete package of services for a given problem facing a patient. A package price would make it easy for health insurance plans and patients to compare prices and patient outcomes between different groups of doctors.

One group of doctors in central Pennsylvania is doing just that for heart surgery, and they offer a 90-day warranty. Geisinger Health System, a physician-led health care organization, charges a flat fee for the surgery that includes all costs for follow-up care within 90 days.

As reported in a separate Times article, the results are impressive:

Since Geisinger began its experiment in February 2006, focusing on elective heart bypass surgery, it says patients have been less likely to return to intensive care, have spent fewer days in the hospital and are more likely to return directly to their own homes instead of a nursing home.

Such efforts point the way to higher quality, lower cost health care. It's time to replicate them.

For more information:

"Risks and Rewards: Who Pays for Efficiency?"
By Steve Lohr, New York Times, June 11, 2007:
<http://www.nytimes.com/2007/06/11/business/businessspecial3/11save.html>

"In Bid for Better Care, Surgery With a Warranty,"
by Reed Abelson, New York Times, May 17, 2007:
<http://www.nytimes.com/2007/05/17/business/17quality.html>

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3.) Using TV for Public Health

Americans get most of their health information from television. It's important that such information is as accurate and compelling as possible. The nation's lead public health agency, the Centers for Disease Control, has been wisely investing in ways to leverage the power of mass media to improve the nation's health. But according to Senator Tom Coburn (R-Okla.), that effort is a waste of money.

Sen. Coburn has issued a report on waste at the CDC that identifies a \$1.7 million Hollywood liaison project and other projects. The liaison project run by the Norman Lear Center at the USC Annenberg School for Communication has focused on using the media to motivate organ donation and providing resources for news and entertainment writers about key health topics such as cancer, antibiotic resistance, and clinical trials.

Although congressional oversight of the administration is long overdue, it's sometimes misguided. All agencies could undoubtedly improve and the CDC is no exception. But throwing the waste label around indiscriminately obscures the debate we should be having about achieving public goals as efficiently as possible. Let's hope Sen. Coburn's watchdog efforts are redirected to a more productive debate.

For more information:

"Report Details CDC Spending,"
Daily Health Policy Report, Kaiser Family Foundation, June 12, 2007:
[http://www.kaisernetwork.org/daily_reports/
rep_index.cfm?DR_ID=45528](http://www.kaisernetwork.org/daily_reports/rep_index.cfm?DR_ID=45528)

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Newsletter compiled and written by David B. Kendall, PPI's senior fellow for health policy.

About PPI's Health Priorities Project:

PPI favors a market-based, Information Age health care system. Our priorities include: universal coverage for the uninsured, Medicare reform based on competition and expanded benefits -- especially for prescription drugs -- and initiatives to improve quality and empower consumers. Learn more about the project.