



The Time Has Come for Comprehensive Health Reform

Statement from The Commonwealth Fund Commission on a High Performance Health System

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As the new administration prepares for office, the nation finds itself in a time of historic political opportunity. With a large majority of Americans seeking profound change, the moment has come for the United States to take the necessary steps to ensure the health security of all Americans and put the nation's health care system on a path to high performance. The current severe economic crisis reinforces the need for immediate change and new policy action, both to improve individual security and to increase value in our health care.

The Commonwealth Fund Commission on a High Performance Health System urges the President and Congress to move quickly to enact comprehensive reform. President-elect Obama and the 111th Congress will face many daunting challenges when they arrive in Washington in January, and the economic crisis will rightly demand priority attention. But with ever-spiraling health care cost increases and clear evidence that a growing number of Americans lack access to affordable, well-organized care, the crisis in our health system must also receive immediate attention. We cannot afford to continue on our present course.

Americans are calling for solutions. In a recent survey conducted for the Commission, 82 percent of Americans said our health system should be fundamentally changed or completely rebuilt. We spend over \$7,000 per capita on health care, more than twice what other industrialized nations spend.

Clearly, swift action is needed. Health system reform cannot be put off while we deal with our other problems. We must move away from our fragmented, dysfunctional system to a more rational, high-performing one, and we must replace our broken fee-for-service payment schemes with methods for providing incentives for better care—so that we can “bend the curve” of health care spending.

Key Elements of Reform: Coverage, Organization, Payment Reform, and Leadership

Many believe, as the Commission does, that a critical step toward achieving a high performance health system is to provide insurance coverage to all Americans. But equally essential are bold actions that simultaneously improve the quality and efficiency of health care delivery—so that we improve the lives of Americans, alter the trajectory of health care costs, and make it easier for patients to obtain the care they need and providers to practice the best of modern medicine.

Those steps include: changing the way we pay for care to reward hospitals and physicians for providing high-quality, high-value care; organizing the health care system to ensure that every patient has accessible and coordinated care; investing in the infrastructure required to reach and raise benchmark levels of performance; and providing national leadership to mobilize all parts of the health system.

- **Affordable health coverage for all.** It is time that all Americans received the security of health care coverage enjoyed by citizens of nearly every other industrialized country. Providing everyone—regardless of age or employment status—with affordable insurance options, including a comprehensive package of benefits, will enhance access to care. This, in turn, will help reduce disparities in care, increase the proportion of people receiving appropriate primary care to prevent illness, and improve the care and health of millions of Americans living with chronic conditions.
- **Organizing our care delivery systems.** We also need to reorganize the delivery of care, moving from our current fragmented system to one where physicians and other care providers are rewarded for banding together into traditional or virtual organizations capable

of delivering 21st-century health care. In such a system, patient information would be available to all providers at the point of care, as well as to patients themselves through electronic health record systems, thus helping to ensure that care is well coordinated. Patients would have easy access to appropriate care and treatment information, and providers would be responsive to the needs of all their patients. Lastly, all providers would collaborate to deliver high-quality, high-value care, and they would receive the support needed for continuous improvement.

- **Reforming provider payment.** Our open-ended fee-for-service payment system must be overhauled to reduce wasteful and ineffective care and to spur innovations that can save lives and increase the value of our health care dollars. We need fundamental reform of our system for paying health care providers—reform that will reward high-quality care and prudent stewardship of resources, move toward shared provider accountability for the total care of patients, and correct the imbalance in payment whereby the provision of specialty care is rewarded more than primary and preventive care.
- **Government as leader.** None of the above will be possible, however, if government does not take the lead. The federal government is the nation’s largest purchaser

of health care services; as such, it has tremendous leverage to effect changes in coverage, care delivery, and payment. National leadership can encourage the collaboration and coordination among private-sector leaders and government officials that are necessary to set and achieve national goals for a high performance health system. It can also help develop national aims for health system performance, set priorities and targets for improvement, create a system for monitoring and reporting on performance, and issue recommendations concerning the practices and policies required to achieve those targets.

The Commission urges that coverage for all Americans be pursued simultaneously with the initiation of reforms aimed at improving the quality of care and efficiency of the health system. Universal coverage should not be held hostage until a more efficient health system is achieved. At the same time, coverage should not be expanded without at least beginning to make the system changes necessary to achieve a level of value that is commensurate with the nation’s investment in health care.

We are convinced that America has the ability to make these changes. As examples both at home and abroad demonstrate, it is well within our reach to provide all Americans with the high performance health system they expect and deserve.

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