

CLEG Health-care Subcommittee Meeting Notes February 10, 2006

The health-care industry is facing two major types of disruptive forces during the next several years:

- o Major shifts in how healthcare services are delivered as a result of changing conceptual, funding and structural models, made possible in part by adoption of next generation technologies that promise to affect healthcare as profoundly as the ATM affected banking.
- o The profound impact on demand caused by demography, as the baby boom generation ages into becoming a high healthcare demand cohort.

Current Situation

- Michigan employs ½ million people in health care
- 1 out of ever 6 dollars in U.S. is for health care
- IT systems in healthcare do not talk to each other
- Other states have policies that make it very difficult for former MI (and other states) residents to receive long term care outside their home state, so we can expect significant number of people who had moved away for retirement to return for long-term care
- MI has a legislative cap on number of physician resident slots available in MI
 - o If hospital goes over the cap, they have to pay 100% of the resident's cost, If under the cap, hospital receives federal dollars
- Health care cost will continue to increase
- 50% of healthcare is federally funded
- Health care is never going to operate in a free market. We are incapable as a society to ration health care.
- Most basic care currently delivered in hospitals can be done at home
- Consumers demand the access to the latest in health care technology along with basic care
- 80% of health care cost are incurred in the last 2 years of life
- Older citizens want coordination, they can not navigate the system on their own

Technology

- Medical Records need to be patient centered, and these records will be shared with others as needed
- About to see an IT revolution
 - Information storage and retrieval
 - Change how health care is delivered
- Genome – maps individual's personal make-up (cells). Individual profiles would show areas person is most vulnerable to illness/how to treat to prevent
- Database to send notes to patients when they need preventive care (annual exams)

- Auto industry went through a technology revolution, health care industry needs to duplicate. Are there lessons that can be shared?
- Capitalize on what's going on with auto industry

Alignment

- Funding for health care currently flows by disease. Need funding to flow by health prevention/maintenance
- Shift to preventative care, i.e. health exams, versus waiting until you're sick to see primary care physician
- K-12, post secondary, workforce/career and social/policy

Paradigm Shift

- Health & Care instead of Health Care
 - We know how to make a number of diseases better that do not require medical intervention, but are environmental. How do we affect these types of changes, i.e. asthma in kids caused by air pollution, diabetes impacted by junk food?
- Marketing (teaching people to be healthy)
- How to look at technology to transform system
- Self care mode – service base on person, not function
- Manage chronic illness versus the solution is a cure
- Health care employees need to continually upgrade and develop new skills. Many health care occupations will become obsolete in the near future. This job elimination process needs to be viewed as an opportunity to transition workers into jobs that will be crucial in the future.

Education

- Educate potential employees on skills needed for health care occupations
- Ethnically diverse faculty
- Health Literacy (teaching people how to be healthy)
- Career ladders
- Retired nurses as mentors
- Tutors
- Health professionals establish their own criteria – need to look at credentialing
- Need to increase the number of educators (lack of faculty)

Challenges

- Genome research means we will very quickly be able to have individual health profiles
- Attracting young folks to healthcare industry
- Patient interaction, ways to encourage expansion of primary care services, look at higher end services
- Don't lose sight of people that want a license
- How do we provide financial incentive for health literacy?
- Financing needs to be restructured so that acute care is not the primary care model and preventive care is primary
- Financing structure of Medicaid needs to change

- Private sector can help align better and sooner than public policy

Solutions

- Marketing careers in health care, young people, middle school
- Health literacy is the key, health management is a means
- Alignment around health
 - Record around health
 - Funds around health