Saving Lives and Saving Money:
Transforming Health in the 21st Century
to Achieve 100% Insurance Coverage

Newt Gingrich
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“Doing more of what you are already doing and expecting a different result is a sign of insanity.”
- Albert Einstein

“When I can’t solve a problem I always make it bigger. I can never solve a problem by trying to make it smaller, but if I can make it big enough, I can often find a solution.”
- General Dwight David Eisenhower during World War II

“Real Change requires Real Change.”
- Newt Gingrich and Nancy Desmond
  *The Art of Transformation*

“Yes, if ” rather than “No, because.”
- Newt Gingrich and Nancy Desmond
  *The Art of Transformation*

“Cheerful Persistence is key to achieving real change.”
- Newt Gingrich and Nancy Desmond
  *The Art of Transformation*
Creating a 21st Century Personalized Intelligent Health System with 100% Insurance Coverage

- **Premise:** It is possible to have 300 million Americans living longer and living healthier in a 21st Century Personalized Intelligent Health System with 100% insurance coverage, but it requires changing a lot more than just financing.

- **Predicate:** Solving the cost of health insurance cannot be accomplished by focusing only on financing the current system. That is a strategy for rising costs and declining health.
The Great Drivers for 21st Century Personalized Intelligent Health System with 100% Insurance Coverage

1. **Science:** There will be four to seven times as much new scientific knowledge in the next twenty-five years as in the last twenty-five years.
   - If it is four times as much change from now until 2032, it will resemble the period from 1880 to 2007.
   - If it is seven times as much change, it will resemble the period from 1660 to 2007.

2. **HIT & Wireless:** There is a system of entrepreneurial, science- and technology-based market-oriented systems that have been providing dramatic breakthroughs in quality, choice, and declining cost.

3. **Systems that Work:** There are working systems of productivity that are very powerful, such as the Toyota production system, Six Sigma, the quality principles of Deming and Juran, the management principles of Peter Drucker, and concept of lean manufacturing and markets with entrepreneurs.

4. **Individual-centered:** Empower the individual, rather than the bureaucracy. There is a customer market and values system which leads to dramatic change and innovation. It is individually centered, patient-centered, customer-centered, and citizen-centered, and it is profoundly different than the 20th Century bureaucracies which are failing. An individual-centered system must have individual accountability.

5. **American Civilization:** Historic American culture as exemplified by George Washington and Benjamin Franklin simply works. American civilization is strengthened by our work ethic, courage, individual initiative, responsibility, team work, energetic effort, savings and investing, recognizing and rewarding achievement, and having high expectations.
A 21st Century Personalized Intelligent Health System with 100% Insurance in a 300 Million-Payor System Requires Transforming 4 Boxes:

1. Individual Rights, Responsibilities and Expectation of Behavior
2. Maximize Cultural and Societal Patterns for a Healthy Community
3. Effective, Efficient and Productive Health Delivery System
4. Financing to Enable 300,000,000-Payor Insurance System
The BIG picture in Creating 100% Insurance Coverage

Science

- Financing to Enable 300,000,000-Payor Insurance System
- Effective, Efficient and Productive Health Delivery System
- Maximize Cultural and Societal Patterns for a Healthy Community
- Individual Rights, Responsibilities and Expectation of Behavior

HIT + Wireless

Systems that Work

Individual Centered

American Civilization

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Transformative Health Agenda for 2009

1. Health-Based Health Reform: best practices to inform policy; data-driven healthcare and reimbursement


3. Fraud as the Pay-For: electronically detect, eliminate, and prevent criminal fraud; $70-200 billion a year in savings

4. Capital Investment Budgeting: change scoring models and budget rules to allow for long-term investment and forecasting savings
$950 – $190  $375 – $75  $750 – $150

$6,750  $5,750  $3,300  $950

$46,000 – $103,000

$3,300 – $14,300

3 to 1

$8,000 plus with earlier deaths – $5,000 minus with longer lives

For Explanation of Numbers Please go to:
http://www.healthtransformation.net/cs/explanation_of_numbers

Reading List for Creating a 21st Century Intelligent Health System

Relationship between quality and Medicare spending as expressed by overall quality ranking in 2000-01

### High Quality, Low Cost - 38%

- New Hampshire
- Vermont
- Maine
- North Dakota
- Utah
- Iowa
- Colorado
- Wisconsin
- Minnesota
- Oregon
- Nebraska
- Montana
- Hawaii
- Virginia
- Washington
- South Dakota
- Wyoming
- Idaho
- North Carolina

### High Quality, High Cost - 10%

- Connecticut
- Massachusetts
- Delaware
- Rhode Island
- New York

### Low Quality, Low Cost - 10%

- Indiana
- Kansas
- West Virginia
- New Mexico
- Arkansas

### Low Quality, High Cost - 42%

- Maryland
- Michigan
- Missouri
- Arizona
- Pennsylvania
- South Carolina
- Alaska
- Nevada
- Ohio
- Tennessee
- Kentucky
- Alabama
- Florida
- New Jersey
- California
- Oklahoma
- Illinois
- Georgia
- Texas
- Mississippi
- Louisiana
A project is a definable delegatable achievement and the key to entrepreneurial rather than bureaucratic behavior.

VALUES
VISION
METRICS
STRATEGIES
PROJECTS
TASKS

All communication occurs in the mind of the listener.

Listen > Learn > Help > Lead

Appreciative understanding (active listening between the sentences)
TRUE PRAGMATISM
(Listen for new facts and perceptions)

Source: Art of Transformation by Newt Gingrich and Nancy Desmond, CHT Press, 2006

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Current System
Provider-centered
Price-driven
45 million uninsured Americans
Hidden price and quality information
Knowledge-disconnected
Slow diffusion of innovation
Disease-focused
Paper-based
Third party controlled market
\[(\text{patient} - \text{provider} - \text{payor})\]
Limited choice
Punishment-driven
Predatory trial lawyer litigation system
Quantity and price measured
Process-focused & administered
Bureaucratic management
Overall cost increases

21st Century System
Individual-centered
Values-driven
100% coverage
Transparent price and quality information
Knowledge-intensive
Rapid diffusion of innovation
Prevention and health-focused
Electronically based
Binary mediated market
\[(\text{individual} - \text{provider})\]
Increased choice
Incentives-pulled
New system of health justice
Quality of care and quality of life
Metrics-led & outcomes-focused
Collaborative leadership
Overall cost decreases