Students in the Master of Public Administration (MPA) health care finance class used design thinking in conjunction with their coursework and work experience to develop a proposal for reducing health care costs while maintaining or expanding health care access. The proposal provides a useful road map for the current congressional debate regarding the affordable care act because it retains components of the act as well as incorporating the Republicans' emphasis on patient-centered care.

More specifically, one of the proposal's primary elements is to change the incentive structure for providers and patients. In the case of providers, the students recommended continuing the ACAs and the insurance industry's emphasis on Accountable Care Organizations (ACOs) and medical homes so that providers have a financial incentive and the structures to reduce unnecessary procedures and improve their patients' health rather than perpetuating the fee-for-service incentive to do more procedures as a means to increase provider revenue.

A companion recommendation is to continue the ACA's emphasis on electronic records by (1) enhancing the capacity of various electronic record software packages to communicate and share information and (2) develop health care cards with chips to store the individual's health care records. As is the case for ACOs and medical homes, access to comprehensive electronic
records would reduce the duplication of tests and instances of interactions among drugs that are prescribed by multiple physicians.

The proposed changes in the incentive structures also incorporates the Republican's focus on patient-centered care with one important difference. Instead of shifting a greater share of health care costs to patients and thereby encourage them to be more discerning health care consumers, the students recommended expanding the practice in which individuals who select services/tests with costs less than the regional average share the savings (the difference between the regional average and the lower-cost option) with their insurance company. Implementation of this option would facilitate the Republican goal of patients becoming more cost conscious without shifting a significantly greater share of the costs to patients.

In addition, the amount of funds set aside in health savings accounts could be increased by establishing the requirement that employees be given the option of opting out, rather than opting in to the program. As amounts set aside in the accounts increases, health care costs will be more manageable during the individuals advanced years when out-of-pocket outlays for health care tend to be greater.

In recognition of the significant portion of Medicare funds expended during the beneficiaries' final weeks of life, an expansion of providers who are eligible for end-of-life planning reimbursements is recommended. However, the rationale for the expansion transcends the potential savings - it also focuses on the well-being of the individual's family. More specifically, individuals who have terminal diagnoses, and their family members, are empowered by information about the final stages of life. The discussions, in other words, enable them to know what to expect and use this information to make more informed decisions about medical treatments.

The reimbursement for consultations between individuals and providers should also be expanded for disease management. Evidence from New Haven, Connecticut and other cities indicates that when social worker identify and address the underlying issues of frequent fliers (i.e., those who frequently utilize emergency department care) and works with individuals with costly diseases such as diabetes and heart disease to maintain their treatment regimens, the number of emergency department visits are dramatically reduced.

Given the impending shortage of primary care physicians and the previously described increased role for these providers, the students' final major proposal is to provide greater incentives (i.e., grants and loan forgiveness) for medical students who choose to enter this field instead of one of the specialties.

As indicated by the preceding discussion, the unintended outcome of the students' deliberations provides something for everyone - both Republican and Democratic - and thereby enhance the probability of compromise and progress.
Dear Robert,

Thank you for contacting me about reducing the cost of health care while maintaining excellence.

I appreciate you taking the time to share your class's informed policy considerations with me, and I will keep them in mind as the future of health care is debated in Congress.

Please pass my best wishes onto the MPA candidates at Western Michigan University. I am optimistic about our future knowing that WMU is educating the future leaders in health care policy!

Sincerely,

Debbie Stabenow
United States Senator

U.S. Senator Debbie Stabenow
The United States Senate • Washington, DC 20510
stabenow.senate.gov
Dear Robert:

Thank you for contacting me with your support for the Patient Protection and Affordable Care Act (PPACA). I appreciate this opportunity to respond on this important issue.

I’ve heard from many constituents rightly concerned that the repeal of PPACA without a known “replacement” is not acceptable. I agree.

We need to enact real healthcare solutions that will ensure all families have access to affordable, high-quality, and flexible healthcare options, including the most vulnerable Americans and those who have newly attained coverage or have pre-existing conditions.

To this end, in the 114th Congress, along with U.S. Senators Richard Burr and Orrin Hatch, I released the Patient Choice, Affordability, Responsibility, and Empowerment Act (Patient CARE) – a legislative plan to replace the law with common-sense reforms that will expand the range of available health insurance options, empower and protect consumers in the marketplace, and lower the actual cost of health insurance and services. Our proposal would protect patients with preexisting conditions, increase healthcare price transparency, and give families maximum flexibility to purchase the care they need. For example, it would restore the ability to use Flexible Spending Accounts or Health Savings Accounts to purchase over-the-counter medications and provide a means-tested tax credit that individuals could use to buy a broader range of insurance products or deposit in a Health Savings Account.

Many of the policies in the Patient Care Act, such as protecting patients with preexisting conditions and including children up to age 26 on their parents’ insurance have bipartisan support. These areas of agreement present a policy space in which Congress could work in a bipartisan way to enact healthcare reform.

I’ve also had a good number of discussions with Governors across the country that took advantage of financial incentives to expand their Medicaid enrollees. In Michigan, the number of folks enrolled is 600,000 and I am working to protect them from being cut off.

I have a long-record of championing bipartisan healthcare legislation. Last November, after years of bipartisan collaboration, the House of Representatives passed the 21st Century Cures Act by an overwhelmingly bipartisan vote of 392 to 26. My colleague Representative Diana DeGette (D-CO) and I
launched the Cures initiative three years ago to bring the nation’s healthcare innovation infrastructure into the 21st Century. Understanding the complexity and importance of this issue, we took time listen to all perspectives on how to reach our goal and develop reforms that both sides of the aisle could support. The 21st Century Cures Act is substantive legislation, an innovation game-changer that patients and the nation’s researchers and scientists need. In December, we stood shoulder to shoulder with President Obama at the White House, where he signed out legislation into law. This strong bipartisan support for Cures demonstrates that it is possible to develop bipartisan consensus on major issues, and we should use this approach to take on broader healthcare reform.

We can all agree that the current state of healthcare in this country is not working for many families. The American people want and deserve a system that works for everyone, and I remain committed to working with my colleagues on both sides of the aisle to deliver bipartisan healthcare reform and relief to all Americans.

As always, I thank you for contacting me. I appreciate your insights and look forward to your continued input as we work to improve our nation’s healthcare system. Please do not hesitate to contact my office if you need any future assistance.

Very truly yours,

Fred Upton
Member of Congress