(Music)

Mark Masselli: This is Conversations on Health Care. I am Mark Masselli.

Margaret Flinter: And I am Margaret Flinter.

Mark Masselli: Margaret, it came as no surprise to anyone that the Supreme Court agreed to the administration's request to put on the docket the Affordable Care Act.

Margaret Flinter: That's right Mark. And 26 lawsuits have been filed across the country since the Affordable Care Act was signed back in March of 2010. The Appeals Courts have ruled on six of these cases so far and the Supreme Court decided to hear appeals from just one decision that one came from the 11th Circuit Court of Appeals in Atlanta, the only one so far to strike down the individual mandate.

Mark Masselli: Again, the individual mandate in the law would require all Americans to purchase insurance or pay a fine and nearly all of the lawsuits challenged the law's individual mandate. So the big question is what happens to the rest of the law if the individual mandate fails and the 11th Circuit Court said it could stand without the mandate. But the Obama Administration has actually urged the Supreme Court to view the mandate as not severable from the rest of the law. That's I think very important.

Margaret Flinter: And it looks like we will know what the Supreme Court decides by the end of June which is the end of the court's 2012 term. This decision is going to come after oral arguments in the spring and of course will have an impact on the election we assume which will be in full swing at that point. Another exciting health care news, the Obama Administration has just announced a grant program totaling a billion dollars that will award providers and organizations that work with patients in Medicare, Medicaid and CHIP to come up with innovative and rapid ways to expand the health care workforce in new and different ways, not just the traditional health care providers that we tend to think of. And I think the quote is that it will favor innovative proposals that demonstrate the ability to create the workforce of the future, so very visionary look.

Mark Masselli: It is, it's very exciting. The Centers for Medicare and Medicaid, CMS is calling it the health care innovation challenge. It's part of the White House's broader "We Can't Wait" agenda to bolster the economy after President Obama's job bill has stalled in Congress.

Margaret Flinter: And on the topic of creative solutions for the health care system, our guest today has been experimenting with Systems Science and Information Technology for years to create a US system that's better coordinated,

more consistent and more efficient. Jeff Margolis, Founder of the TriZetto Group will join us today to talk about that vision and how they have done some execution for better a health care system. We are happy he is joining us.

Mark Masselli: We are. And no matter what the story, you can always find out more about our shows and hear about us by Googling CHC Radio.

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Mark Masselli: Today Margaret and I are speaking with Jeff Margolis, Founder of the TriZetto Group, a health care technology solution provider. His new book is called The Healthcare Cure: How Sharing Information Can Make the System Work Better being released this month and published by Prometheus Books. Welcome Jeff.

Jeff Margolis: Thank you Mark.

Mark Masselli: There are many books being released that talk about the US health care system and lay out the problems from uncontrollable cost to poor health outcomes to fragmented care and yet, your book as well as your work at the TriZetto Group since 1997 tell us that there is a solution that the system is not beyond repairing. You call your plan the Integrated Healthcare Management System and it sounds like a very powerful tool. And I noted in the back of the book there was a reference of a study that had been done that suggested that using the system you might be able to save the health care system between 20% and 30% and you noted even on the conservative side a 10%, it would be about $72 billion. So that's an incredible system. So maybe you could take a little time and tell us about your vision and how you might get all the key constituents in the health care family working together for making a better health care system.

Jeff Margolis: Fundamentally, what everyone can agree on Mark is that if we can align incentives between us as consumers and the way we think about our health care and that we are actively engaged in thinking about improving our health status and if we can align physicians who are the only ones allowed to practice medicine in the United States by the way and we can put them on a course where they are incented to undertake the conversations and necessary steps to make sure they are not just treating patients for illness but taking care of patients' total health then we can get to integrated health care management.

Margaret Flinter: Jeff, your early life and your early career certainly had a profound influence on the work that you have done since with TriZetto. And you speak very frankly about the experience of being a patient with a very significant chronic illness and we always say that the doctor who has the same disease as the patient takes the best care of that patient. That kind of deep fundamental understanding of what's wrong is really a powerful lesson, and it gave you an opportunity to observe the health care system firsthand. But you also had deep

training in Systems Science and Information Technology and using those skills to solve complex problems in energy, in banking, in health care. What are the challenges that health care has in common with other industries and which ones are really specific to health care that you had to wrestle with to get to your system of addressing the issues?

Jeff Margolis: I appreciate that question Margaret because yes, my personal journey of course I think all of our personal journeys influence the way we think about life. I was both very unfortunate to be afflicted with a disease that is not a curable disease, at least not today but we are working on it called Crohn's Disease. And I was diagnosed at a fairly young age and what was interesting is that I was told that I would be facing challenges for my entire life, that there were very few things they understood about the disease, that the treatments were as bad as the disease itself. And that really makes you think when you are a 19-year-old which I was at the time about what things can you control in life and what things can't you, right. So as I studied Information Systems and Technology and I learned at different series of industries, as you say, I tried to say if you look at the manufacturing industry which can be very complicated in terms of all the components and pieces and parts that goes into creating let's say an automobile like Lexus and you think about what portions of that process can be controlled, how do you solve quality issues, how do you keep cost down and how do you make sure along the lifecycle of such a product can you really put the right tools and techniques into both the consumer's hands and let's say the mechanic's hands to make sure everything goes right. The truth of the matter is that, and I think the third chapter of my book is called The Lexus and the Human.

Margaret Flinter: Right. I don't want to be a Lexus.

Jeff Margolis: Right. Well it does postulate the question of if something was wrong with you, which would you rather be and I don't want to be a Lexus either, I like being an animate object. But I do think that it's ironic, isn't it, that a car has an electronic record that follows it around all its life and we as humans only now in sporadic ways are starting to get that level of comprehensive Information Technology applied to us. But what's the basic lesson? The basic lesson is if you don't understand all the pieces and parts to solve a problem then you probably can't solve it. And the problem in health care is that the health care industry is so big, it's over $2.4 trillion in the United States, it's 18% of Gross Domestic Product and if you know hospitals, if you are a hospital expert then you know hospitals. If you are a physician of a certain type then you are an expert at that type of medicine. If you are a pharmacist, I mean you can imagine I can keep going through the list here, you might know your piece or your silo very well. You might even have very good information about your piece but how do you play that to the whole, how do you make that so that the total experience and process for you or me as human beings is better? And that's how you apply systems science to health care and this is how we come up with Integrated Healthcare Management.

Margaret Flinter: When we look at the systems that seem to have the best lock on this and we hear a lot certainly about organizations like Kaiser Permanente or the Veterans Affairs which has certainly earned itself a market for quality or group health, certainly the question is, is it really only those organizations in which the delivery of care and the coordination of care and the payment for care is managed by the same entity that will make those investments in not hiring the most super hotshot physician that graduated from Harvard this year but maybe hiring five community health workers to go out and engage people as you say in taking their medicine, provide transportation, or at least look at that as equally important to achieving the ends. What do you see as the possibility that this is going to happen in a widespread way across America outside of those kinds of organizations that organize, deliver and pay for the care, all in one entity?

Jeff Margolis: Yeah well I think it's an absolute certainty that it will occur, in fact, it is already occurring. When you have what I call that physical overlay model like a VA or Kaiser which can be a very good model because I call it the Wal-Mart model of health care. You can walk into a facility, most of the things that you need are literally physically there. They have been purchased and procured at good rates and you have access to them and of course in that setting there can be help in guiding you through the store if you will. But just as Wal-Mart is not the only successful retail model, www.amazon.com is equally successful in terms of assembling all the pieces and parts necessary for a consumer to put together what they need and get it delivered to them if you will at a high value. One example would be a client of TriZetto's called CareMore which is a health plan that focuses on frail and elderly Medicare patients, Medicare Advantage is the type of plan it is. And it started in California actually in Orange County and is now operating in about three states recently purchased by the way by national health care giant WellPoint who sees the value, Margaret in exactly what you are talking about. And so I think it's absolutely a certainty that private health plans or what I call also virtual health plans in other words, health plans that don't necessarily own their physicians but contract with hospitals and other physicians that are not owned but they are just affiliated are going to start doing more and more of these things because the quality that you can produce is terrific and the cost at which you can produce at is lower.

Mark Flinter: This is Conversations on Health Care. Today, we are speaking with Jeff Margolis, Founder of the TriZetto Group. He has a new book out titled The Healthcare Cure: How Sharing Information Can Make the System Work better. Jeff, in your book you say that given the Information Technology that exists there is no reason we can't engineer a health care system to give human beings care that is coordinated, consistent, efficient and based on the best practices available. Unfortunately, it's not that easy in the United States given the wide array of political differences, policy and financial barriers that have gotten in the way over the last century. So why do you think now is the right time to introduce

this new management system and can you give us some examples of inroads you have made in testing out your solution?

Jeff Margolis: Sure. Well, the first reason that the time is now is because this problem is getting red hot critical and we can't sit around as a country playing that blame game anymore, we have to say okay let's get real about what's working and what's not working. And as you may have noted in the book it's endorsed by both a very prominent past Democratic senator and a very prominent past Republican senator who both can agree on the concepts that if we design the tailored benefits for individuals. So Mark, Margaret, you and I all have different things about us perhaps different income levels, we live in different places, we might have a different health status, you may have certain chronic illnesses I don't, I may have certain that you don't but certainly, the technology exists to design a benefit plan that removes the barriers for me or you to get the care you need just because it makes commonsense. In other words, if you have asthma and you need an inhaler, why would we create a financial barrier for you to get access to that, right. Okay so that's the benefit side. The time is now. The technology to produce those tailored benefits exists. It's developed by the TriZetto Group, it's developed by other entities that have the capability to do this. Let's look at the reimbursement side. Everybody agrees, there is nobody standing up saying fee-for-service medicine where we reward physicians for the volume they produce makes any sense as opposed to we need to start rewarding physicians for the value they produce. That value can be quality of outcome. So if you have a hip replacement or a knee replacement, certainly you want to be functional, right, you want to have range of motion, you want to be able to walk, you want to be able to get around that's kind simple to measure. But you don't want to forget little things like oh by the way, while you are doing that surgery, please prevent infection from occurring during the surgical process because in fact the infection during one of those that might result and cost people much more time and missed work and pain and suffering and cost the system a lot more money than just doing it right the first time. So everyone can agree on that, right. So that's the benefit tailored for individuals following evidenced-based guidelines so we provide the best of care. Using Information Technology to bring those two capabilities together for you or me as consumers at the right place at the right time, why wouldn't we start it now? It's going to save money, it's going to save lives and it's going to change the dialogue from one of who is wrong and doing the wrong things in the health care system to how do we align physicians and consumers to do the right thing.

Margaret Flinter: Jeff, speaking of the time is now, we are living certainly in the era of the gradual rollout of the Affordable Care Act, the legislation of the Affordable Care Act and we will see that continuing over the next couple of years as the exchanges come up. But we have a question for you. Much of what you are talking about we see elements of it embedded within changes at CMS and the Centers of Innovation, the Office of the National Coordinator, meaningful use, prevention, consumer engagement but I give you the chance; if you had been

asked to write one amendment to add on to the Affordable Care Act that you think would have significantly enhanced it or taken this work that you are doing to the next level, what would that have been, what was missing that would have really made it an even greater piece of legislation in your mind?

Jeff Margolis: That's a wonderful question. Actually, I think I have it.

Margaret Flinter: Did you write the amendment already?

Jeff Margolis: Well I didn't but here's the thing is in the Affordable Care Act which I think is very well meaning, certain constituents were viewed as powerfully being able to affect changes in health care, most notably physicians and certain constituents were pretty much ignored in terms of positive contribution and rather regulated more and that of course was health plan and the politics being what they were at the time. If I could change one thing in the Health Care Act which contains a net excess of $60 billion to help create improved electronic health records in physician office and hospital settings, I would have sprinkled in let's take a low number, $5 billion, $4 billion to give incentives to health plans that have by the way tremendous historical data on consumers because they pay claims of what the consumers' historical diagnoses are, what procedures have been done, where they were done, who the treating physician was so on and so forth. And to encourage the development of personal health records that are populated by payer data to complement the electronic health records populated by clinical data then we would be off to the races.

Margaret Flinter: Alright.

Mark Masselli: Jeff, we like to ask all of our guests this final question. When you look around the country and the world what do you see in terms of innovations and who should our listeners at Conversations be keeping an eye on?

Jeff Margolis: To me innovation in health care needs to yield improved health status for individuals and populations at reduced cost. So when you look around and I really think when people are trying to pay attention, first they need to understand that all systems and all countries around the world are not created equal and the amount that the consumer feels or doesn't feel differentiates across the world. But I would say let's not look too far from home. I already mentioned CareMore Health Plan that's operating in California and I think Texas and Florida if I am not mistaken, there is a model. I think you want to take a look at the Aetna and Cigna and UnitedHealth Group and see how they are working to bridge payer technologies to help assist physicians and hospitals. Take a look at CareFirst which is a BlueCross BlueShield plan in Maryland that's undertaking what I would call advanced medical home initiatives where the physician is in fact the quarterback quarterbacking a team taking total care of consumers and the incentives between that physician and consumer are aligned. And I will give you one wildcard, one that I am actually very involved with now as the Executive

Chairman of a company called _____ 21:29 which is the emergence of how social media can better be used to engage consumers like you or me in what I call a new genre called social health management. We have a virtually untapped opportunity to take the resource of many, many people who have been through a lot of things. As you said earlier Margaret, if you have been through something, you are in the best position to give advice on it. That is yet an untapped resource and unlocking the power of Information Technology it's an untapped resource that contributes to consumer engagement in Integrated Healthcare Management and I think you will be hearing a lot about that.

Margaret Flinter: Today, we have been speaking with Jeff Margolis, Founder of the TriZetto Group, a health care technology solutions provider. His new book is called The Health Care Cure: How Sharing Information Can Make the System Work Better published by Prometheus Books. Jeff, thank you so much for joining us today on Conversations.

Jeff Margolis: My pleasure.

Margaret Flinter: Each week, Conversations highlights a bright idea about how to make wellness a part of our communities and everyday lives. This week's bright idea looks to a unique experiment and education that combines longer school days with increased physical activity. Dohn Community High School is a 157 student dropout recovery school in Cincinnati, Ohio.

Ramone Davenport: I am a truly believer in education and (Inaudible 23:04) if you have physical fitness and healthy eating, it leads to better academic success.

Margaret Flinter: Principal Ramone Davenport doesn't just want the students to earn their credits he wants to see them reach their full potential. And he believes that physical fitness is one way to improve academic performance and that longer school days are a means to keep teens out of trouble. This year, the charter school created the very first mandatory after school program in the state. Dohn's Let's Move academy modeled after Michelle Obama's Let's Move Initiative to get kids moving and eating healthier requires 9th and 10th graders to attend a 12 hour school day but that's not all. The program also incorporates tutoring three healthy meals and 90 minutes of physical activity for the students. Using body mass index measurements, blood pressure screenings, and physical fitness tests, the school is tracking whether the students' health improves and how this has an impact on their academic success. Linking health to education to activity to give some students who might otherwise fall through the cracks a chance to succeed, now that's a bright idea.

Margaret Flinter: This is Conversations on Health Care; I am Margaret Flinter.

Mark Masselli: And I am Mark Masselli, peace and health.

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