

Series: Selling Innovation

Title: The future of healthcare

Subject: Dr. Paul Grundy, director of healthcare technology and strategic initiatives, talks about the urgent need for a dialogue between the providers and buyers of healthcare.

Welcome to Selling Innovation, an IBM podcast. I'm your host, Barbara Finkelstein.

Joining me by phone is Dr. Paul Grundy. He's the director of healthcare technology and strategic initiatives at IBM. We're going to talk about the future of healthcare. Dr. Grundy, thanks for speaking with me today.

GRUNDY: Well, thank you for asking me. It's a pleasure.

You're going to have to forgive me for asking some rather broad questions, but when we talk about the future of healthcare, we're about to paint on a rather large canvas.

So, first, give us a snapshot of what the healthcare landscape looks like today - in the U.S. and elsewhere. You might want to talk about an undeniable fact of life: The current system - in the U.S., anyway - doesn't seem to reward healthy outcomes.

GRUNDY: I would agree with you on that, Barbara. We in America spend twice as much as any other country in the world on our healthcare, and we're, unfortunately, not achieving results with the amount of money that we're spending.

We are ranked by the World Health Organization as No. 37th in the world in terms of outcomes, which is really somewhere between Costa Rica and Cuba, putting us in, you know, in a category that's quite low in developed nations for health outcome - at twice the price of any other country in the world. So we do have some real fundamental issues that we need to address in this country.

What's currently going on with issues, such as delivery, treatment, accessibility of care and reimbursement structures, just to name a few aspects of healthcare, at least in the U.S.?

GRUNDY: Yes, it's extremely complicated in the United States. We have evolved a system that is really around a pay-for-procedure process that might work okay for a surgical procedure, but doesn't work very well in the system of actually delivering primary care or basic care for most employees.

The physicians that are delivering care to you - you're really paying for a matter of a few minutes of their time, and that's how they're reimbursed. They're reimbursed as if it's a procedure rather than a relationship providing you meaningful care.

As employers, IBM and others have tried to rectify that to some degree - but after the fact: Trying to buy care for our employees with something we call disease management programs, where we use claims data, go in with a nurse on the telephone and try to establish a relationship in which we can help somebody care for disease process rather than, you know, doing a procedure on them.

Although that's better than nothing, it doesn't substitute for, you know, a real relationship with a physician who will interface with you and actually provide longitudinal, ongoing patient-centered primary care.

Dr. Grundy, you just mentioned the pay-for-procedure system in the U.S. Can you give us examples of a more patient-centric healthcare system somewhere in the world?

GRUNDY: Yes, and it's increasingly clear that those systems are delivering better care, and they are improving, whereas we are declining.

Denmark is an example of a system that really started focusing on the needs of the patient.

And they put in place, I would say about 15 years ago, what we would define as a true patient-centered healthcare system where you would be seen by a primary care provider, and he

would be rewarded for establishing a relationship with you that was meaningful.

This provider would be given some sort of a capitation for providing basic care. But if he saw you as a patient after hours, or interfaced with you on the Internet, or via e-mail, or had some sort of an interaction around your disease management, he would be rewarded in this system and incented to really establish an ongoing relationship around your care and your needs.

In the patient-centered care system like Denmark, they have also looked at the kinds of tools and infrastructure that support your needs as a patient. And they have really developed - in this case, it was actually developed by IBM, by ACURE, an IBM company - the electronic tools that allow you to have your information on a portal. You can go out on the portal and see how long it takes to see your doctor; how long the queue is in his office. You can look at your meds, order your meds.

And at the same time, your doctor has access to your x-rays, you know, and all of your patient information that's online. And if you should visit another part of the country, and you happen to end up in the emergency room there, all that information in real time is available to the doc.

So you don't have drug-drug interactions, because nobody knows what medicine you're on; with allergic reactions, because nobody knows your allergies; duplicate tests, that sort of thing.

Getting closer to home, the Veterans Administration has been extremely successful in adding value and efficiency in their system over the past ten years. By following the same model, really, they have sort of structured primary care clinics now all over the country for the veterans to attend.

They've really put in robust electronic health tools - personal health records, electronic health records - so that they in many ways have a system similar to Denmark. And that's been very efficient.

I think the data speaks for itself: Ninety-one percent of the veterans in a recent survey say that they're really happy with the care they receive. Whereas, our employees and in other companies' employees, only half are happy with the care they get now.

What do you think has to happen to bring about a healthcare future that will keep populations as healthy as possible?

GRUNDY: It's becoming clear that one important thing to occur is to put an infrastructure in place that can support a

doctor, healthcare system meaningfully. We've reached a point where disease processes are just simply too complicated to do without computer assistance. It's too complicated to launch a rocket without a computer, and it's really too complicated to do disease management for, say, a diabetic.

So one very important step would be for a national infrastructure to exist and that [it] have the appropriate electronic health tools, like e-prescribing, electronic health records.

I think the other thing that's really, really important is what we want to buy as a buyer of healthcare, for you, the patients.

We want to stop buying really good amputations for a diabetic. We want to buy an ability to prevent the amputation from occurring. We want to buy real disease management, real clinical care, real patient-centered care. And I think that's going to require a fundamental transformation in how we, as buyers, pay for care.

What's the role of IBM and other corporate employers in helping to shape the healthcare future?

GRUNDY: It's imperative that we, as a buyer of care, start having a dialogue directly with the providers of care. And I

think probably IBM is farther ahead than any other large company in doing that.

We have a very active dialogue that's now occurring with the American Academy of Family Physicians and the American College of Physicians. And in organizations like the HR Policy Association, we're having this discussion; in organizations like the National Business Group on Health where large employers discuss these kinds of issues. We're trying to encourage other large employers to understand this relationship.

Do you have a best case scenario in mind for what a future healthcare system would look like?

GRUNDY: Yes, I think a future healthcare system would center around you as a patient having a home, an advanced medical home, that you would perceive as the place where your health information resides, where you can get meaningful primary care, where you can get meaningful advice about secondary care.

I don't mean a gatekeeper. I mean a trusted advisor. It could be that you're in Portland, Oregon, and you take ill in St. Louis. But you have a medical home somewhere where that information about you resides.

And whoever interfaces with you can retrieve that and give you trusted information that's reliable. My ideal would be very similar to what our employees who live in Denmark receive today, really.

Dr. Grundy, I'd like to thank you for speaking with me about the future of healthcare.

GRUNDY: Well, thank you very much, Barbara. I really appreciate it.

You've been listening to Selling Innovation, an IBM podcast. I'm your host Barbara Finkelstein. Thanks for joining me.

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