

Reducing Health Care Costs

Contributed by John F. Macek LCSW

The US has by far the best illness care system in the world. Unfortunately, this does not give us a healthier population than countries that spend half as much on health care.

In 1978 I joined a board of 11 to plan and implement Kansas City's first HMO. The board was a collaboration of business leaders (Armco Steel, United Telecom, Alexander & Alexander) and union business managers (SEI, Teamsters, AFL-CIO, and Machinists Union). Their shared objective was to contain rising health care costs.

As we moved into pre-operational status, we recruited a Harvard Medical School Graduate. He was a board certified internist and full-time faculty member at the University of Rochester School of Medicine. We wanted top talent to guide us into operational mode. He was an avid researcher and ultimately recommended two highly regarded HMOs as models: Harvard Health Plan and Kaiser Permanente. He provided us with the following advice:

1. The most efficient and effective way of containing health care costs is early intervention and preventive care.
2. Medication cost and medication effectiveness are not directly related. He recommended hiring a Ph.D. pharmacist to review drug effectiveness studies and, in collaboration with physicians, determine which medications should be offered in our pharmacy. He also regularly advised physicians on drug interaction. (These days we use internet services that give physicians daily updates versus relying on the old Physician's Desk Reference..) Pharmaceutical representatives were allowed to talk only with our Pharm. D. He asked probing questions and went back to published studies of clinical trials. In order to encourage members to use our pharmacy (which allowed us to monitor the medications they were taking and whether they took them), we offered deep discounts on drugs at our clinic pharmacies.
3. We followed conclusions made by the National Institutes of Health after extensive studies of factors that influence health status. NIH concluded that health status is determined by four factors:
 - a. 70% by life style (nutritional habits, exercise, smoking, excess alcohol consumption, lack of productive sleep, stress. Meaningful relationship.....)
 - b. 10% by environmental conditions,
 - c. 10% by heredity.
 - d. 10% by medical intervention.
4. We adopted evidence-based practice as our standard decades before this became a current standard for all health care accreditation bodies.
5. Our Medical Director recommended that our HMO be not-for-profit because the profit motive can create incentives to cut corners on patient care. The board unanimously agreed.
6. He recommended working from a single medical chart that allowed physicians access to a patient's entire health care picture. (Electronic medical records do that for us today, but were not available 30 years ago,) The result is that all lab test results were accessible. That greatly facilitated diagnosis and eliminated duplication of testing.
7. It is more effective to offer all services from a single site where physicians work as a team and provide impromptu consultations with one another.
8. Peer review is a gold standard in medicine. It helps physicians stay in touch with new developments. Since physicians read different studies in different journals, they share their findings with one another.
9. Every member must have a primary care physician who coordinates care, including referrals to specialists. Physicians have insider knowledge of which specialists are best qualified to meet the

unique needs of a patient. Patients are better served by relying on physician judgment in selecting a specialist versus word of mouth recommendations from friends.

10. Good health care is integrated, not segmented. If a physician does not know a patient's entire health history, diagnosis is difficult. The presenting complaint may well be a side effect from a medication. If the physician does not know the patient is taking that medication, the physician may prescribe other medications to manage symptoms when the better recourse is to change dosage level or use an alternative medication the patient can better tolerate. Medication interactions are an increasingly important issue.

What does all this have to say to businesses struggling to control health care costs? Here some practice guidelines:

1. Use plans that encourage wellness care, especially those that offer discounts for members actively participating in wellness programs.
2. Bring good health practices to the work site. Make sure smokers are not harming coworkers with secondary smoke. Offer healthier foods in the cafeteria and dispensing machines. Seek consultation from a registered dietician if necessary.
3. Look for group discounts at fitness centers and weight loss programs that promote healthy eating over using drugs. Weight is based strictly on calories in, calories out.
4. Refer personnel who show signs of depression or stress to EAP. These conditions increase cardiovascular risk and impair the immune system.
5. Don't let contagious personnel infect coworkers. Create policies that do not punish personnel for being ill.
6. Encourage and expedite flu vaccines for your personnel. It's a good investment.
7. Foster a positive work atmosphere. Retrain or remove managers who use fear to motivate. Fear is a poor tool for motivation and creates a stressful work environment. The rate of illness increases and reduces productivity in two ways: 1) People looking over their shoulder pay less attention to the task at hand.. 2) Personnel who become ill and unable to work are not producing at all.
8. Stock a magazine rack with magazines that encourage healthy eating and healthy interests, especially those involving physical activity.
9. Use common-sense hygiene practices to reduce transmission of infection.
10. Teach proper lifting techniques and other safe practices to prevent on-the-job injuries. Assess the work environment for trip hazards and other risks
11. Look for noise and other distractions that interfere with concentration. Working against distractions is exhausting and reduces accuracy
12. Set up an exercise room that people can use on breaks or after hours. Exercise increases energy and mental acuity.
13. Encourage short breaks. It makes people more productive. The average attention span is two hours. People need breaks to "come up for air" to freshen their minds. Your company wants and needs effectiveness and accuracy, not just motion and activity.
14. Install proper lighting to reduce eye fatigue. Eye fatigue saps energy and leads to errors.
15. Some personnel have hearing impairments. That makes them susceptible to "listener's fatigue." People with listener's fatigue experience high levels of exhaustion as they strain to hear what others are saying. Give the hearing impaired quieter work areas where they don't have to work so hard to hear. Provide amplifier phones. Prevent hearing loss by supplying ear protection in loud areas.
16. Keep washrooms sanitary to reduce spread of infection.
17. It is widely accepted wisdom that 80% of your health care benefits are used by 20% of your personnel. To reduce frivolous use, choose a plan with higher deductibles and better catastrophic care. Lower deductibles means more claims processing and more administrative costs built into the price.

18. Make working conditions fun. Personnel with smiles on their faces are much more productive and customer friendly than personnel with frowns.

Shifting emphasis to health promotion and early intervention provides the best long-term investment. Healthy personnel are more productive. That improves profit margins.

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