Robert Wood Johnson Foundation

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Looking at Policy Options Essential to All Proposed Health Reform Proposals

Experts convene to evaluate health reform

SUMMARY

The FRESH-Thinking project, a health care reform think tank based at Stanford University,[1] assembled a group of scholars and other stakeholders to address policy options essential to all health reform proposals. (FRESH is an acronym for Focused Research on Efficient, Secure Healthcare.)

Started in June 2006 with support from Blue Shield of California, FRESH-Thinking expanded operations from 2007 through 2011 with additional support from the Robert Wood Johnson Foundation (RWJF).

Participants—including academics, practicing physicians, industry representatives, and policy-makers—presented papers at 10 workshops and a conference sponsored by the project, and wrote journal articles dealing with technical, economic, ethical, and policy issues in health care.

The project was not intended to produce a consensus approach or recommend a specific proposal but to present an objective look at decisions required for major health care reform in the United States.

The project directors were:

- Victor Fuchs, MA, PhD, is Henry J. Kaiser, Jr., Professor of Economics and of Health Research and Policy, emeritus at Stanford University in the Department of Economics and the School of Medicine's Department of Health Research and Policy
- Ezekiel Emanuel, MSC, MD, PhD, is Diane V.S. Levy and Robert M. Levy University Professor of Medical Ethics and Health Policy at the University of Pennsylvania

[1] The project was originally planned for the university's Center for Advanced Study in the Behavioral Sciences but ended up being housed at the Stanford Institute for Economic Research.

They assembled a core group of five scholars to help plan, lead, and organize the workshops (Appendix 1). They also assembled an advisory committee (Appendix 2) chaired by Kenneth Arrow, recipient of a Nobel Prize in economics.

Context

Most proposals for health care reform advocated incremental change that would not remedy "fundamental flaws" in the system, according to the proposal to RWJF from Stanford University's Center for Advanced Study in the Behavioral Sciences, Inc. (CASBS).

"They take the existing methods of employment-based insurance, means-tested programs, and Medicare as a given, and seek to diminish the number of uninsured by subsidies to individuals or business firms, tax exemptions or tax credits, mandates on employers or insurance companies, more generous eligibility rules for means-tested insurance, or lower age thresholds for Medicare."

None of these changes would remedy the fundamental flaws in the health care system, according to the proposal. "The case for incremental change rests almost entirely on political feasibility," wrote Fuchs and Emanuel.

Results

In order to explore changes to fix these flaws, project staff held 10 workshops and a capstone conference. Synopses, rapporteur notes, lists of attendees, and presentations and papers from the first nine are available online. Unless otherwise stated, all were held on the Stanford University campus in Stanford, Calif.

- Technology and Outcomes Assessment, Feb. 8–9, 2007, 24 participants including staff
- Organization and Delivery of Care and Payment for Providers, March 1–2, 2007, 24 participants
- The Structure of Health Plan Competition, May 3–4, 2007, 23 participants
- Funding Health Care for All Americans, Oct. 18–19, 2007, 20 participants
- Legal and Regulatory Health Care Reform, Nov. 29–30, 2007, 24 participants
- Innovations in a Cost-Constrained Environment, Feb. 28–29, 2008, 23 participants
- Synthesis Workshop, May 20–21, 2008. Participants included attendees at previous workshops, advisory committee members, and representatives of supporting foundations (Blue Shield of California and RWJF).

- Transition Issues, Jan. 8–9, 2009. The focus was "how to get from here to a comprehensively reformed system," 28 participants.
- Capstone Conference, May 14, 2009. Attended by more than 175 health care reform professionals from academia and industry, the conference was a summation of the previous workshops. It was held at the Quadrus Conference Center in Menlo Park, Calif.
- Medicare Reform Workshop, May 3–4, 2010, 22 participants
- Health Care Lessons for California's New Governor, Oct. 7–8, 2010, 25 participants. Held in anticipation of the state's gubernatorial election the following month.[2]

In an interview for this report in the spring of 2012, Fuchs said that the passage of the Affordable Care Act in 2010 and its upholding by the U.S. Supreme Court in 2012 did not affect the project's research. While the act might reduce the number of uninsured, he said it ignored key areas where change needed to be made: "A dysfunctional system is still a dysfunctional system," he concluded.

Funding

RWJF supported this project from June 2007 through the end 2011 with a grant of $495,972. Blue Shield of California had provided a $300,000 startup grant and made a follow-up $275,000 grant to supplement the RWJF grant.

Afterward

Project staff plans additional workshops on Reform of Medical Education and Disparities in Mortality Rates, Fuchs said.

Prepared by: Paul Jablow
Reviewed by: Kelsey Menehan and Molly McKaughan
Program Officers: Nancy Barrand and Andrew D. Hyman
Program Area: Coverage
Grant ID# 60436
Project Director: John B. Shoven (650) 858-1193; shoven@stanford.edu

[2] Jerry Brown was elected governor in 2010.

APPENDIX 1

Core Group

Alan M. Garber, MD, PhD
Henry J. Kaiser Jr. Professor
Director of the Center for Health Policy/Center for Primary Care Outcomes Research
Stanford University
Palo Alto, Calif.
Expertise: Technology assessments, flexibility in the design of benefit, ensuring effective delivery of care

Gopi Shah Goda, PhD
Postdoctoral Fellow Program Coordinator, research scholar
Stanford University
Palo Alto, Calif.
Expertise: Aging, retirement, financing public programs for older adults

Sharon L. Levine, MD
Associate executive director, Kaiser Permanente Medical Group
Oakland, Calif.
Expertise: Health plan operations, benefit design, implementation of technology assessment

Harold S. Luft, PhD
Director
Institute for Health Policy Studies
University of California, San Francisco
San Francisco, Calif.
Expertise: Reimbursement and operations of health plans, risk adjustment of payments

Steven Shortell, PhD
Dean
School of Public Health
University of California, Berkeley
Berkeley, Calif.
Expertise: Organization of delivery systems, reimbursement incentives

APPENDIX 2

Advisory Committee

(Current as of the time of the grant; provided by the grantee organization; not verified by RWJF.)

Kenneth J. Arrow, PhD, chair
Nobel Prize recipient, economics
Joan Kenney Professor of Economics
Professor of Operations Research, emeritus
Stanford University
Palo Alto, Calif.

Carolyn M. Clancy, MD
Director
Agency for Healthcare Research and Quality (AHRQ)
Rockville, Md.

Denis A. Cortese, MD
President and CEO
Mayo Clinic
Rochester, Minn.

Diana Farrell
Director
McKinsey Global Institute
San Francisco, Calif.

Mary Kay Henry
Executive Vice President
Service Employees International Union (SEIU)
Washington, D.C.

Jeffrey B. Kindler, JD
CEO
Pfizer, Inc.
Collegeville, Pa.

John Kitzhaber, MD
Governor
State of Oregon
Salem, Ore.

Richard M. Levy, PhD
Chairman
Varian Medical Systems
Palo Alto, Calif.

Martha M. Marsh
CEO
Stanford Hospital and Clinics
Palo Alto, Calif.

David Mechanic, PhD
Director
Institute for Health, Health Care Policy and Aging Research
Rutgers University
New Brunswick, N.J.

Leonard Schaeffer
Founder
Wellpoint
Indianapolis, Ind.

Claude Steele, PhD
Director
Center for Advanced Study in the Behavioral Sciences
Stanford University
Stanford, Calif.

Reed V. Tuckson, MD
Executive Vice President and Chief Medical Officer
UnitedHealth Group
Minnetonka, Minn.

Gail R. Wilensky, PhD
Senior Fellow
Project HOPE
Millwood, Va.

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Articles

Fuchs V. "Health Care Reform: A Collection of Articles on U.S. Health Care Reform." Stanford Institute for Economic Policy Research (SIEPR), Stanford, Calif., 2010. Contains 12 articles published in the *Journal of the American Medical Association* or the *New England Journal of Medicine*. Available online or free from grantee.

- "Eliminating 'Waste' in Health Care"
- "Four Health Care Reforms for 2009"
- "Cost Shifting Does Not Reduce the Cost of Health Care"
- "The Proposed Government Health Insurance Company—No Substitute for Real Reform"
- "Reforming U.S. Health Care—Key Considerations for the New Administration"
- "Health Reform: Getting the Essentials Right"
- "Health Care Reform—Why So Much Talk and So Little Action?"
- "Three 'Inconvenient Truths' About Health Care"
- "The Perfect Storm of Overutilization" with Ezekiel J. Emanuel
- "Who Really Pays for Health Care? The Myth of 'Shared Responsibility'" with Ezekiel J. Emanuel
- "What Are the Prospects for Enduring, Comprehensive Health Care Reform?"
- "Essential Elements of a Technology Assessment Outcomes Initiative" with Ezekiel J. Emanuel, Alan M. Garber

Fuchs V. "More Health Care Reform." Stanford Institute for Economic Policy Research (SIEPR), Stanford, Calif., 2010-11. Contains eight articles published in the *Journal of the American Medical Association* or the *New England Journal of Medicine*. Available online or free from the grantee.

- "The Structure of Medical Education—It's Time for a Change"
- "The Doctor's Dilemma—What Is 'Appropriate' Care?"
- "The $640 Billion Question—Why Does Cost-Effective Care Diffuse So Slowly?" with Arnold Milstein

- “Government Payment for Health Care—Causes and Consequences”
- “New Priorities for Future Biomedical Innovations”
- “The Dedicated VAT Solution” with John B. Shoven
- “Health Care Is Different—That’s Why Expenditures Matter”
- “How to Think About Future Health Care Spending”

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Communication or Promotion

www.fresh-thinking.org. Grantee website containing general information about the project, conference agendas and presentations, and journal articles.