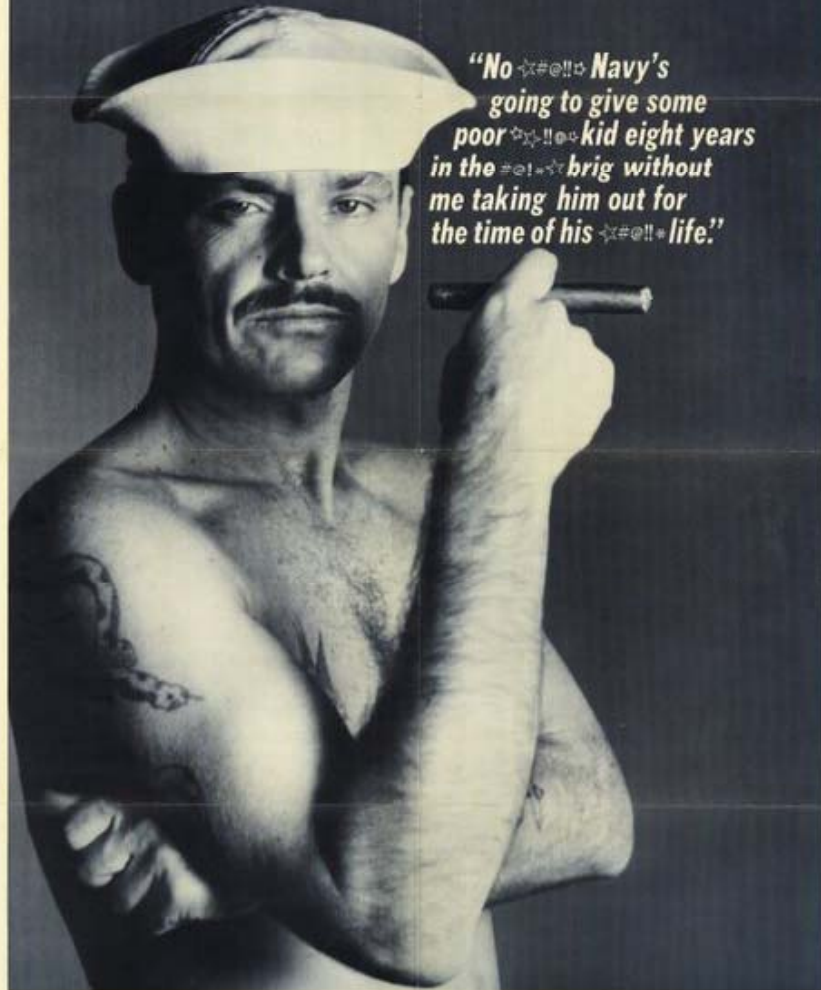


The Five (not so) Easy Pieces of Health Reform and The Last Detail(s)

American Enterprise Institute

June 4, 2009

COLUMBIA PICTURES presents
JACK NICHOLSON
in **THE LAST DETAIL**



*"No Navy's
going to give some
poor kid eight years
in the brig without
me taking him out for
the time of his life."*

with OTIS YOUNG / RANDY QUAID / CLIFTON JAMES / CAROL KANE
Screenplay by ROBERT TOWNE • the novel by DARRYL PONICSAN • music by JOHNNY MANDEL • producer GERALD AYLES
Directed by HAL ASHBY • FROM COLUMBIA PICTURES / A DIVISION OF COLUMBIA PICTURES INDUSTRIES, INC.
AN ACQUANT FILM • A BP Associates Feature

© 1976 BY COLUMBIA PICTURES INDUSTRIES, INC. ALL RIGHTS RESERVED.

7/1/76

www.jack-nicholson.info

Less Intrusive Incentives

Propulsion, not compulsion

- Better value
- Fill in your own gaps
- Ceilings and floors
- Delayed and discontinuous coverage penalties

Parallel Portals

- Instead of regulation
- Accountable choices
- Facilitation, public goods, navigational aids
- Dialing up and down risk tolerance, control settings
- Committing to binding pools
- Less comprehensive levels of pooling
- Knocking down entry barriers to competition

Who's the Boss?

- Choosing who chooses
- Where the purchasing dollar starts
- Real responsibility
- Engagement & self-management
- Customization vs. standardization
- Elites inform but individuals decide
- WTP – individual vs. collective
- Trusted intermediaries?

Closing the Value Gap

- Information & Incentives
- Sharing data
- Measure what matters
- CE that reports; you decide
- P4V differentials
- Medicare leads & leverages
- Providers, patients, & payors

Realigning the Public/Private Balance

- Paying for results w/o dictating methods
- Modernizing public programs within WTP
- Affordability trumps comprehensiveness
- Insurers' identity crisis: price-taking subs or market making agents for differentiated value
- Rules for pools

Stronger Incentives

- Differential payments (absolute & relative levels)
- Smarter cost sharing
- Targeted for health behavior
- Expanding the tool kit (time horizon, scope)
- Financial penalties vs. mandates

Targeting & Retargeting

- Everyone can't pay for everyone else
- Protect the vulnerable first; pay for it (GAP)
- Thinner coverage; value-driven
- Investing in next generation

Better Starting Points: Delivery System

- Underlying high cost/low value of care drives rest of system
- Start measuring and disseminating relative performance of accountable providers
- Change incentives to spend smarter, treat smarter
- Deregulate delivery system
- Better health outcomes is goal, not more health services

Real Markets for Real Choices

- Reduce future demand trajectory
- Need stronger tools than insurance expansion, and current medical services delivery, to improve population health
- Changing time horizons
- Education, early childhood, decision support, navigational assistance

The Urgency of First Discovering What Works

- Show me the savings
- Focus on starting path to long-term solutions
- Open architecture, don't pour political cement
- Slow the train, reroute the tracks
- Wait till next year: the next
“once-in-a-lifetime” opportunity

MEDICARE BENEFICIARY LEONA KOZIEN MEETS REP. DAN ROSTENKOWSKI'S CAR



TOM KRUIZE—CHICAGO SUN-TIMES

As published in the *Chicago Sun-Times*. Photographer: Tom Cruze. Copyright 1989 by Chicago Sun-Times, Inc. Reprinted with permission.