

Mercy CEO: Reasons abound for health care reform

We are in the midst of one of the most significant health care debates since the formation of Medicare. Why is this debate happening?

First and foremost, over 46 million Americans are uninsured. Second, health care insurance is not always available to the public at an affordable cost, or is limited due to pre-existing health conditions. Third, health care costs have risen at twice the inflation rate for the last 30 years. Health care expenditures now represent close to 16 percent of the economy. This is significantly higher than most western nations. Most experts agree that the current trend is unsustainable, and that action is needed now.

As a major hospital provider in Baltimore City, Mercy Medical Center treats patients from all backgrounds, from the poor and homeless to the prosperous and wealthy. We keep our doors open for all. It comes at a great cost, however. Approximately \$40 million dollars of care at Mercy is not compensated due to the lack of insurance.

Increasing insurance coverage to more people would significantly reduce our uncompensated care and the savings would be passed back to other purchasers of care through reduced prices. If this happened throughout the nation, substantial savings would be achieved.

Insurance reform needs to allow for coverage that is both affordable and available to those with pre-existing conditions. This would improve access to care, particularly at less costly points in the health care continuum. Hospitals are among the most expensive places to receive care. With individuals accessing primary and

preventative care, the cost per individual would most likely go down and the overall health status of the population would improve. This can not happen without a major investment in primary care physicians and providers.

Finally, the rise in health care costs needs to be in line with the overall growth in the economy. The actions noted above will greatly contribute controlling escalating costs.

However, other measures are also needed. We must look at the medical liability system and develop a fair way to compensate the injured without placing physicians at risk for solvency, forcing doctors to order unnecessary tests in fear of a lawsuit. We must also look at coordinating care between providers so that patients recover safely without the need for readmission to the hospital.

Our current system is not focused on patient outcomes. It pays for procedures and office visits. This must change if we are to keep costs from escalating beyond affordability. Finally, we must leverage technology to reduce administrative cost, improve care coordination among providers and achieve better health outcomes for all.

Successful reform will contain the following provisions:

- Insurance coverage extending to a greater percentage of the population.
- Insurance reform protecting those with pre-existing conditions and providing affordable coverage for all.
- Transforming health care financing system to focus on outcomes versus procedures, expanding use of information technology and establishing a fair compensation system for injured patients.

Tom Mullen is president and CEO of Mercy Medical Center.