

N.J. MUST RETHINK HEALTH CARE DELIVERY SYSTEM FOR STATE'S RESIDENTS

By LAURA LANDY

THE BUDGET just adopted by the state of New Jersey underscores one clear reality: We can no longer afford many of the government expenses previously thought essential. In this emerging story, a critical fact is often overlooked: New Jersey has one of the most expensive health care systems in the nation. Costs are among the highest in the country, yet quality is only average overall.

Interestingly, according to a recent report by the Fannie E. Rippel Foundation, the cause isn't higher prices. The most important reason for the higher costs in New Jersey is greater health care use.

Analyzing Medicare beneficiaries who had severe chronic illness, researchers for the Dartmouth Atlas of Health Care, a national database that documents variations in how medical resources are distributed and used in the United States, found that on eight separate measures of use, New Jersey led the nation. Those measures included percent of decedents seeing 10 or more different physicians during the last six months of life.

The Dartmouth Atlas data divide New Jersey essentially into seven regions, and five of them are in the top 17 (out of 306 nationally) in Medicare expenditures per recipient: Newark (seventh), Hackensack (10th), Ridgewood (11th), New Brunswick (14th), and Paterson (17th). Camden (30th) and Morristown (41st) round out the New Jersey rankings. Similarly, the Commonwealth Fund's State Scorecard on Health System Performance ranked New Jersey 48th on avoidable hospital use and costs.

As a state, we're overusing our health care system—spending too much for the value we receive in return. And we're on our way to using even more, as state officials review plans for additional hospital capacity in some regions. This fact isn't hidden from our health care leaders. One high-level hospital executive recently commented, "In New Jersey, we just use the hospital too much."

With a health system we know we can't sustain, two questions seem inescapable: Can we deliver health care more efficiently? Can we achieve the three ultimate goals of health care: better health, better care and lower costs?

Fortunately, the answer to both questions is "yes," and the Rippel Foundation report, "When Being No. 1 Means We Have to Think Differently: The Future of Healthcare in New Jersey," helps point the way.

As part of the report, the foundation interviewed 25 health leaders across the state, asking what should be done about health care in New Jersey. Central to the recommendations that emerged was the view that New Jersey should engage in a statewide discussion of the future of health care. As one leader

stated, "New Jersey has a 1970s health care delivery system trying to deliver 21st-century health care."

Any future should start with understanding what people want and need. Innovation must be truly patient- or person-centered. Instead of asking citizens whether they want a hospital, what if we asked them what they really want? Their answer would likely be to stay healthy and to get the best medical care when and where they need it at a cost they can afford.

A system designed with this in mind would look quite different from our current New Jersey health care landscape. Organizations such as Pitney Bowes, a global technology leader, and the Camden Coalition of Healthcare Providers have shown that costs can be reduced and health improved by coordinating care, bringing care closer to people, and focusing on the small proportion of the population that uses a disproportionate amount of health care resources. Yet, we have not systematically brought these insights to our communities.

New technology must also be considered. Like communications, health care is becoming mobile. Hand-held devices can now deliver ultrasound screenings and medical records, and phone applications are being developed to measure health status. Emerging models of care, such as specialized surgical centers that are disrupting the traditional industry structure, can often lower overhead and still deliver quality care. Outpatient services are growing, and the potential to monitor patient health from home will only increase.

Simply put, the industry is changing. It is time to start asking questions such as, "Is building more hospitals like building more Blockbusters?" or "What should a doctor's office in New Jersey really look like?"

But it may be only through the kind of distributed and coordinated health system many New Jersey leaders envision—with greater integration and less competition and inappropriate capacity—that we can eliminate the forces driving over-use and unnecessary care. Clearly, this requires new roles for providers, for hospitals and for our state's social service and support organizations. It also requires new roles for our citizens. And the changes are not easy.

We have the ability to realize better health, better care and lower costs—all at the same time. But to achieve all three, we have to start thinking about health care differently. And we have to engage the people of New Jersey, who are paying the bill—through their health insurance or their taxes—as it continues to skyrocket.

While this alone may not shift our medical culture of over-use, it is a critical first step. It's time to start the discussion. It's time to rethink health care in New Jersey.

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