A Bipartisan Systematic Approach to Healthcare Reform

As COVID-19 rivets our attention on health care, all proposed fixes for our health care system – from a lightly regulated free market model to Medicare for All – are flawed.

There have been numerous reform plans put forward over many years, but a shared fundamental flaw is that they are driven by partisan ideology, vested interests, and a flourishing industry of lobbyists, think tanks and "experts" with conflicting ideas. Consequently, neither Democrats nor Republicans have put forth a credible plan. Instead, their internal debates follow diametrically opposed ideological lines emphasizing public insurance for the Democrats and private insurance for the Republicans. Building bipartisan support through the political process is unlikely if not downright impossible.

The coronavirus is a painful wake-up call that should make us realize we urgently need to adopt a different approach to the complex and challenging task of fixing our deeply flawed health care system. It's not news that this so-called "system" is failing too many Americans, while breaking the bank for individuals, families, employers, and federal and state governments. The Commonwealth Fund's international rankings place the United States last among 11 developed nations in terms of health, despite as much as twice the spending.

Since the passage of Medicare and Medicaid, we have mostly tinkered with a loosely coordinated non-system of payments that is extraordinarily complex, lacks transparency and drives enormous waste of both human and financial resources. Moreover, it delivers highly skewed and, in many cases, inferior outcomes based on ability to pay.

The problem is not whether public or private insurance is better; either one, or a mixture of both could work. The real challenge is to eliminate unproductive costs. This will require streamlining the mindboggling collection of redundant administrative organizations, and billing, insurance and reimbursement systems that hamper the actual delivery of care and drive costs out of control.

The way we manage the health of our population was never the outcome of a rigorous systems design process. It more or less evolved in fits and starts, and the coronavirus pandemic simply highlights that we are, and have been, at a crossroads in health care reform. We can either continue with business as usual and irrationally hope the political system will somehow find a way or we can take a different approach.

Designing complex systems to achieve a specified outcome entails looking at the system as a whole much as a composer might look at a symphony orchestra; optimizing not only the role of each instrument but, even more importantly, the overall effect when each of the musicians executes their assigned role in concert. In many ways, the great composers exemplify the best in systems engineering.

It's time to press reset and systems engineer our healthcare system; looking back at one of America's greatest accomplishments can show us how.

On May 25th, 1961 President John F. Kennedy committed to putting a man on the moon "before the end of the decade". Starting almost from scratch, NASA initiated Project Apollo and on the 20th of July 1969 we had succeeded. We were successful as a nation because we had bipartisan support for a clear objective and brought the best of our nation's systems engineering and project management capabilities together in a dedicated effort to achieve it.

One of the most important elements of President Kennedy's call to action was the phrase "before the end of the decade". It gave a sense of urgency to our space effort and formed the basis for creating bipartisan commitment and the implicit promise to provide the necessary resources. The practical implication of establishing a demanding time frame was that the people responsible for the project (NASA) were forced to make decisions on imperfect data as a matter of course, to accept the concomitant risks and to course correct as better information and more complete understanding of the challenges emerged.

NASA Administrator James E. Webb took the lead in transforming NASA from a loose collection of research centers to a highly coordinated systems engineering and project management organization capable of orchestrating those decisions and dealing with their consequences. As a long-time Washington insider, he was also successful in sustaining bipartisan commitment and delivering the necessary resources.

In health care, at the Cabinet level the Department of Health & Human Services (HHS) is responsible for "protecting the health of Americans". However, it was not designed for urgent action or leading a comprehensive change program. Like NASA before Apollo, HHS oversees a similarly loosely coordinated but much more complicated collection of operating entities.

Some of those entities are in HHS, others are in different federal agencies, others are controlled by the states and a huge number are in the private sector. There is, however, no central leadership capable of managing the types of major changes required to optimize the way we finance and deliver health care. That responsibility has been ceded to the political parties. (President Obama actually created on Office of Health Reform in 2009 in the Domestic Policy Council, but it had no clout and was disbanded in 2011 leaving little trace of its accomplishments.)

We have a desperate need for an independent entity with the political heft and high-level systems engineering and project management capability to drive a comprehensive multi-year design and transition program. That could be solved by creating a National Health Security Authority (NHSA) modeled along the lines of NASA but with Federal Reserve-like status, charged with carrying out a comprehensive system design and working with HHS to manage the transition from our current non-system.

The NHSA would work with the President and Congress to specify objectives and essential boundary conditions. At the highest level of abstraction, the objective would be to bring the health of the entire U.S. population to the top ranks of developed nations and total spending in line with these nations within, at the very outside, the decade.

At the next level, the objectives would include streamlining the administrative complexity driving unproductive costs, while also increasing transparency, enabling better control of utilization, and eliminating regressive subsidies and unproductive middlemen. In keeping with the systems engineering approach, the NHSA would also initiate programs to influence lifestyles to better control the onset of chronic disease. Essential boundary conditions for this effort would be equal provisions for all Americans, maximum use of resources in place and continual reinforcement of bipartisan support.

Real healthcare reform may seem far away and impossible in the politically polarized and stalemated America of 2020. But if we heed the wake-up call of COVID-19 and break the stranglehold of partisan politics we can break out of the Beltway Box, move on from tinkering and grand schemes and accomplish the singularly important mission of health care reform.

*   *   *

Fred Gluck   April 8th, 2020