How To Make Health-Care Reform A Platform for Economic Expansion

By: Peter A. Gold, Esquire[1]

I'm not an economist but serve on two boards of directors with representatives of leading international financial Institutions, Central Banks and even a Nobel Prize winning economist. I am continually humbled by their profound knowledge in their respective fields. I surmise that they would confirm what I learned in economics 101- if the supply stays relatively constant and if the demand increases at a remarkable rate it is likely that the result will be a price increase (unless there is some artificial actor on the supply and/or demand curves).

Now that the Patient Protection and Affordable Care Act has been held to be constitutional please tell me how health care becomes more affordable by adding 20 to 30 million more consumers to the demand curve? This is a serious question that needs to be addressed in the implementing amendments to the law and perhaps the regulations. This is a call for immediate action.

On the face of it, the now constitutionally certified law increases demand by a lot---an estimated 20 to 30 million additional people may now be trying to use the health care system. Regrettably this is happening at the same time that the number of health care professionals delivering primary care in the United States ---the supply---is decreasing on a per capita basis. Further, in the last few years the President and Congress have imposed new taxes on medical device innovation, which could otherwise have assisted in partially bridging this demand-service delivery gap.

While not a full cure, I believe that there is a two prong answer to move to bridge this demand-service gap. First, as a nation we need to increase the number of healthcare professionals providing primary care, including preventative care providers. Second, through sound incentives, including tax policy and deployment of private capital and public dollars, we need to increase the rate of medical device innovation and deployment of medical care technologies tied to delivery of care. We need to accelerate the number and quality of cost and labor saving devices and technologies going to market.

Medical and other healthcare students, medical schools, all teaching institutions (for instance, those with respected physician assistant, nurse practitioner, pharmacy, physical and occupational therapy programs and others) should be incentivized to do more and better. For the most part these professions and skills are now in high demand and will be in even higher demand. They will also provide a plethora of well-paying jobs and professional callings.

---

[1] July 2, 2012. Mr. Gold is the former Associate Provost for Economic Initiatives at Rutgers University and is now the principal member in TheGoldGroup, LLC which consults with universities, businesses, governments and non-profits on high value collaborations and combinations to advance their individual and mutual objectives generally centered on economic development initiatives. You are invited to www.thegoldgrp.com to learn more about representative projects.

Doing this calls for some new ways of teaching and credentialing our care givers. Teaching, degree awarding and credentialing institutions will have to continue to partially reinvent themselves by refining curriculum and degree requirements to assure that they are relevant. Also, these institutions will need to utilize simulation and modeling software and teaching methodologies to even a greater extent. I believe that they will also have to consider even more combinations and collaborations between disciplines and across institutional lines. Multidisciplinary and interdisciplinary professional training and certifications will not only continue to be important but will provide significant premiums to those with such credentials and their employers.

These "changes" are what the business world might describe as upfront "modernization" or "refitting" costs and investments. Teaching institutions and healthcare students need help to defray these costs----immediately! This is particularly so because the need is coming at a time when many states--- due to their own financial and political pressures--- have cut back on public support of higher education. Not a criticism but an observation.

Setting out the specific details of the ways to help them to defray these costs and investments is not the subject of this writing. However, as a general proposition, our consultancy frequently works with universities, businesses and governments and finds, almost uniformly, that the first step is to identify what each of the stakeholders wants. The second step is to vision and implement an approach and/or infrastructure to deliver that value. This generally results in desired, meaningful and sustainable results.

Further, I'm probably one of the last in a long line of experts to observe that the United States has lost its "leader" status in some industries and in some sciences. One of the few areas where I believe that we are still leaders and can even advance that status is in healthcare education, innovation and delivery. Healthcare is a platform for current and next generation excellence and world economic activity[2]. Thus, I suggest that fixing this health gap should be viewed as a challenge for sure but also as a fantastic opportunity to pursue excellence--- perhaps the next "industrial" revolution.

I know that this conclusion is not rocket science. But, speaking of rocket science, remember President Kennedy's challenge to the nation to put a person on the moon. Think of all the innovations, industries, jobs, and many other advances that were created in pursing that objective. Similarly, I believe that real leadership here would be demonstrated by calling for a national challenge and identifying solutions to meet the challenge of delivering high quality affordable and even more distinguished healthcare. We should be global leaders and share our accomplishments with the citizens of the world. Furthermore, I fear that if we don't become even better leaders in healthcare education and delivery, then others nations might overtake us and jeopardize the leadership position we have today.

As a first step we believe that the organizational stakeholders in healthcare education and delivery systems need to immediately step-up and become even more visible and vocal

[2] Energy also offers such significant opportunities. Those leaders and innovators who can combine elements of health care and next gen energy have hit the center of the target.

leaders in calling for the funding of the Act's provisions which focus on closing the huge gap between those who will require health services and the number of talented professionals who will be available to deliver that care.

We think that the time has come for a "Manhattan Project" - like effort. The outcome of such an effort could be as straight forward as identifying five to ten clearly articulated steps which need to be accomplished to close the gap and around which stakeholders can rally and deploy talents and resources.

A catalyst to accelerate movement in this direction could be the "National Health Care Workforce Commission". This 15 member national expert Commission, created under Section 5101 of the Act, is contemplated to foster "…innovations to address population needs, constant changes in technology… ." and other factors. One of the six (6) specific topics which the Statute requires this Commission to address is "[c]urrent healthcare workforce supply and distribution, including demographics, skill sets, and demands… ." 5101(d)(3). Regrettably, this Commission has not been funded in the last two Congresses.

We do not see addressing this "demand-service gap" as a political issue with its concomitant social debate (contrasted, for instance, with the mandate to purchase insurance). We see this as a cost reduction and access to quality care issue. Further, tackling this gap can be a platform for expansion of the US economy, to advance health care technologies, and for creation of high paying skill rich employment opportunities. All, one would hope, are shared goals among rational thinkers regardless of political persuasion.

The challenge is here and now. What steps do you propose?