

# ADDENDUM

## To

### Transformation of Colorado's Health Care System

#### *A Role for the Colorado Commission on Affordable Health Care*

Americans are very confused about health care. Certainly, thoughtful leadership is needed as we face affordability and transformation. The public hearings planned by the Commission would present an excellent opportunity to engage not only the public but health care professionals and institutions, businesses and non-profits, and government officials and agencies. Below is a possible process that could be useful in addressing the problems and possible solutions to Colorado's health care costs.

Whole books and a blizzard of articles discuss why America doesn't finally solve its problems of access, cost and quality control in health care. The usual suspects:

- Socialized medicine
- Government take over
- Loss of choice
- Fear

Not being able to find and get treatment  
My insurance won't cover things I may need  
Having to pay more and more of my own money  
Costs keep going up  
Financial ruin  
Rationing  
Death panels  
I feel treated like an object

- A few are paying for the many (socialism)
- People don't take care of themselves (lack of responsibility) and we all pay for it
- Since mandates: now the government is forcing people to purchase a private product – and fine them if they don't
- Special interests that lobby politicians who won't face the real problems
- Washington is corrupt and ineffective
- Varying groups of citizens fight almost any policy recommendations
- America has the greatest health care system in the world...we just need to reduce the costs

It is one thing to come to some agreement about what we might need to change in health care.

It is quite another to ask how a society, a government and the health care system itself can change despite all these obstacles? How do we get past the misunderstandings, fear, and special interests?

This is the topic of this paper.

Odd as it may appear at first, this paper will be built around the process now being used to address the looming water shortage in Colorado. This is not meant to be an exact model of how health care transformation should proceed. There will be differences and they will be noted and alternative recommendations for change will be offered.

Interestingly, Colorado's struggle with water scarcity has a lot of parallels with health care transformation. An article describing the Colorado Water Plan in plain English is in the December, 2014 issue of 5280. Sections will be quoted and then comments made about health care.

The article begins describing the major problems facing water management in Colorado and the West.

Legal water rights originating from the late 1800s inhibit planning  
Dams, reservoirs and transmountain pipelines are very costly and damaging to the environment.  
And methods of conservation are often expensive to implement and controversial in communities.

So...(quoting from the article...)

A year and a half ago, Governor John Hickenlooper issued an executive order to address the issue. He believed that if Colorado wanted a future that included both readily available water in our taps and the things we cherish as Coloradans, like healthy trout, streams, white water, locally grown food and industries that need water, we would need a statewide strategy to guide local decision-making. In May 2013, he directed the Colorado Water Conservation Board to oversee the first state water plan. But instead of assembling a dozen academics in a room, the order calls for something different, something no other state has done: tackling the issue using a grassroots approach that asks representative committees in each of the state's eight river basins, plus the Denver metropolitan area, to assemble comprehensive reports on their needs, their gaps, and proposed solutions...

...The idea is to foster human collaboration and innovation on a scale never seen before in Colorado, while not disrupting the current system of private property rights. The hope is to use the power of thousands of minds to create a road map to solve the defining problem of both the state's history and the state's future.

*This process may move the state beyond the typical barriers to fundamental change. Citizens (and likewise health care professionals and institutions, businesses, non-profits, and government leaders) have been engaged and listened to before but no comprehensive plan emerges that all parties can live with. And who then get behind a consistent effort to implement this plan across the state.*

*The Commission on Affordable Health Care could be that convener (like the Colorado Water Conservation Board). But instead of letting groups of citizens, professionals, institutions and others fashion their own recommendations (which may simply be more confusion and conflict), the Commission presents to groups a clear portrayal of the problems we face in health care, solutions that have been proposed and even used elsewhere (including in other countries) and that the Commission would have people consider. Most importantly, the tradeoffs (benefits-costs, losses-gains) with any proposed solutions are articulated and peoples' feelings about the tradeoffs are elicited. What can emerge from*

*this process are possible policies that all parties may want to seriously consider. And there certainly will be differences of opinion. At the initial part of this public process, people are not asked to “decide upon” or even reach agreement on solutions but only consider possible policies.*

*The PROCESS of this **engagement** is crucial. Participants, of course, need to feel free to express their opinions. BUT how they are engaged makes a great deal of difference. If it is simply a free-for-all for everyone to step up to the microphone, the process likely will be more confusion producing little deeper understanding. More complaining, handwringing or singular solutions without a comprehensive understanding of the entire system’s functioning. The Commissioners or their representatives would first need to emphasize:*

*The solutions are **systemic transformation** not just a collection of **singular** reforms*

*No one party (doctors, hospitals, insurance companies, or patients themselves) are the whole problem or the whole solution; everyone has responsibility for the problems and the solutions*

*No matter what “solutions” are decided upon, there will be tradeoffs. If people don’t realize or own the tradeoffs, the arguing will continue, looking for a perfect solution or ‘whatever suits me’*

*There will be losers: Uwe Reinhardt stated that if we lower costs in health care, someone is going to lose money. Simple, perhaps obvious, but needs to be confronted head on*

*And despite the inevitable losses people will likely see win/wins depending on how we structure and see the solutions*

*Then possible financial, organizational, modernizing, and cultural changes in health care need to be put forward in **specifics** so attendees have something to grab ahold of and think about*

*Alternative solutions should be put forward for people to consider*

*Be specific, not abstract or vague, where people are left unsure of what is being proposed*

*Leaders of the group engagement should be knowledgeable enough to confront ignorance, an unwillingness to live with tradeoffs (people looking for the perfect solution or only considering their own needs or political beliefs) and redirecting thinking and discussion toward possible realistic solutions that some/many may find almost unimaginable...but possibly acceptable.*

*Participants need to be meaningfully but sensitively confronted: “you can’t have this unless you’re willing to give up this.” Some beliefs often conflict with other beliefs*

*The goal of these public engagements is NOT to conclude with a policy but to seriously, realistically look at the problem and possible solutions...and discuss peoples’ feelings and concerns about possible solutions*

*One method sometimes used that is helpful is having people “vote” on various proposals (yes or no...and have a chance to write out their thinking about their response) This helps people feel they are taken seriously and gives the Commission more concrete knowledge of how people actually feel or believe...or what they might find acceptable changes*

*Meetings of this type can occur around the state and over time*

*And special engagements can be held with leaders in health care, business, government, and other community institutions.*

## *THEN...*

*After a number of state wide engagements and clarification of public/professional/business/government responses, follow up meetings are scheduled, inviting prior participants and others to lay out where we all seem to be with our health care system*

The reason Coloradans have fought over water for so long is, quite simply, because water matters to everyone and everything...It's personal. And yet, most of us don't think about how personal water is. It is the current running through every aspect of our lives...Without adequate water, the state will have trouble attracting tourists, new residents, and employers. Even more fundamentally, without water, we can't sustain the landscape – orchards, pastures, peaks, forests, trout streams – that have come to define our collective identity. And the thing about water: We cannot make more of it. All of the water that ever was or will be is here on the planet right now.

*First, this confronts the obvious: water/health care is personal, necessary to everyone and fundamental to society's functioning.*

*Second, without adequate health care (not perfect health care), life as we've known it will be paltry and nothing like what we expect (this probably occurred previously to many Americans before the Affordable Care Act). As obvious as this appears, it may not be obvious to everyone. Many people don't think about the larger picture. They only see things personally...not socially.*

*This sets the frame for further discussions.*

Over the years, Ekland's (Chairman of the Colorado Water Conservation Board) thinking on water has changed, and the way in which it changed is exactly how he believes the thinking must change statewide. When Ekland was a kid, his grandfather taught him that if you weren't for the Doctrine of Prior Appropriations, you were against ranchers like him and the culture of rugged individualism that supports water as a private property right. "I grew up thinking, 'Either you're for us or you're against us' – that's how my grandfather was raised...And it's just not true.

He began to wonder if it wasn't true, as his grandfather had believed, that you were for the prior appropriations system or you favored a government takeover...Perhaps we are all, more or less, on the same team – we just don't know it.

This idea, of course, prompts a lot of Coloradans to roll their eyes, partly because the populace is so used to a climate of competition when it comes to water. But like many other conflicts around the world, it took a while to get here. And in order to understand how we got to this state of affairs, it's important to understand how it all began.

*This is a very parallel example to health care. “It’s my right, I have my insurance, I like my doctor...don’t mess with what’s working for me.” OK. Understandable someone would feel that way since this is the way it’s been for a long long time. But as Eklund has concluded, this may be old thinking and not workable for where we are now.*

*This is another, but very important, part of reframing worthwhile discussions. How did we get here and is it still workable? Healthcare is not just facts but beliefs and feelings. We have to deal with them or they flow underneath the discussion and distort clear thinking.*

In some other states, water issues – such as transferring, changing, or disputing the amount of water a person or entity can take from a river – are settled centrally by a state-run permitting system. Here in Colorado, however, water is a private property right, and disputes are settled in a system of seven regional courts, the only such system in the nation...But because decisions are made on a piecemeal basis, no overarching vision for the state guides them.

For many years, what happened to water in this state was decided by a select few, who are known as water buffaloes...In 2002, however, that began to change – and those changes set the groundwork for what the governor, Eklund and the Conservation Board are now trying to do. During that year, a crippling drought struck the state, causing massive crop die-offs, wildfires, and water shortages. It was so bad that wells ran dry on ranches near Colorado Springs and residents were forced to haul water in jugs and tanks to their homes. Water providers realized that if they didn’t start changing the way in which water was managed, they would be facing a very real disaster scenario like those that have played out in other states such as California and Nevada.

*As many know, health care is fragmented, ill-coordinated and seems no one “is on first.” The above description notes the necessary shift from individualized decision-making to realizing there needs to be an overarching vision for water management. It isn’t all about you. And this also points up the feeling many Americans have about health care: it seems to be run by a few and doesn’t really include the people who are paying for it all and are critically dependent on it. As with water, we haven’t hit the crisis point in health care (although some would disagree with this) but more now feel it coming. People need to be aware the system has no vision, no central authority that is guiding and accountable to the public. So it raises that national buggabear of central authority vs individual rights and liberty. People need to be made very aware of the tradeoffs for this belief in health care. Again, engagement addresses underlying feelings, values and beliefs...not just proposals and facts. Psychologists and management leaders are very aware that this level of engagement is what moves people forward.*

3 years after the ’02 drought, the state Legislature enacted a bill, Colorado Water for the 21<sup>st</sup> Century Act, that set up committees in regions across the state, now known as basin roundtables...The act also established the first Interbasin Compact Committee, a representative forum charged with developing guidelines for water negotiations between basins...These measures were groundbreaking because they set up a system in which people with different opinions could come together to discuss water.

*Whether this exact model of statewide consultation would work or be needed for healthcare is unclear. What is clear is the engagement of the public in a process. Over an issue that affects everyone. And perhaps the Commission itself could be the convening body that consolidates views and along with experts (they are needed too) brings a proposal to the legislature for a vote by the public at large. This kind of process moves beyond all the “sausage-making” of a legislative body that is not the place to work*

*through this kind of complex societal change. And if any proposal comes from a public process of this kind, it seems state politicians would be much more likely to accept it as a referendum for a public vote.*

It may sound self-evident, but when antagonizing parties actually get to know each other, face-to-face, things change. Over the past years, water managers across the state have noticed a shift from the old adage that once summed up the discussion on water – “whiskey’s for drinking, water’s for fighting.” – into a climate that is at least slightly more congenial...“I can tell you that over the past nine years, the relationships have improved incredibly,” says Michelle Pierce, chair of the Gunnison Basin Roundtable. “There are still some folks out there who are reluctant and skeptical on both sides, but I would say the majority of the people involved, we have a deeper understanding – and empathy even – for one another’s challenges. And that creates a willingness to sit down and really try to figure it out.”

Already solutions have emerged that would have been unimaginable a few decades ago. One is the Colorado River Cooperative Agreement.

*This affirms that this kind of process can work over time...and it likely won’t take nine years. Large issues that affect everyone can be addressed face-to-face and come up with solutions that would have been unimaginable years ago. And yes, there will always be people upset and disagreeing. “You can convince some of the people some of the time but not all of the people all of the time.” (Abraham Lincoln)*

In the coming years, Coloradans are going to need to make difficult decisions, and that is what the water plan aims to prepare us to do. It is designed to be a visionary, not a regulatory document, and the first in a series of steps...The plan will also systematically outline options we have for solving the gap between supply and demand, hopefully without compromising too much on our collective values, and create guidelines by which basins can negotiate agreements more efficiently, rather than dive into protracted legal fights.

*Certainly any health care transformation needs to be visionary and not highly regulatory for a private health care system. What may differ here is the need ultimately for some entity (that has been called an Authority) to provide leadership for systemic transformation over several years. It may be that the Authority would, in time, become a financial entity managing global budgets for health care delivery systems and institutions. But initially it needs to be an entity of expert leadership and through citizen participation on the Authority Board, assure its connection to the public.*

If you look at these issues with skepticism, Ekland says, they’ll crater under their own weight. Don’t make the mistake: If we don’t do this, don’t think everybody’s just going to go home. There will be somebody who does this for you if you don’t do it yourself. This will be taken care of by the federal government or by the downstream states on these compacts...The Federal Government could swoop in and impose changes to water management practices if locals aren’t organized well enough to fulfill the obligations set up by federal laws such as the Endangered Species Act and the Clean Water Act. “Just let us know which state you think is going to be a better steward of our water than the state of Colorado,” Ekland says, “because that’s where we’re headed if we don’t do this”.

*In many ways (except with Medicaid) others are running the table in health care. Colorado has no statewide vision and plan, no mechanism for implementing organizational changes and modernization that would aid our citizens. Right now corporations are influencing and even running the system for us.*

*And surely, if government entitlements and subsidies are cut back, things will change and Colorado and other states may have little to say about it.*

In the best case scenario, Ekland believes the Interbasin Compact Committee could be a sort of solution clearinghouse, spurring innovation and the cross pollination of clever ideas. In the end, the state can provide the road map and incentives, but the way that such a huge complex problem is actually solved is through thousands of localized solutions at every level of society, not just in the water industry. Already, these ideas are budding across the state.

*Citizens need to understand that ultimately there can be a 'central clearinghouse', a leadership entity that sets overall agendas and plans. But the health care system remains private and local professionals and institutions can innovate on their own. And when we have a collaborative and not a competitive system, ideas are shared and supported across the state. Everyone benefits from "the spurring of innovation and cross pollination of clever ideas."*

People are coming up with solutions. The question is: Which ideas will be prioritized – and how will they merge into one strategy? And who will pay for it?...Because water is so personal and Coloradans value individualism, the solutions must come from the people if there's any hope they will be adopted.

*This is the dynamic of a central entity and decentralized energy. This dynamic has to be nurtured. But first the state must dedicate itself to some central plan and implementing agency. There must be a core. Corporations and increasingly governments are using this dynamic effectively. Right now there is no central entity in Colorado's health care. Citizens, professionals, and institutions have not been engaged in a long term process that leads to concrete planning and solutions to our problems.*

What if this experiment in engaging regular citizens in state planning could become a model for solving other entrenched problems in human systems?...”The water plan tests a fundamental hypothesis, and that hypothesis is: If you put people from different walks of life – they’re all Coloradans, but they’re from different geographic areas, they’ve got different value sets, they practice different religions, they have different perspectives on politics – you put those people in the same room and give them the same facts, and they’re good facts, they’re not propaganda, that they will come to more agreement than disagreement. That’s the most exciting thing about the water plan because that transcends water. If you can do this with water, in the West, there is not an issue that is incapable of resolution, using this kind of theory.”

And many wondered whether the document would be simply a useful exercise in public education or if real-life results would actually come from it...No party got exactly what it wanted, but it was an agreement everyone could get behind.

*Exactly. The hypothesis can be applied in other entrenched problems in human systems. Optimistically, it can be a method to move beyond all the barriers to health care transformation mentioned in the beginning. This is not a 'top down' process that may appear more efficient. But in the long run there may be no real public and health care system 'buy in.' With time, patience and sincere effort of many, such a process can move Colorado toward defined and realistic goals for its health care system.*