

## **To Fix Health Care, Follow the States**

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If you tie money to results, you'll get better results. Unfortunately, government often dumps money into programs without regard to accountability and outcomes. This past week, Democrats in Congress have been busy tinkering with a Washington takeover of the health-care system, but perhaps they should look instead to the states for models of market-driven, patient-centered and quality-focused reform. Rather than taking power away from states, federal health-care reform should use the lessons we've learned tackling this crisis in our back yards.

In Minnesota, our state employee health-care plan has demonstrated incredible results by linking outcomes to value. State employees in Minnesota can choose any clinic available to them in the health-care network they've selected. However, individuals who use more costly and less-efficient clinics are required to pay more out-of-pocket.

Not surprisingly, informed health-care consumers vote wisely with their feet and their wallets. Employees overwhelmingly selected providers who deliver higher quality and lower costs as a result of getting things right the first time. The payoff is straightforward: For two of the past five years, we've had zero percent premium increases in the state employee insurance plan.

Minnesota has also implemented an innovative program called QCARE, for Quality Care and Rewarding Excellence. QCARE identifies quality measures, sets aggressive outcome targets for providers, makes comparable measures transparent to the public and changes the payment system to reward quality rather than quantity. We must stop paying based on the number of procedures and start paying based on results.

Instead of returning power to patients and rewarding positive outcomes, many Democrats in Washington want a government-run plan that would require states to comply with dozens of new mandates and regulations. One study by the Lewin Group recently concluded that an estimated 114 million Americans could be displaced from their current coverage under such a plan, and another study by House Republicans said the plan could result in the loss of up to 5 million jobs over the next 10 years.

In typical fashion, the self-proclaimed experts piecing together this Democratic health-care legislation are focusing on only one leg -- access -- of a three-legged stool that also includes cost and quality. Expanding access to health care is a worthwhile goal. But equal or greater focus should be placed on containing costs for the vast majority of Americans who already have insurance. Those costs will not be contained by a massive expansion of federal programs.

Massachusetts's experience should caution Congress against focusing primarily on access. While the Massachusetts plan has reduced the number of uninsured people, costs have been dramatically higher than expected. The result? Increased taxes and fees. The Boston Globe has reported on a current short-term funding gap and the need to obtain a new federal bailout.

Imagine the scope of tax increases, or additional deficit spending, if that approach is utilized for the entire country.

Congress has an opportunity to take a genuinely bipartisan approach to health-care reform, which is unquestionably needed. Instead of tweaking the Democrats' plan to put Washington bureaucrats in charge of health care, I recommend a do-over. There are many common-sense elements that could form the basis for bipartisan health-care reform, including: medical malpractice reform, prohibiting coverage denials based on preexisting conditions, guaranteeing portability, electronic prescriptions and medical records, streamlining billing codes and practices, price and quality transparency, pay-for-performance measures, one-stop primary-care "medical homes," chronic disease management initiatives, tax equity for health insurance purchases, increased incentives for health savings accounts, creating the ability to purchase insurance or form risk pools across state lines, and much more.

As my friend Newt Gingrich said last month when he was at a health-care reform event in Minneapolis, Congress is considering a 1975 socialized medicine model, brought up 34 years later by people who have been in Congress since the early 1970s. The world has moved on. It's time for Democrats in Congress to catch up. Washington can and should do better. But they'll need to listen to and learn from our experience in the states to make it happen.

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