

## Preface

Healthcare needs a “new model” that makes the existing failed model obsolete. Obamacare, accountable care organizations, and bundled payments are all part of the new strategy, but as we enter the next fifteen years of the twenty-first century, we are still getting “punched in the mouth” with rising costs, rising health disparities, and anger on both sides of the aisle. Yet, we are still told that it is “impossible” to fundamentally transform our complex, inefficient, expensive, inequitable, and occasionally unsafe healthcare delivery system. Everyone—physicians, patients, pharmaceutical companies, employers, payers, policy makers, academic leaders, administrators, information technology vendors—says, “I’m trying to fix it. It’s not me it’s them!”

So, why another book on healthcare in America? Bookshelves and search engines overflow with them. The topic matters to us individually and collectively, but why add to the pile? Actually, we think this book differs from most of the pile in several notable and, we would argue, useful ways.

*First, we don’t presume that we are the smartest people in the room.* We think that we are more than smart enough and experienced enough to make a contribution at an important time, but we don’t think or write—either explicitly or implicitly—as if everyone else should just shut up, sit down, and do what we say. We don’t think others need only to follow us to find healthcare nirvana, nor are we angry that they haven’t. We think we have something to say that could help, and yet we don’t take ourselves too seriously to play a bit in the process of saying it—a spoon full of sugar and all that. This stance on our part, we believe, allows a broader, fuller look at healthcare in America and a more enjoyable read.

*Second, we firmly believe that the key word in the phrase “the system of healthcare in America” is the word *system*.* Our country has

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evolved an overall approach to healthcare in this country. We've built it over time, and while it's not pretty to look at in its entirety, in its "system-ness," it all fits together. Our system of healthcare, like any system, delivers what it is designed to deliver. Hence, to produce something else, something such as better outcomes and better care for less cost, for instance, requires stepping back and looking at the system as a whole. To change a part and thereby to expect system change probably stems from either naiveté or cynicism. In either case, failure to address the whole leads to changing only a part (which produces minimal, if any, change in the whole.) We look at the system as a whole in this book. We then use that lens when considering the component parts and their interconnection. That perspective makes this book different as well.

Even *looking* at the whole, let alone *changing* it, has proved frustrating and repeatedly difficult. It's easier to try to fix pieces. Looking at the healthcare system as a whole inevitably triggers opposition. Yet, how one *looks* serves to determine how one *sees* (to paraphrase R. D. Laing, Scottish psychiatrist and author) and how one *sees* determines how one *acts*. In the case of change, the way of looking at it models the change you get.

If one wants to change the healthcare system in America, then three things need to happen:

The values behind this book:

1. We need to **objectively examine the whole system**. As a physician you would not treat a patient based on indirect examination, innuendo, or a sense of inevitable failure.
2. We need to **look in the mirror**. It is way too easy to absolve yourself no matter what your role in the system, whether Democrat or Republican, provider or patient, employer or insurer. You own it, its successes and its failures.
3. **Do or do not**. Yoda had it right. As we approach yet another election cycle, it is time to decide that we are willing to fundamentally disrupt the system or resign ourselves to what we have. Incremental "mission accomplished" changes just serve to move the blade in the wound, prolonging the agony.

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President Obama provided painful confirmation of the previous paragraph. His campaign included a pledge that he would redesign America's healthcare system by putting the key stakeholders, representatives of all of them, in a room and have them work through the matter on C-SPAN for all to see.

Brilliant.

Lay out (expose?) the system to one and all and, in so doing, educate all of us as policy makers, providers, and patients embed a system-wide approach to system-wide change.

Brilliant.

One problem. It didn't happen. Doors closed. Side deals and sub-optimization reigned yet again. Lots of froth and frenzy begot, thus far, minimal change in desired outcomes such as actual, aggregate, affordable access to improved healthcare. The process augured the result. Hence, the authors seek to go back to what President Obama did not do in order to go forward. What if he had assembled those stakeholders? What if he did it before he left office? What if his successor chose to go back to go forward? Doing so would have differentiated Obamacare and does differentiate this book.

*Third, we remain optimistic.* We wrote *The Phantom Stethoscope: A Field Manual for Finding an Optimistic Future in Medicine\** in order to identify challenges facing physicians who wished to shape the future of medicine and to support them in that work. We have had the exceptional opportunity over the intervening decade and a half to work with physicians and other healthcare providers, along with many other healthcare stakeholders, to do just that. That work and those people have improved healthcare outcomes and lowered its cost to the great satisfaction of patients and providers alike. We know, therefore, that people can make healthcare fundamentally better, and not just in a moment—however important a moment might be—but over time. We have seen it. Time and time again.

America has all the ingredients necessary to provide better, cheaper healthcare. It needs chefs who are willing to do, not just try.

\* Stephen K. Klasko, and Gregory P. Shea, *The Phantom Stethoscope: A Field Manual for Finding an Optimistic Future in Medicine*, Hillsboro Press, 1999.

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The authors combined have taught healthcare, presided over health systems, taught around the world, seen successes and failures, started healthcare companies, and been patients. That experience gives us the ability and, we daresay, the right to offer considerations for the national discourse. We do not offer jeremiads. We offer focus and energy based on optimism born of experience and a view of what could be. That perspective differentiates this book as well.

As part of the research for this book, we interviewed dozens of healthcare stakeholders—patients, providers, insurers, employers, health policy makers, information technology specialists, healthcare chief executive officers, administrators, entrepreneurs, regulators. You name them—if they are involved in healthcare (who isn't?), we interviewed them.

We asked them several questions that form the foundation for this book.

1. If you could wave a magic wand, what are three things you would like to say about healthcare in America that you cannot say today?
2. That said, then what's most wrong with America's healthcare system today?
3. What do you believe people most need to understand in order to better get a grasp of your world, of your part of the healthcare system?
4. Which stakeholders/players are the biggest impediments to fixing America's healthcare system? What's the one thing they could change to most improve healthcare in America?
5. What might other stakeholders say is your biggest contribution to what's wrong with healthcare in America? What's the one thing that you could do differently that would most positively impact healthcare in America? Why don't/can't you do it?

This is the second book after *Phantom Stethoscope* in which the authors have utilized a history of the future approach. These techniques free the author and the reader of current noncreative constraints. They also rest upon the assumption that an alternative and desired future can exist and that one can achieve them. The techniques then advocate

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working backward to connect the future to the present while, again, assuming success. History of the future advocates “begin with the end in mind.” Backcasting guides planners through a disciplined step-by-step backward walk from the future to the present. Working with scenes takes planners from the future to consideration of the organizational redesign necessary to yield that desired future to the changes required to produce that design.

It’s also a lot more fun to write and hopefully to read. These techniques can transport a reader to another vantage point, to one freer of limits, filters, and biases of our current moment. Such transportation can free the mind to consider new possibilities or options. It can also lead to discovery of an energy source for change: excitement born of envisioning a better world.

So, to quote Yoda\* again. “Difficult to see. Always in motion is the future.”

In that vein, may the *fours* be with you.

1. Affordable, accessible healthcare regardless of race, religion, or preexisting conditions.
2. Training the providers of the future, not the past.
3. Allowing healthcare to join the consumer revolution.
4. Aligning incentives and creative partnerships between patients and providers based on improvement of health individually and collectively.

Here’s to realizing an optimistic future in American healthcare for all of us, our children, and their children!

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\*Yoda (from Wookieepedia): one of the most renowned and powerful Jedi Masters in galactic history. Standing at about 66 cm tall, he was a male member of a mysterious species. First seen in 1980’s *Star Wars* epic, *The Empire Strikes Back*.

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## PROLOGUE

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### How It All Came to Pass

**P**HILADELPHIA, PA, 2026: Time to recall how we—all of us—with a little help from patients, pop culture, and **Harry Truman**, transformed healthcare in America. No one thought it could be done. Tonight, I'm writing this up for *Healthcare Transformation* ([www.HTboldhealth.com](http://www.HTboldhealth.com)), the journal that helped us talk to each other as we built the completely new world of care that we see today.

As **President Obama** tells it, he was alone with his thoughts at last in the Oval Office . . . gun control, climate change, wars, peace, and oh yeah, healthcare reform. The hard work of bending the arc of history. What else could he affect in one last year?

And then **Harry Truman** walked in.

No "hello." No "how did you get in here?" Truman was direct. "Assemble a national healthcare conference."

I'm sure President Obama's first thought was obvious: "Well, this is what happens when you live in the White House—hallucinations about other guys who lived here. Now Truman. And a conference?" "Now *that's* strange and pointless!" he said out loud in a patient, if marginally patronizing, voice, "Why would I want to call yet another gathering on healthcare?"

The man from Missouri drew a bead on the president and said, "Because it's important business that remains unfinished, for you and for me. Let me tell you what I said seventy years ago. And, yes, don't tell me you solved it. We both made a start. We both have to finish it."

President Obama glanced at the heading of the typed (typed!) papers.

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Special Message to the Congress Recommending  
a Comprehensive Health Program

Harry S. Truman\*

November 19, 1945

“You really are Harry Truman?”

“That buck stops here” the man responded, and the president leaned back in his chair.

“But I was a man in shock when I reviewed our healthcare in 1945. More people were dying of illness every year than we lost in the entire war. Worse: You think of older people as sick. But what we learned in the war was that 30 percent of young men and women were rejected from conscription because of physical or mental incapacity. We were rejecting 47 percent of Americans in their thirties. You and I must resolve that no child come to adulthood with diseases or deficits that could be addressed in childhood. And even worse: We saw that the poor have more sickness but less care.

“I’m telling you, ‘No people have ever done more than Americans to understand how to treat maladies while doing so little to secure wellness and well-being. That must and can change.’”

President Obama gazed downward more than a bit dejectedly. “I and many others have tried.”

Truman leaned over the desk and said, “Then try again, but try differently. America was not built on fear. America was built on courage, on imagination and an unbeatable determination to do the job at hand.”<sup>†</sup>

“OK, could you be more specific?”

Truman then offered, “Think patients. Just like you thought about your mother and her illness. It’s personal. Think systems. It’s the whole thing, not the pieces. Remember that systems give you what they are designed to give you. Get the whole damn thing in one room. And make the whole thing transparent. You got that right and then backed down. Don’t do that again.”

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\* A full copy of this concise and uncomfortably current speech appears in the “Special Message” at the end of the book.

<sup>†</sup> Indicates actual HST quotes.

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Silence. Hard looks between powerful entities.

President Obama leaned forward, “And if for some strange reason I decide to call this conference and cash in my chits to get representatives of America’s healthcare system there, then you will do the rest?”

“Yes.”

“How?”

“Leave that to me,” he said, “along with some pretty unusual colleagues from many realities. Think of them as the ark of history to help you with the arc of history.”

“Deal.”

President Obama and President Truman shook hands.

“You know the hard part?” President Obama said. “Since your era, this country has split in two over almost ever issue. It’s not about facts. It’s about ideologies. I am very worried.”

“You should worry. Remember what **Benjamin Franklin** said when asked upon exiting the U.S. Constitutional Convention in 1787, ‘What have we got—a Republic or a Monarchy?’” He responded, ‘A Republic, if you can keep it.’ Just like in healthcare. It’s up to us.

“But remember what I said: Keep it personal for patients. Fix the big system. And make sure everything is transparent, from what you’re doing to every blasted hospital bill every patient gets.”

Truman disappeared. Obama looked at his daily calendar and muttered, “I’ve just got to get a new chief of staff.”

As for what happened at the conference? Well, that’s what this book is about. So, please, read on for the first first-person account of the last healthcare conference we’ll ever need.

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# CHAPTER 1

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## When Politics and Healthcare Became Fun Again

*In 2016, Steve Klasko looks back on THE EVENT—the great change that finally transformed healthcare\**

**2**<sup>016</sup>.  
The year we all came together. The Summer of Love<sup>†</sup> sequel.

2016 was the presidential campaign, now viewed as the *least* divisive related to healthcare in several decades. The presidential health platforms were remarkably similar in their aspirations, albeit with slight differences in the role of government and sources of revenue. (After all, there had to be some reason for cable news to exist.)

2016 was the year we decided that all the stakeholders could get together and actually create a new model of healthcare based on solutions to decades-old problems that united the payers (employers, government, and patients) with insurers and providers. And included everyone else in the complex healthcare ecosystem.

No, I'm not on drugs.

I'm not crazy.

This is not science fiction (although how it came about certainly was).

It is real.

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\*"I" refers to our chief memorialist, Steve Klasko.

<sup>†</sup>Summer of Love: refers to a social phenomenon that occurred in 1967 when, through a strange series of events, young people gathered together toward a brighter future. Summer of Love 2016 refers to the strange series of events that led to the Democrats and Republicans getting together toward a brighter healthcare future.

Within the last few days, the Republican party and Democratic party published their healthcare platforms, and they are remarkably, eerily, excitingly similar and optimistic.

The Democratic platform is aptly named *The Dramatically Different Democratic Discourse on a New Healthcare for America (DDDD)*.

And in this corner, the Republican platform is equally aptly named *Let's Re-imagine a Republican Revolution in Healthcare, Rather Than Repeal (RRRRR)*.

Don't believe me? Here they are. Side-by-side. Direct quotes are included. What's remarkable is the total agreement on the twelve principles.

**1. Look at healthcare as a team sport and develop a system that is both user-friendly and delivers value.**

**DDDD**

“The federal government will reduce Medicaid/Care funding to states that refuse to allow nurse practitioners, midwives, pharmacists, and other clinicians to practice at the highest level of their degree and licensure.”

**RRRRR**

“The federal government will begin a massive review to remove federal regulations that unnecessarily limit scope of practice by physicians and licensed health-care providers to achieve the best care for their patients.”

**2. Take the volume incentive out of the payment system and put incentives in place that are aligned with optimal health outcomes.**

**DDDD**

“The federal government will accelerate the shift of paying for fee-for-service to paying for value to a population. Our goal is to keep people well and prevent expensive and difficult care.”

**RRRRR**

“The federal government will work with private insurers to create incentives for good health, exercise, and diet—core components of a healthy lifestyle.”

**3. Provide the right solution for the right patient at the right time and provide coordinated care across patient condition, services, and time.**

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**DDDD**

“The federal government will accelerate funding for precision medicine and data analysis to ensure legally defensible personalized care for each patient.”

**RRRRR**

“The federal government will work with private insurers, health systems, and doctors to reform malpractice legislation and provide tools for appropriate care, not defensive care.”

4. **Select and educate physicians of the future as opposed to those of the past. Thou shalt never again be surprised that doctors (solely based on science GPA, multiple-choice tests, and memorizing organic chemistry formulas) are not more empathetic, communicative, and creative.**

**DDDD**

“The Department of Education will work with accrediting bodies to speed the selection and licensing of physicians using criteria of communication skills, behavioral and social knowledge, and facility with using data analysis to provide personalized care for patients.”

**RRRRR**

“We will match America’s world-leading high technology with the humanistic, trusted tradition of doctors, nurses, and health teams to help patients understand and plan their lives to be well, to overcome illness, and to be comforted at the end.”

5. **Use technology to ensure that every surgeon can objectively prove appropriate competence and confidence to perform the requested procedure.**

**DDDD**

“By 2018, the DHHS and other governmental agencies will establish metrics of technical and teamwork competence and models and measures such that every patient knows their doctor has proficiency in the procedure performed.”

**RRRRR**

“By 2018, specialty societies will establish metrics of technical and teamwork competence and models and measures such that every patient knows their doctor has proficiency in the procedure performed.”

6. **Learn the lessons of the now-defunct BLOCKBUSTER and move healthcare from a “come to my hospital when you are sick” to a NETFLIX mindset of “getting healthcare out to where**

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the consumer is.” Do not build new inpatient beds when it is clear that there will be disruptive influences that fundamentally decrease the need for expensive inpatient beds.

**DDDD**

**RRRRR**

“The federal government will incentivize the infrastructure for personalized care in any location, reducing barriers to tele-health and forcing interoperability of electronic health records.”

“We will work with private industry to reduce the burden of the computer in the doctor’s office, providing new tools for physicians and their teams to guide patients through their lives.”

7. Always send a patient a believable, understandable bill for services rendered in a manner that clearly states what was done, what it cost, and what the patient owes—regardless of who is paying the bill.

**DDDD**

**RRRRR**

“The federal government will require transparent billing to patients, including cost estimates in advance, especially at the end of life.”

“The government will work with doctors, health systems, and insurers to ensure that patients will not be bankrupted by care and can be guided through decisions about costs of treatment, especially at the end of life.”

8. Never use the term “alternate healthcare” for modalities used to treat chronic diseases that are utilized by patients and providers in other countries, and in some cases, have much better results than traditional American medicine in treating said diseases.

**DDDD**

**RRRRR**

“DHHS and other governmental agencies will mandate and provide funding for any patient with a chronic disease that chooses to explore non-traditional therapy or therapy predominately utilized in other countries.”

“The government will create tax incentives for healthcare companies or providers that develop outposts such that patients with chronic diseases will have more options outside of traditional American medicine.”

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9. **De-fragment the application of innovation and clinical research through super-sites. Thou shalt cease and desist constructing walls between institutions of non-interoperability that hamper the acceleration of research and innovation.**

**DDDD**

“The government will create a ‘New Deal’ for innovation, with stimulus funding for cooperative partnerships between universities, between universities and cities, between universities and private industry.”

**RRRRR**

“Congress will remove all barriers to innovation, holding all entities that receive government funding accountable for ensuring America’s role as the world leader in patents, entrepreneurship, and cures for intractable disease.”

10. **Create an integrated, interoperable, legacy electronic health record system allowing for vendor-driven, patient-centric apps such that your health information is at least as integrated as your shopping information on AMAZON or your viewing information on NETFLIX.**

**DDDD**

“Government shall develop (with the help of the private sector) a single, interoperable health record that is owned by the patient and able to be shared across healthcare venues.”

**RRRRR**

“The private sector shall develop (with the help of the government) a single interoperable health record that is owned by the patient and able to be shared across healthcare venues.”

11. **Understand systems thinking and employ said models in your attempts to redesign a healthcare system that actually makes patients and communities healthier. Only then will you be able to “break” the iron triangle of access, quality, and cost.**

**DDDD**

“The federal government will create incentives for America’s healthcare leaders, payors, and innovators to pioneer models of private and public funding for all Americans.”

**RRRRR**

“We will work with America’s innovators and healthcare leaders to protect this nation’s world-leading, highest quality healthcare and to pioneer business models that provide that care to those less fortunate.”

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12. Never again be satisfied with *any* healthcare disparities based on race, creed, religion, sexual orientation, socioeconomic status, or planet of origin.

DDDD

RRRRR

“The federal government will create a “disparity scale” to accompany its satisfaction scales in rating health plans and providers. We will work to make the ‘patient bill of rights’ extend to the system of providing care without disparities.”

“We will build incentives and remove regulations to encourage the ideas that make ‘healthcare for all’ good business. America is founded on the idea that all of us are created equal, and that principle applies to healthcare.”

If you are reading this book before Election Day 2016, this is how it will happen—you can bank on it. If you are reading this book after the election of 2016, you already know about how we came together around healthcare transformation, the boon to the economy, and the parties and jubilation around this optimistic healthcare future.

If, for any reason, that is not the world you are living in, then you are in an alternate universe\* to mine because I have been there and back, and believe me, this is just what happens.

“So,” you might ask, “If that’s the case, why go any further? Who’s going to buy this book if all the answers are in Chapter 1?”

First of all, I might argue, you already bought the book. Or you are reading the excerpt from this book in our journal *Healthcare Transformation*.† Or you are doing something illegal that has gotten you to this chapter without paying, in which case it would be great to have your email address.

But the main reason is that, while we have told you *what* happened, nobody (until now) knew how it happened.

Those twelve principles that everyone so easily embraced—what have euphemistically been called the “**Twelve Disruptors of the Demise of the Old Healthcare**”? How did they get to us, and how did everyone agree?

\* Alternate universe: a separate, self-contained reality existing with our own.

† *Healthcare Transformation*: a peer-reviewed journal committed to exploring new and better models to deliver and teach healthcare, published by Liebert Publishing.

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That is the story and that is why you should continue reading to Chapter 2 and beyond.

I promise you it's fun, you'll learn some stuff you didn't know before, and, most importantly, you will understand the "behind-the-scenes" story of how all of us decided to, as the Youngbloods\* sang in the first Summer of Love, on behalf of healthcare in America, "Get together, learn to love one another right now . . . right now . . . right now!"

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\*The Youngbloods: an underappreciated 1960s rock group whose major hit, "Get Together," was the "national anthem" for the Woodstock generation.

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