

Health industry leaders speak out

by Anne Wallace Allen

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Steve Millard

With a collective 122 years of hospital leadership between them, Joe Morris, Ed Dahlberg and Steve Millard jokingly referred to themselves as “the three wise men” when IBR sat down with them Oct. 28 to talk about the challenges facing hospitals, physicians, insurers and patients these days.

Millard has been the president of the [Idaho Hospital Association](#) for 35 years. He started his career in hospital leadership at what was then Bannock Memorial Hospital in Pocatello (now Portneuf Medical Center) in 1971. At IHA, he lobbies the Idaho Legislature on issues critical to the 50-odd hospitals in Idaho.

This year the IHA tackled its most expensive statewide campaign ever, spending \$750,000 to promote HJR4, the ballot item to allow public hospitals to borrow money without permission. The measure passed by a wide margin Nov. 2.

Ed Dahlberg retired as CEO of [Saint Luke’s Health System](#) last spring after 25 years at St. Luke’s, 22 of those years as CEO. Before working at St. Luke’s, he was executive director for five years at the Bozeman Deaconess Foundation Hospital, a long-term care and retirement facility in Bozeman, Mont. He got his start in health care in 1968 as an administrative resident at Logan County Hospital in Sterling, Colo.

Joe Morris retired in September as CEO from [Kootenai Health](#), the largest hospital in northern Idaho and the place where Morris started his career in 1974 as an assistant health care administrator. Morris’s first job in health was in 1969, when he entered the medical service corps of the U.S. Air Force. He moved to the CEO’s position at the then-Kootenai Memorial Hospital in 1980, and he’s working as a consultant at Kootenai until next spring.

Asked to draw upon the lessons of the past for insights about the business of health care today, here’s what the three had to say.

Health reform isn’t new.

Health reform started way before this year, when Congress in March passed its far-reaching bill to provide health insurance to millions more people. Dahlberg remembers the predictions of doom prompted by the 1965 passage of Medicare, the government insurance program that covers Americans ages 65 and older.

"People thought it was the intervention of government into the lives of health care," he said. "There was a big move to get those bills repealed."

Accepting a new way of doing things is always a struggle, all three noted.

"Everything we've done to change things has been a challenge," said Millard.

Unlimited access to anything is expensive.

"Part of the reason health care costs so much is we have an entitlement mentality that we want it and we're going to get it paid for," Dahlberg said.

"I'm not saying we're not entitled to it," he said. But "if you don't want to spend as much as we're spending, then how are we going to address that issue?"

Opponents of health reform often mention that they want to avoid a system where health care services are rationed. Neither Morris, Dahlberg nor Millard had easy answers to that one. But Morris noted care is already rationed in the United States, and people without insurance coverage are usually the ones who go without.

Changes in national policy will likely have a dramatic effect on the way health care is provided and paid for in coming years. But consumers and providers will also need to make some hard choices.

Everyone pays for preventable illnesses linked to obesity, inactivity and smoking. They cost millions of dollars every year. So some of the blame for the health care payment problems rests with the consumers of the care.

"Those are societal issues; those aren't health care issues," said Dahlberg. "Are we going to address some of the societal issues along with the health care issues, or are we simply going to allow people to have unhealthy lifestyles?"

A free-market system of health care isn't serving patients or taxpayers very well.

Do we want health care to be provided in a competitive environment, or do we want a system that's designed for the social good? Dahlberg and Morris lean toward the latter.

"Competitive markets create incentives for people to create volume of services," Dahlberg said. "Competition doesn't work in this market, in my view."

Dahlberg thinks some form of single-payor system would be most appropriate for the country. Among other things, it would simplify the administration of payments, he said.

"What I want to do is try to figure out some way to eliminate a market that has 20 different insurance companies, all of which have 100 different plans with 100 different coverages, deductibles and copays," Dahlberg said. "At Luke's we have 300, 400 people in the business office trying to figure out who is paying what. I challenge anybody to read their insurance plan. We've got to figure out some way people know what they're buying."

A free market health care system drives up prices and gives providers incentives to

oversupply care, Morris said.

"Our system follows the money better than any system in the world," he said.

Insuring more people will save money and save lives.

Morris would like to see insurance coverage extended to the 51 million people who don't have it now. That way, he said, people would be more likely to choose a primary care physician who could provide preventive care and steer patients toward more affordable options. Doing so could also save lives.

"The uninsured come in with diseases that are more advanced, and they die more often," Morris said. "There's a human tragedy for folks without insurance who don't get good health care and die as a result."

So what can individuals, and individual employers, do about all this?

Try to make sure insurance systems reward best practices, such as preventive care, not overuse of procedures. Provide incentives to workers to lead healthier lives, said Morris.

Kootenai Health is self-insured, so as a business it has a strong incentive to keep its employees healthy to keep its insurance costs down. As part of its health plan, Kootenai's employees must sign up with a primary care physician.

"We get our employees to accept this by saying, 'We're all in this together,'" Morris said. "If we have to pay a gazillion dollars for health insurance, there go your wages. We're going to give you an incentive to do what we want you to do."

And even though the economics of health are a mess, there are also plenty of reasons to celebrate.

"On my exit out the door, I've been telling folks that today is the best day to be a patient in our hospital," Morris said.

"There have always been issues, there have always been challenges," he said. "But our technology has never been better, and we're going to insure 32 million more people."

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