

Statement of Alan A. Axelson, M.D.

Subcommittee on Civil Service and Agency Organization
Committee on Government Reform
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“You can’t always get what you want...What if the Federal Government could drive improvements in health care?”

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**Innovative Approaches to Managing Behavioral Health –
An Essential Component of the Federal Employee Health Benefit Program**

America’s healthcare system is not sustainable in its present configuration. After a period of relative calm in the mid nineties when managed care strategies had some influence on health care and cost inflation moderated, consumer demand for unfettered access to a growing array of sophisticated medications and health care technology, among other factors, has resulted in the reemergence of double digit premium increases. Kaiser Family Foundation survey of 3,000 large and small employers showed insurance costs rising 11.2% in 2004, the fourth straight year of double digit increases. In addition to this increased employer cost, employees are paying a larger share of their health care cost in terms of deductibles and co-payments.

The increase in cost does not have a corresponding increase in quality and safety. Analysis of various aspects of the health care system consistently show problems of fragmentation, failure to apply well established evidence based treatment and missed opportunities for improvement.

There are many efforts directed toward analysis of cost and quality drivers and collaborative efforts to support system change but the pace of change is slow and the complexities are enormous.

Competition, a strength for the most sectors of the business community of the United States, is not working for the health care system. As Michael Porter and Elizabeth Olmsted Teisberg describe in their June 2004 Harvard Business Review article* “The wrong kinds of competition have made a mess of the American health care system. The right kinds of competition can straighten it out.” While there are many positive efforts supported by governmental, commercial and foundation resources the federal government’s responsibility to purchase health insurance for its employs offers a unique opportunity to have a significant impact the health care system through the constructive support of a healthy competitive system. By establishing an innovative set of specifications for its health plan contracts it can harness the creative energies of health plans to move the system in a constructive direction.

In the past behavioral health care was treated as a special category of treatment to be delivered by a network of specialty practitioners organized and managed separated from the mainstream to the system that delivers medical and surgical treatments. This was designed to manage the direct costs of behavioral health care but has contributed to problems in the comprehensive treatment of patients, especially those suffering from the chronic diseases that consume the bulk of our health care costs. It also contributed to limitations in addressing the consumer life-style and treatment adherence issues that contribute to sub-optimal health outcomes.

Research has established that depression, anxiety and substance abuse disorders are major contributors to the outcomes and costs of treatment for diabetes, heart disease and pulmonary problems. Depression, a serious and costly disease in itself, when it co-occurs with other diseases significantly increases the cost of treating the disease state and the amount of time that the employee is away from work. Better consumer awareness of the effectiveness of treatment and a decrease in the stigma associated with psychiatric treatment has resulted in a substantial increase in the demand for treatment of psychiatric symptoms, especially with psychotropic medications. These medications, long in the top ten of prescribed medications are soon to be number two in terms of pharmacy costs. This needs to be addressed by quality focused systems that are sure that these medications are used when needed and in ways that are supported by established research findings. The kind of interventions needed to improve the process of prescribing psychotropic medications and the care of chronic diseases by addressing co-occurring psychiatric illnesses will also have a positive effect on other aspect of the health care system. Specifications for the next round of bidding for the Federal Employee Program should assertively address behavioral health aspects of treatment in a comprehensive system of care.

Participating health plans should support the development of delivery systems that are:

Integrated: They must demonstrate that primary care physicians, who prescribe 60 to 70 percent of the psychiatric medications, have readily available to them the consultation and treatment services provided by psychiatrists, psychologists and other mental health professionals. Communications among professionals need to be accessible and timely. Health plans must assertively support this integration, working with primary care physicians, specialists and patients to assure collaborative participation in treatment.

Innovative: The process of translating research into treatment guidelines as matured in a full range of psychiatric illnesses. The guidelines need to be effectively introduced and integrated into the daily processes of care. Quality improvement must relate to the delivery of care in primary care and specialty settings. The purchaser, in this case the federal government must demonstrate that it is serious about innovative approaches to the delivery of evidence based medical and psychiatric treatment. Information about provider system performance should be trustworthy and transparent, available to purchasers and consumers.

Information Driven: The complexity of health care decision-making and the level of integration required can only be approached through the full adoption of systems of electronic information sharing and imbedded decision support. The recent focus on the issues of privacy and information sharing has moved the behavioral health field to the point that it can now be part of a larger health information system.

Incentive Based: For any system to work there must be the buy-in of significant stakeholders, psychiatrists and particularly those that deal with children and adolescent are in short supply. They are removing themselves from integrated systems of care. They can only be induced, not forced to participate. This is also true for other health care providers. Compensation should be significantly related to the quality of services provided and participation in the long-term constructive objectives of the healthcare system.

The tools to reconstruct the health care system are available. There is ambivalence about applying the healthy competitive principles that have strengthened other aspects of the services enjoyed by Americans. Leadership in the development of the Federal Employee Health Benefit Program can support constructive system change.

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*Michael E. Porter and Elizabeth Olmsted Teisberg “Redefining Competition in Health Care” Harvard Business Review - June 2004