

CONCLUSION



I often think about a question that should make us all step back a bit. Why are millennials—the largest American generation and current chunk of the workforce—the first generation to think life won't be better for them than their parents?¹⁰³ In a nation of optimists, this is worrisome at best. I've come to realize that the cost of health care is a primary underlying cause of their worry. Over half of their lifetime earnings are on track to go to health care.¹⁰⁴ As they have children and their indestructibility fades, millennials are realizing that they're going to be indentured servants to the health care system. This is profoundly sobering, but the good news is we've solved tougher problems and this one has already been solved in microcosms around the country.

Our health care system is overwhelming us, making too many of us lose hope. If I only accomplished one thing with this book, it would be to create hope in the simple, practical, proven fixes you've read here. Smart benefits programs make wise decisions free or near-free and bad decisions expensive. They don't just make all decisions expensive. At core, it's this simple. So-called experts (many of them my peers) who suggest it's more complicated are often so mired in today's wildly underperforming status quo that it obscures the simple solutions hidden in plain view. Plus, status quo protectors are quite adept at making health care far more complex than necessary.

As Dan Munro likes to say, "the [health care] system was never broken, it was designed this way."¹⁰⁵ The best way to describe the

status quo payment system is a Gordian Knot designed by Rube Goldberg. Brain surgery *is* complex. Cancer *is* complex. Building a high performing health benefits plan doesn't need to be.

Perhaps the most common corporate platitude is "our employees are our greatest asset." If that's the case, status quo health benefits aren't exactly delivering a great ROI. Wise CEOs have realized this and that they operate a health care business, whether they like it or not. They also realize it's the last major P&L line item they haven't optimized or brought into the modern world. Over the last 20 years, employers have increased total employee payroll spending dramatically, yet most of us don't see the benefits because it has largely gone to health care benefits costs. Forward-looking employers are putting more money in their employees' pockets while delivering superior care, driving significant financial improvements, and creating a higher performance workforce

If it wasn't already clear, true fixes to our health care mess aren't coming from DC. As I write this, the latest attempt at "reform" by Congress is yet another example of rearranging deck chairs on the Titanic. Doubling down on paying into a "system" that has no correlation between price and value; and every single day causes 10,000 incidents of serious harm and hundreds of death from preventable medical mistakes is the definition of insanity.¹⁰⁶

Hundreds of thousands of regular citizens, clinicians, CEOs, union leaders, and others are restoring the American Dream one community and company at a time. They're stepping up in grass-roots groups and working together to solve the crisis. They're rallying around Health 3.0, the Health Rosetta Institute, the Right Care Alliance, the We the Patients movement, and many more. This is what America does. When it comes to big societal problems like civil rights, better food, or energy independence—we're best at solving these problems from the bottom up. The goal of this book and the Health Rosetta Institute is to simplify recreating these successes in your own community and across America. Let's get started.

5 Steps to Start Implementing High-Performance Benefits

Below are simple steps to start taking control of your benefits.* First, a few important reminders.

1. As much as half of your spending provides no value. Imagine allowing any other P&L line item to perform this poorly. It's unimaginable.
2. Technology, vendors, and service providers that can help remove this wasteful spending while improving your employees' health already exist. They can drive far better outcomes and lower costs, however most approaches aren't yet part of status quo health plans.
3. Favoring high performance vendors and services providers is a huge win for you and your employees. It also shifts the health care industry, helping solve our country's health care crisis.

The Health Rosetta Institute is a nonprofit we've created to certify the people, products, services, and places that simplify adoption of successful approaches. We'll help you get started at healthrosetta.org.

With this in mind, here are 5 specific next steps you can and should take.

1. Reset your benefits advisor relationship expectations.

You deeply rely on your benefits advisor, consultant, or broker to navigate this complex world. In our experience, ~5% of the benefits brokers and consultants are worth their weight in gold. They have deep expertise and tremendous commitment to their clients' best interests. A litmus test for whether yours falls into this group is to ask them to complete and sign the compensation

* Healthrosetta.org/employers has more resources, including a calculator to show the EBITDA impact of high-performance health benefits and the revenue you'd need to generate to create similar impact.

disclosure form in Appendix C. The high performers will have no problem agreeing to this long before you make any benefits purchasing decisions. If they hesitate, make excuses, or refuse, this is a major red flag. I'd encourage you to find a high performance benefits advisor or consultant by following the guidance in Chapter 10.* You need someone on your side.

In tandem, evaluate the plan administrator you are working with. Chapters 13 and 17 address the shortcomings of many plan administrators and what you should expect from an optimal plan administrator.

2. Start now and select approaches that minimize disruption to your benefits group.

Don't be a slave to the annual benefits process. It's largely designed for a broker's or health plan's convenience, not your objectives. Many high-performance strategies can be implemented any time of the year. It often makes sense to do so off-cycle to manage your benefits group's workload.

3. Build compounding momentum by implementing programs that quickly reduce spending and deliver value.

Part IV of the book (Chapters 14-18) summarizes a few of the Health Rosetta's highest impact components. These components have proven themselves to deliver improved health outcomes and drive significant savings in relatively short time lines, usually within 12 months. They quickly free resources by addressing big ticket items like pricing failures, fraud, overtreatment, misdiagnosis, and drug spend.

Build support by positioning these programs to employees as new, better benefits, even if they are layered on top of your current plan design. Three simple examples that work for nearly

* *The Health Rosetta Institute certifies transparent, mission-aligned benefits advisors and producers. Naturally, there are great advisors who aren't yet aware of this certification, so you might have one that isn't yet certified. However, the Institute is doing the utmost to identify, accept, and hold accountable as many of the strongest performers as possible.*

any size organization and don't require geographically concentrated workforces are pharmacy analysis/optimization, Centers of Excellence models, and out-of-network claims settlement services. I also recommend using some of the initial savings to fund further programs, as this compounds momentum.

You'll likely need help from a high-performance benefits advisor, but the Health Rosetta Institute can also help navigate this process. We'll even help find an advisor willing and able to drive the process.

4. Develop an outstanding communications strategy to ensure program success.

Companies typically fully transition their workforce to high-performance benefits over a couple years, creating compounding momentum each year. This requires strong employee communication.

A natural place to start is new employees and millennials. For example, you can default new employees into new, higher value benefits programs positioned as "Tier 1." You keep the old programs as "Tier 2" (see the case study on Enovation Controls after Chapter 14 to see how they did it). Word will spread and people will naturally transition to Tier 1. Millennials are often the early adopters of what everyone ultimately adopts. Health care's status quo is nearly a perfect polar opposite to what millennials want and value (e.g., convenience, transparency, etc.). See Chapter 4 on how to leverage millennials to transform your benefits.

Larger employers can also start with locales where they can phase in changes to work out kinks and ensure value is being delivered.

5. Let the Health Rosetta Institute help guide the way.

The Institute can give you access to resources, insight, and people to help navigate the process. Your path and focus will vary significantly based on your organization type, size, geography, employee base, current plan, and more. We'll help you get

the lay of the land, serving as a backstop against common myths and misinformation about what you can achieve.

Restore the American Dream for Your Community

Why did I write this book? In short, it became something I couldn't not do after seeing dozens of organizations that have reduced their spending by 20% or more *while* saving their employees from losing their health and financial solvency. They spend \$2,000 to \$5,000 less per member every year. These same results are possible for nearly any purchaser that has the will and access to the right expertise. This can go into your employee's pocket, business, and community. It's how you can personally help restore the American Dream.

Successes are sprouting up all over the country, from small manufacturers to school districts to publishers to large municipalities to Fortune 100 companies. If every employer adopts these common sense steps, we'll create a \$500B citizen-driven economic stimulus every year while dramatically improving the lives of countless citizens.

However, there are \$3 trillion reasons to protect health care's status quo. To stop progress, there's nothing easier to politicize, confuse, and frighten people with than health care. It's life and death, right?

Those looking to protect the underperforming status quo will try to politicize health care and use fear, uncertainty and doubt to protect their interests.

However, let's be clear about the stakes. Data from Rand, Brookings, Kaiser, Health Affairs, and other reputable sources have shown that hyperinflating health care costs have been 95% responsible for 20 years of income stagnation and decline for the middle class and our most vulnerable citizens. This has profoundly and negatively impacted nearly every single American. It's a national shame that we can reverse.

No industry spends anywhere near what health care does on marketing and lobbying at the local, state and federal levels. Each of us must inoculate ourselves against status quo enablers who benefit—at the cost of our health and our wealth—when they infect us with the sense that health care is too complex to fix.

This is simply false and the Health Rosetta shows how and why. Hundreds have been coming together to create this free, open source blueprint that uses real life successes to show how health care isn't too complex to fix. For each major Health Rosetta component, it explains how it works, why it is better than the status quo, what challenges to expect, steps to take action, and links to more resources. We're just getting started with where we're taking it, but people and organizations representing millions of Americans are already jumping on board.

Americans are no longer waiting for solutions from somewhere else. We're looking in the mirror and realizing it's on us to restore the American Dream. The fixes even transcend the lines that divide us.

- In Pittsburgh, unions and management put aside old battles and rethought how to deliver great benefits to teachers. As a result, Pittsburgh kindergartners will have \$2 billion more for education during their K-12 years than their counterparts in Philadelphia. Pittsburgh's teachers are also paid more, have better benefits, and have 30% smaller classes sizes.
- Successes are being created by people across the political spectrum. Progressives are implementing approaches that some would call conservative. Conservatives are implementing approaches that some would call progressive.

The common thread in each is that the people involved shifted their mindset, realizing that we don't need left-or-right, management-or-labor solutions. We need an American solution and the good news is it's spreading like wildfire.

No matter who you are, there's a way to take action.

- **Employees.** Share with your CEO, CFO, and benefits leader that they can slash health care costs while improving benefits.
- **Executives & Public Sector Leaders.** You can ignore so-called experts and apply the same discipline to purchasing health care as every other area of your organization.
- **Union Leaders.** There's never been a better time to rethink your relationship with management in regard to the health benefits costs that have been crushing your members. When it comes to health care, you're on the same side.
- **Clinicians & Health Care Professionals.** You and your organization can buck the status quo by embracing the Health 3.0 Vision and Health Rosetta Principles outlined in Appendices D to F. We'll even help. If your organization won't do it, go to an organization that will.
- **Every Other Citizen.** Persuade those in your community to take action by telling them about the Health Rosetta or giving them this book.

For too long, we've let health care crush the American Dream. We won't survive 20 more years of a middle class economic depression. No country has smarter or more compassionate nurses and doctors. No country has more innovators that have reinvented our country time and again. Nearly every individual in health care went into it for all the right reasons, but perverse incentives and outdated approaches have left them shackled or downtrodden. Whether we knew it or not, we all contributed to this mess. Now, it's on all of us to fix it. When change happens community by community, it's impossible to stop.

Yes, health care stole the American Dream. But it's absolutely possible to take it back. Join us to make it happen in your community.