

Business Outlook

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Daschle's wrong on health care fixes

The loss of Tom Daschle as the new leader for health care is no loss. Though I have great respect for the man, I have read his book "Critical" and his approach to fix health care was simply wrong.

Daschle's answer was a Federal Health Board fashioned after the Federal Reserve Board. The FHB would have the "knowledge to make complicated medical decisions and the independence to resist political pressures." It would "emulate some of

the regulatory functions of the Securities Exchange Commission."

Translation: let's create a new powerful governmental agency with undefined but sweeping powers. His answer: central control will cure health care. No diagnosis. No engagement of the public. No plan. Rather than simplification, he wanted a further expansion of an already insupportable bureaucracy.

The symptoms of health care dysfunction include 47 million without insurance; 500,000 open nurse positions; an unacceptable error

rate; and \$2 trillion this year on health care. What are the causes of these symptoms? Curing a patient requires treating causes not symptoms, so before treatment, you must establish the causes. Also, the patient must understand and agree with the diagnosis and the treatment plan or the patient will not cooperate.

Daschle's FHB would be staffed by "highly independent experts." We all know how successful self-styled experts have been in healing health care so far. Speaking of experts, remember the Nobel laureate

"experts" whose brilliant, complex econometric models helped create the financial meltdown we are now all experiencing.

Possibly the most frightening part of Mr. Daschle's answer was his seemingly innocuous statement that "we should build on what we have." He thinks that to fix our health care system, we should modify it. With respect, WRONG! When the bottom was torn out of the Titanic, they had to transfer to a ship that wasn't going down. Bailing water or trying to plug the hole wasn't going

to save them. Health care is heading toward the bottom. We need to abandon ship.

The problem IS the current system. To fix the "problem," we need a new, different system.

To create a functional and sustainable health care system, we need to answer Five Questions and repeat a Chant. (C/B stands for cost/benefit analysis.)

1. Does the new system reconnect me with my money?
2. Does the new system measure outcomes we want?

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3. Are the incentives right (or are they perverse)?
4. Will our care get better and better (and better)?
5. Does the new system think in lines or in loops?

Chant: Show Me the C/B!
Show Me the C/B! Show Me the C/B!

Health care is (as Daschle wrote) "Critical," but his treatment — central control — is no answer at all. First, we must establish a consensus of WHY health care is sick. Then we need to treat causes not symptoms. Hopefully, the new Secretary of HHS will understand what Tom Daschle did not.

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