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Managing the Costs of Health Care

A Conversation with Steve Rohleder at the 2010
World Health Care Congress

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Name: Managing the Costs of Health Care – A Conversation with Steve Rohleder
Interviewer: Mabel Jong, Correspondent – 2010 World Health Care Congress
Speaker: Steve Rohleder, Group Chief Executive – Health & Public Service operating group, Accenture
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MABEL JONG: You're watching coverage of the Seventh Annual World Healthcare Congress in Washington, D.C. Next up, I speak with the CEO of Accenture Health & Public Service.

Well, there are a lot of things to achieve over the next four years.

STEVE ROHLEDER: Yeah.

MABEL JONG: Quality.

STEVE ROHLEDER: Yeah.

MABEL JONG: Efficiency.

STEVE ROHLEDER: Yeah.

MABEL JONG: For affordable price.

STEVE ROHLEDER: Yeah.

MABEL JONG: How are we going to do that?

STEVE ROHLEDER: Well, I think there's a couple things. First of all, you step back from the question and you go, what are the challenges that we're facing? One, we know that costs are going to be rising, right? We know that potentially they're going to put – the government is going to put a trillion dollars of stimulus into the healthcare market, whether it's for insuring the uninsured, whether it's for healthcare IT or whether it's for changing the outcomes and incentives that are paid.

And so the backdrop to that is we have to somehow manage the cost. I think there was a statistic that indicated that by 2018, we could see as much as 20 percent of GDP spent on healthcare.

So, you know, any way you look at the cost there, I think that there's two or three things that we really have to focus on to change the healthcare system. The legislative stuff helps but, one, we have to change the incentives that we provide in the United States for providers. In other words, instead of incenting providers to be reimbursed based on the number of activities –

MABEL JONG: Quantity, yeah.

STEVE ROHLEDER: Yeah. That they ask for – incent them on outcomes. Incent them to adopt standard protocols and treatments, and see how that changes.

The second thing I think we have to do is incent the provider community to get connected, because one of the big steps, I think, in change is the ability to share information, share experience and really begin to impact outcomes.

MABEL JONG: Amongst groups that haven't traditionally talked in a nice way, together.

STEVE ROHLEDER: Absolutely. I describe the provider community as an artisan community. It really is a craft community. And what you have to do is almost try to industrialize the provider community to drive down costs and standardize treatments.

One of the things that – one of our first meetings was with a chief medical officer of one of our clients. And he told me – we were talking about healthcare and standardize of treatments, standardization and how important that is to this overall change, and he said, on average, how long do you think it takes for a standard treatment to be adopted once it's approved by the AMA in the medical system? And I said, I don't know. Thirteen years.

MABEL JONG: Oh, my.

STEVE ROHLEDER: So if you think about the change journey that has to occur, it has to start with change of incentives, and then it has to connect everyone, and then I think there's a third leg which is really public health reform. How do we change awareness of what causes some of the larger impacts on diseases, whether it's diabetes or health, you know, heart attack, or anything like that. And I think public health plays a role in that.

MABEL JONG: And what is Accenture's role?

STEVE ROHLEDER: Well, I think we have a number of things that we can do. First of all, I see in the United States, Mable, the first wave of automation and healthcare IT will be around electronic medical records. The fact is there'll be \$18 to 19 billion of stimulus money over the next four to five years pumped in to really stimulate the electronic medical records area. We have a lot of experience here. Over the last 10 years, we've installed over a hundred electronic medical record systems, and we're involved in some of the systems that have been certified at the very highest level.

So, we see that as the first wave of our involvement. Helping providers install electronic medical records.

MABEL JONG: And do you think that people will be able to focus on innovative methods like that while they're trying to solve all the problems?

STEVE ROHLEDER: I think they will. I think that the incentive to be reimbursed for use of automation will actually drive some of this change. I think it'll be different for different segments of the market, so for small physician practices it's going to be different than it is for the larger healthcare systems. So I think that's one wave.

The second wave is then connecting – what we call connected health – connecting all these independent islands of automation to be able to talk to each other. And I think, again, this sharing of information through health information exchanges and, you know, the connecting of providers and payers and health communities is really what's going to spawn some of the change that will occur. And we'll play a role in that in setting up health exchanges.

MABEL JONG: Now, you've been all over the world, have seen all types of systems.

STEVE ROHLEDER: Uh-huh.

MABEL JONG: Are there models out there that are working, that you think would work here?

STEVE ROHLEDER: I think there's lessons in every country that the U.S. should use. Sometimes I think we're too big and arrogant to reach out and pull in some of the lessons. So what are some of the examples?

Number one, if you look at Denmark, which is highly automated and highly successful in connecting their healthcare business. Little known fact, 10 years ago, they really had very little automation but through a public campaign, they actually put pressure on the provider communities, the people did, because if you went to a doctor and that doctor wasn't connected or didn't use automation, believe it or not, you didn't go back. You used a doctor that did have it. And that forced the provider community to automate and connect. Now you see 10 years beyond that how connected they are and how they use technology in new innovative ways to great example.

Singapore is another one. Now, they have more of a public system but they have automated all of their healthcare systems, all of their hospital systems, and now they're taking the next step to put an information exchange in place so that they can begin to standardize protocols.

I think, you know, we talked about NHS, I think that there's lessons there for us as well in learning how to manage the change and not just push technology down the throats of the providers, how to actually balance that with change.