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S.D. may be model in health care push

Robust medical community raises stakes for area in reform

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It's clear from the skyline of Sioux Falls - where health care fuels much of the economy - that sweeping changes to the nation's health care landscape could leave an imprint on the city.

On one side of town, a new Sanford Children's Hospital gleams during the day and blue lights fill the night sky. To the east, cranes tower over Avera McKennan Hospital and University Health Center, where green lights glow.

As Congress and the White House embark on a monthslong process aimed at reforming the nation's health care system, the effects of whatever new model emerges could be more pronounced here than in many other American cities, observers say.

In the Sioux Falls metro area, there were 20,628 workers in "health care and social assistance" with an average annual pay of around \$43,300 and a total payroll of \$893,126,820 in 2007, according to the latest figures from the South Dakota Department of Labor's Web site.

Those numbers are expected to climb sharply, based on industry projections. Statewide, hospital jobs are projected to rise from 18,525 in 2006 to 22,635 by 2016 - a 22 percent gain, according to figures from the Labor Department. Ambulatory health care services are expected to gain even more jobs in South Dakota in the same time frame, from 13,170 to 17,855 for a 36 percent increase.

Observers say it's far too early to tell how the final plan might influence the local economy because details aren't known.

However, there are early signs for optimism, says Dr. Tom Huber of Pierre. He heard President Obama outline his plans at the American Medical Association's annual meeting last week in Chicago.

"I think that anything that comes out may very well be beneficial for Sioux Falls," says Huber, a family physician who will become president of the South Dakota State Medical Association in October.

"I think it will either be neutral or positive - I don't think it will be negative," Huber says. "I think we will have a much better chance coming out positive than some other states in the nation."

High value of care puts region at center of issue

The Upper Midwest is emerging as a possible health care model for the nation during the debate on reform, says Cindy Morrison, vice president for public policy at Sanford. That has given South Dakota prominence on the national scene, she says.

She points to studies showing the region's health care is provided at the lowest cost and highest value of anywhere in the nation.

The Dartmouth Atlas of Health Care has tracked variations in Medicare spending across the nation, and results of its research suggest that South Dakota could be emulated by other states, she says.

"This is at the heart of the health care debate," Morrison says.

Area's political leaders play vital roles in reform

Morrison also contends that South Dakota's interests are well-served by political leaders shaping the debate. The Senate Committee on Finance is led by Montana Democrat Max Baucus - a key player in health care reform efforts - and includes influential Republican Sen. Charles Grassley of Iowa. Both senators are from mostly rural states that have much in common with South Dakota.

South Dakota Sens. John Thune, a Republican, and Democrat Tim Johnson were among a dozen senators to sign a June 10 letter to the Senate Finance Committee leaders, urging them to view Midwestern health systems as a model for the nation.

"We are proud to represent regions and states that have demonstrated true leadership in lowering costs to Medicare and increasing quality outcomes for patients," the letter says. "Often known as 'high efficiency' areas, health care systems in these regions utilize integrated systems and aggressive quality controls to provide Medicare beneficiaries better care for lower cost. Studies show that moving to a coordinated, integrated delivery system, as seen in high-efficiency states, could save Medicare upwards of \$100 billion a year."

Morrison says integrated health care systems such as Sanford's will be well-positioned to adapt to new payment methods and information systems, both of which could be required under plans being studied in Washington, D.C.

Fred Slunecka, Avera McKennan regional president, is reserving judgment on the issue until more details are known, Avera spokesman Mitch Krebs said.

Skeptics fear a slide into standardized medicine

Many doctors, nurses and other health care providers are wary of reform efforts, and fear the drive to cut costs will lead to standardized medicine, something they think would harm patients. Many of the early proposals include a common theme, a "desire to oversee the practice of medicine at a federal level," says Twila Brase, a nurse who is president of the nonprofit Citizens' Council on Health Care in St. Paul.

"From our perspective, the standardization of medicine will lead to the rationing of healthcare," Brase says.

She also raises concerns about new information systems compromising patient privacy, and scoring systems for doctors. That could unfairly penalize doctors based on their patients' outcomes, she says, or lead some physicians to avoid treating the riskiest patients in order to maintain good scores.

If government is given too much control over medicine, she says, "patients are going to be harmed at the end, and patients also are going to lose their trust in physicians because they are going to realize that someone else is pulling the puppet strings on the physician's prescription pad."

Head of S.D. physicians dismisses scare talk

Brase plans to speak at a "socialized health care protest" July 2 at the W.H. Lyon Fairgrounds in Sioux Falls.

In Huber's view, socialized medicine "is merely a term that creates misunderstanding and anger and makes people choose sides."

"I think it's a garbage term that you throw out there just for the sake of creating an argument," Huber says. "To me, socialized medicine is where the government runs the whole affair. That has not been proposed by anyone."

Huber says physicians will have ample opportunities to provide input in the process as policymakers consider health care reform.

"The physicians really do understand that leaving things unchanged is not going to work," he says. "There's too much at risk."

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Additional Facts

Sioux Falls' place in health debate

The nation's health care debate could have far-reaching effects on Sioux Falls and the larger region. Some reasons why:

- Sioux Falls is home to two of the Midwest's largest health systems, accounting for thousands of jobs.
 - The largest system, Sanford Health, uses an integrated model that some think could be replicated elsewhere.
 - Health care methods in the Upper Midwest are seen by some as a model for improving health care nationally.
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