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President Barack Obama
The White House
1600 Pennsylvania Ave, NW
Washington, DC 20500

Health care reform is urgently needed. Our Nation's current system is grossly inefficient and ineffective. The cost of healthcare has increased significantly and imposes the biggest threat to our country's ongoing economic growth. At the same time it's costly, there is little focus on how to improve the process to deliver quality outcomes for patients. Understanding and improving the medical system process to deliver quality outcomes for patients would also lower costs. As business has demonstrated in various industries over the last three decades, quality costs less, not more. Our current health care system does not reward quality outcomes, it does reward usage...they are not the same.

The Institute of Medicine estimates there are as many as 100,000 deaths per year attributed to preventable medical errors in hospitals. That's more deaths annually than auto accidents, AIDS, and breast cancer combined. With process analysis tools, the appropriate use of statistics, quality comparisons, and information technology that supports the collection and dissemination of quality outcome data and associated best practices, we could have a much better delivery system.

At Honeywell, we insure more than 200,000 people. Our health care costs over the last five years have risen 46% per capita (while the CPI rose 14%), with little discernible quality improvement from the medical system. To partially compensate for the lack of focus on quality outcomes in the medical system, as a company we've implemented several resources to help our employees and their families.

- When employees or their families are diagnosed with one of more than 60 medical conditions, they have access to MEDICAL DECISION SUPPORT RESOURCES to help them more actively participate in the decision. This includes a consult with a top-five medical school physician, personalized information regarding their treatment options, information on what is considered best-practice medicine, hospital quality data, and the top ten questions to ask their physician. We also provide a \$500 incentive to employees planning surgery for one of eight highly variable procedures, regardless of their final decision, just for participating in medical decision support. Of the 2,000 plus employees who have participated, 35% switched to treatment considered best practice and 23% discontinued unnecessary or questionable treatment. Surveys of participants indicate very high satisfaction levels with their decisions.
- Many conditions have a known best practice but are only followed half the time, according to the New England Journal of Medicine. At Honeywell, we have a

program that IDENTIFIES THE GAPS IN CARE for cardiovascular disease, diabetes, cancer, and other illnesses and sends communications to both the physician and patient to ensure gaps are closed. For example, prescribing beta blockers for heart attack patients following hospital discharge to reduce the chance of a second heart attack from occurring is considered a best practice. In a review of Honeywell data, beta blockers were prescribed less than 50% of the time. We follow up with these patients and their physicians to ensure they understand beta blocker prescription is a best practice. Compliance has increased to 70% and we continue to see opportunity.

- Chronic disease accounts for about 50% of Honeywell medical costs. While we have had disease management programs in place for a number of years, we are in the process of implementing an INTEGRATED HEALTH MODEL comprising a single repository of all health-related data for the individual (health risk, medical claims, pharmacy data, etc.). This data will be run against proven algorithms to predict risk and to match treatments against best-practice guidelines to improve outcomes. Employees will receive a \$250 incentive for participating in a health assessment and will have access to a Health Advocate to help them improve or maintain their health status.

We are trying in our small way to make the system better for our employees and their families, but there is an even bigger opportunity to do this well on a national scale. A system where:

- ✓ Hospital and doctor quality data are readily accessible
- ✓ Quality outcome data for treatments is accumulated in a statistically significant way so best practices can be distilled, disseminated, and accessed
- ✓ Medical decision support resources are available to all
- ✓ Quality outcomes are rewarded rather than usage
- ✓ Doctors, nurses, diagnosticians, pharmaceuticals are brought together to coordinate the best outcome for the patient
- ✓ Chronic disease prevention and management is addressed

Doing this on a national scale will result in better outcomes for our citizens and lower costs for all.

As a country, we have a real opportunity to accomplish two seemingly competing things...less cost/usage and better health. The root cause is a focus on quality outcomes and processes. Solving our health care crisis is not just a good thing to do, it is essential for the long-term economic health of our country.

Sincerely,

