

Rx for costs?

Accountable care model deserves close look as we seek ways to contain care costs.

IT won't surprise many Houstonians to learn that our city offers a rich environment for ideas to reform health care. One need only cast a gaze across the vast city-scape that is the Texas Medical Center to grasp the why of that.

One source of potentially useful ideas is the well-known local private health care provider Kelsey-Seybold. That's probably no surprise to those familiar with the outfit: Kelsey-Seybold has had a reputation for innovation since its founding in 1949, when it began offering a full suite of medical services to its mostly well-heeled clients. That was all but unheard of in those times.

These days, the Kelsey-Seybold folks are touting the advantages of a system called "accountable care" that they practice along with other high-profile medical providers across the nation. Minnesota's Mayo Clinic, the well-regarded Cleveland Clinic in Ohio, Kaiser Permanente in California and Scott & White Healthcare in central Texas are among the practitioners.

It's one thing to hear Kelsey-Seybold sing the praises of its system, as members of the Chronicle editorial board did recently. We hear self-interested advocacy from many if not most of our visitors. What was less expected was Kelsey's strong and evidently sincere call for more competition in its own backyard — it says it would welcome as many as four or five new competitors in the Houston area alone.

The Kelsey folks can even identify the likely local candidates to be competitors: The Methodist Hospital System, Memorial Hermann, the University of Texas Faculty Practice and Hospital Corp. of America are all headed down that path, they say. They welcome the company.

Why? Costs are out of control, and nothing seems to

be working to slow that down. Not HMOs. Not PPOs. Not anything.

The answer, they say, is something called accountable care organizations, or ACOs. These are systems whose aim is to deliver a complete range of health care services at reduced costs. Methods include increased reliance on information technology, greater emphasis on prevention and care management, and evidence-based care practices.

Cost. That is the issue that has captured the full attention of many in the private sector as health care reform takes shape. A widely distributed June 2009 New Yorker magazine article, "The Cost Conundrum," reported large discrepancies in costs for medical testing in clinics in South Texas. It is a highly readable primer on the subject, making the point that higher costs do not always, or perhaps even often, equate with better care.

Many fear that the pressures for broader access to care that are certain to come with reform cannot help but be accompanied by a budget-busting rise in costs and a wholly likely reduction in reimbursements for services.

An independent benchmarking survey performed by Hewitt & Associates in 2009 concluded that the cost-effectiveness of Kelsey-Seybold's "Kelsey-care" plan is 19 percent better than that of the average preferred PPO and 14 percent better than the average HMO plan in the Houston area.

But don't take our word for it — or Kelsey's. These are the kinds of savings that ought to raise some eyebrows among policy-makers and health care industry leaders alike. They deserve the full green-eyeshade treatment by independent experts.