

Discussion Summary and Next Steps

High Road Health Care Charrette

Nov 30, 2007

SEIU, Washington DC

Session #1: *What are major restructuring trends in the health care industry, management strategies, and past union response?* [Presenters: Lenny Mendonca and Bob Kocher (McKinsey & Company), and David Kieffer (SEIU)]

A major focus of discussion was the high cost of the US healthcare system driven by higher spending across nearly all areas of the health system (e.g., inputs, delivery processes, and intermediation, including the private nature of providers, operational inefficiencies/ complexities in the delivery process, and a multi-stake system of intermediation) and the need for reduction in these costs, particularly in the fast growing outpatient sector where supply growth drives demand growth. Group discussion added other costs to the list, including fragmentation of the healthcare system and the lack of coordination and standards for training healthcare workers. Complicating cost accounting is the difficulty of obtaining true cost and quality data from hospitals/outpatient providers and doctors, and the poor data-reporting system that exists in healthcare (as compared to the airline industry, for example). A stronger focus on long-term and community-based care is another important consideration for effective health care reform. "Real" reform will necessitate productivity and quality breakthroughs driven by technological and regulatory change, combined with a push for policy reform. SEIU can take advantage of the current moments of crisis and change in healthcare to convene disparate stakeholders and work to better align existing incentives (which are leading to rational actions by existing stakeholders at the expense of the overall system) so that all stakeholders (workers, patients/consumers and providers) are working together for positive good.

Session # 2: *How might serious health insurance, quality control, and cost containment reform, of the sort that now seems imminent in national politics, change these trends?* [Presenters: Tom Kochan (MIT) and Chris Jennings (Jennings Policy Strategies)]

Participants discussed the need to reframe the healthcare reform debate by promoting labor as part of the solution as opposed to simply a cost, i.e. that we can improve quality and performance by including employees as human capital. Central to conversation was how healthcare labor organizations can be innovators in the following areas: 1) workforce development and career ladder creation, 2) coordination and teamwork to improve performance and worker satisfaction, 3) compensation standards, 4) labor-management partnerships and policies, 5) a technology-driven, integrated healthcare system, and 6) flexible representational models that allow for organizing across settings. Also emphasized in this session was the need for SEIU to associate itself with politically-viable cost-containment and modernization strategies, not just increases in cost. Standards to close off the low road will only be considered if they are viewed as an essential component to quality. Cost containment cannot merely be cost shifting (onto other parts of the system, or into patients' homes). We need to change the discourse and shift focus from cost containment (which is really just cost-shifting) to a focus on quality, value, and productivity.

Session # 3: *What does the research tell us about the contribution workers and worker organizations can make on cost, quality, and efficiency in health care delivery?* [Presenters: Dana Beth Weinberg (CUNY-Queens College) and Ann Frost (University of Western Ontario)]

Research has told us is that: 1) turnover negatively affects both cost and quality, 2) workers care about

quality of their work lives, 3) high-commitment and high-performance work teams haven't been backed up by employers (career ladders, salaries, benefits, training), 4) investment in the training and education of healthcare staff leads to better patient health outcomes, but very little training exists for incumbent workers, and 5) union affiliation doesn't appear to matter much for workers' sense of dignity on the job (adequate resources and training matter most). Discussion included the need for patient-centered care reform, and the need to get workers to dream about the ways they can change the system. We need to find out what's working at a micro-level (either in US or abroad), and scale up. Next step would be to integrate information and coordinate across functions, an area where unions could add value.

Session 4: *What are the current/expected high-road restructuring possibilities in the health care industry, and what would these require from management, labor, and government?* [Presenters: Peter Berg (Michigan State University) and Adrienne Eaton (Rutgers University)]

Various possible elements of a high road restructuring model were discussed, including: adequate staffing and adequate resources; skills training, incentive structures, and investing in the workforce; inclusion of worker voice in system improvement; technology to streamline information; and coordination across restructuring. Also discussed was the possibility of modeling and mandating different forms of representation (i.e. work councils). In addition to a mandate approach, high road restructuring could be pursued through approaches that are rights-based (i.e. rights to information, to exercise voice), incentive-based (i.e. withholding funding streams from bad actors), and leadership education based (i.e. institution to promote experimentation and best practices). Interest in healthcare policy reform provides an entry-point to discuss the need for labor law reform. States need to be freed from some bounds of federal labor law in order to move forward and establish best models and practices. SEIU is in good position to help translate best practices into standards of care. Role for someone (SEIU) to integrate concern for patients across organizations, showing public that these changes have positive outcomes in peoples' health across settings. Opportunity to marry high performance labor-relations with high performance work systems.

Session #5: *Wrap up and next steps* [Presenters: Eileen Appelbaum (Rutgers University) and Mary Kay Henry (SEIU)]

The presenters discussed big themes from the day, including the need for attention to fragmentation and inefficiencies of fragmentation in the system, the need for indicators and evaluations to more closely and consistently relate to patient outcomes, and the need to build more consistent training standards and systems throughout the nation. Also important is finding ways to demonstrate that a better, more effective, more efficient, more worker-friendly approach is possible. And, in the process, it will be important to engage union members in a dialogue about how they can revolutionize their jobs. Identified important research included more attention to public policy levers at the federal and state level, and how policy change could help get the appropriate incentives in place to encourage or reward vertical integration in the industry.

Top Ten List from the day's discussion (in no order of importance):

1. Shift the discussion from cost containment and coverage to efficient quality (for health), and identify natural allies in that;
2. Summarize research on worker contribution in existing system;

3. State the big SEIU vision on worker contribution to a reformed system dedicated to efficient quality and aligning the incentives right throughout, with the work and relation of hospitals, nursing homes, community clinics, and home care all changed accordingly;
4. What needs to change in labor law to facilitate this and what's the joint responsibility model we want (CBA for new world)?;
5. Training/human capital and career ladders. What do they look like in 5 major occupations?;
6. Inventory existing best practices;
7. Assemble them on virtual or actual (lighthouse) model;
8. Encourage front line suggestions ('best idea since aspirin') on quality improvement;
9. Develop a business model for a high road health care consulting firm;
10. Do membership and leadership training on all this, and SEIU's role. Internal process needs to empower people to talk about quality.

Next steps:

- SEIU would like to hold one of these types of discussions every 3-4 months, populating it with an ever-changing cast of characters. Anyone who would like to organize one of these discussions should contact SEIU and organize it. Whatever is organized would need to help SEIU inform their work around healthcare reform.
- Research papers, reports, documents that could be useful:
 - Paper on what we have learned empirically about worker contribution to healthcare reform (i.e. a summary of session #3).
 - Inventory of best practices across settings, pulling together a virtual model from best practices across a variety of employers.
 - Bill of rights for both patients and providers.
 - Establishment of metric on health per capita.
 - Research on whether or not labor-management peace during organizing leads to job satisfaction and higher performance. Does environment of labor-management bargaining make a difference in terms of job satisfaction, quality of care, etc.?
 - Inventory of organizational forms that capture best practices.
 - Paper on what a high-performance work system across settings looks like.
 - Report on SEIU's global vision, including input from front line workers on what they consider to be best practices.