

# Keynote: Shaping a "New Normal" during the COVID-19 Era

June 15 | 1:00 PM - 1:30 PM ET



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#NASUMMITS



# COVID-19 and The Health Care System

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The  
Commonwealth  
Fund

# Four Intertwined Crises

- **Coverage**
- **Financing**
- **Equity**
- **Public Health**

# Coverage

- **The legacy of employer sponsored insurance**
  - 13-16 percent unemployment results in surge in newly uninsured
  - Financial pressure leads to less generous benefits
  - Adding to 30 million uninsured/44 million underinsured
- **Failure to fully implement ACA**
  - No special enrollment periods
  - 14 states not expanding Medicaid

# Financing

- **Severe financial crisis for delivery system**
  - Financially vulnerable providers most at risk
    - *60 percent reduction in office visits*
  - 1.4 million jobs lost
  - \$200 billion in hospital losses
- **Cause**
  - FFS system and severe fluctuations in demand
- **Can FFS, market-based system sustain a vital service in a civilized society in good and bad times?**

# Equity

- **Communities of color disproportionately affected by COVID-19**
  - African Americans: 13 percent of population/50 percent of cases/60 percent of deaths
- **Why?**
  - SDOHs
  - Institutionalized racism in US health care system
    - *Lack of coverage*
    - *Relegation to underfunded safety net system that has been overwhelmed by COVID-19*
    - *Implicit and explicit bias*

# Public Health

- Failures to test/contact trace/isolate
- Failures of leadership
- Failures of resources
- Lack of public health information system

**THE UNITED STATES DOES NOT HAVE A PUBLIC HEALTH SYSTEM**

# What's Next?

- **Three scenarios**
  - Rapid recovery – return to status quo
    - *Await the next pandemic*
- **Muddle along with persistent deaths, disruption and closings and openings**
  - Patchwork of rescue packages and partial reforms
  - Left with significant gaps in vital services
  - Reduced competition in many markets with a lionized provider system hungry to recover losses
- **Seize the moment**



# Seizing the Moment: Coverage

- **Jettison ESI**
  - Some variation on Medicare for All
  - Problem
    - *\$38 trillion over 10 years on top of already astounding federal deficits*
- **Solidify ESI**
  - Expand on existing law
  - Federal assumption of all Medicaid costs
  - Enforce insurance regulations in marketplaces
  - Increased subsidies to make individual insurance affordable
  - Public option
  - Auto-enrollment/mandate

# Seizing the Moment: Financing

- **Prospective payment on much greater scale**
  - Increase use of APMs, especially capitation and prospective budgeting
  - Build primary care capacity
  - Invest in safety net/rural health systems

# Seizing the Moment: Equity

- **Commit to equality of coverage without regard to race/ethnicity**
- **Reconceptualize the safety net**
- **Address SDOHs comprehensively within and outside health care system**
- **What is Black Lives Matter equivalent within our health care system?**

# Seizing the Moment: Public Health

- **Build a public health system in the U.S.**
  - National public health authority with emergency powers to respond to pandemic
  - National public health information system
  - Meaningful national stockpile
  - Increased investment in state and local public health capabilities
  - Authority for federal government to spend for 6 months without congressional approval in national health emergency
  - Authority to move resources to areas of need

# Choices for the Business Community

- **Coverage**
  - Decide whether to remain committed to ESI
- **Regardless, deep dependence on other reforms**
  - Coverage outside ESI
    - *Assure the health of your employees when they return to work after next shutdown?*
  - Delivery system: Move beyond FFS system that fails to provide essential services under best of circumstances
  - Equity: Protect health of employees of color through revitalization of safety net and financially vulnerable services, especially primary care
  - Public health: Functioning public health system to prevent recurrence of 2020

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