

CREATION OF A CENTER FOR HEALTH CARE POLICY
AND RESEARCH IN THE STATE OF OHIO

This paper sets forth the rationale for the establishment of a Center for Health Care Policy and Research in the State of Ohio, at a time when there are major shifts in responsibility for health and welfare services away from the Federal Government toward state and local levels. Throughout the state, the need for analytical and integrative tools for meshing Federal, state, and local perspectives on needs and solutions is clear. State legislators are grappling with legislation to regulate human experimentation, abortion, prolongation of life, genetic intervention, and psychosurgery, while struggling to contain health care costs and seeking to assure access to and quality of care for all our citizens.

Ohio lags behind the rest of the country in the establishment of a center for health care policy and research. Indeed, it remains the only Midwestern state without such a center. Regrettably, Ohio is number eleven in the Big Ten in this regard. Recent events in Ohio point to the center as an idea whose time has come. The Joint Legislative Committee on Hospital Services Licensure and Hospital Classification stated last month that there is a paucity of data available by which to determine the effect of licensure on cost containment and the impact of licensure on quality of care in the State of Ohio. The President of the Ohio Chamber of Commerce has indicated that health care costs are the number one concern of Ohio's employers. The Workers' Compensation system in Ohio, the largest single-line insurance fund in the world, has difficulty holding down costs associated with treating injured workers; the Governor of Ohio has stated his desire for an overhaul of this system to ensure adequate consideration of Ohio's workers. At the same time, the Ohio Senate Health and Human Resources Committee Chairman is leading a study on the efficacy of the Certificate of Need law.

Last year, Community Mutual Insurance Company and The Ohio Chamber of Commerce funded a \$500,000. research project, "A Study of the Causes of Health Care Cost Increases in the State of Ohio and An Evaluation of Alternatives to Contain the Increases." The grant was awarded to The Ohio State University, where a senior research group has been assembled from a variety of disciplines and the vast resources of the University are being harnessed to document national trends in health care expenditures and, where possible, to extract and examine Ohio data specifically. Unfortunately, this research group has also found a paucity of usable data relating to Ohio and must extrapolate from national sources. This massive study includes six cases of actual health services which have a potential for substantial cost containment, four analyses of potential factors in health care inflation, a review of actual state interventions to contain costs, and a

unique approach to the development, implementation, and evaluation of Medical Practice Guidelines as they relate to the criteria of costliness, interventions, and outcomes. The final report of the senior research team will be given in March, 1992, and will contain specific recommendations for containing health care costs at the state level. The large data base created by this study will provide new grounds for action about the future of health care financing in Ohio.

This massive study provides the springboard for the creation of a Center for Health Care Policy and Research in the State of Ohio, to capture and build upon this foundation of research data and scholarly expertise created through private funding by CMIC and the Ohio Chamber of Commerce. After surveying the existing health care research centers in the nation, it was found that the vast majority were contained in academic health centers, where an interdisciplinary approach is used to acquire the empirical knowledge needed to formulate effective policy and program development. In an academic health center, such disciplines as medicine, economics, engineering, statistics, law, psychology, sociology, management, political science, public health, chemistry and social work are combined to identify and address emerging health policy concerns. There is a need in Ohio for systematic policy analysis on such issues as cost, access, choice, quality and equity of care. Specifically, the areas of health care delivery, cost containment while preserving quality of care, patient satisfaction, medical education, manpower needs, hospital productivity, professional liability, biomedical research and medical technology assessment must be studied in the scientific atmosphere of university research, in order to provide an element of objectivity to state legislators and others, which at present is often obscured by special interest groups. A Center for Health Care Policy and Research would provide a forum through which academia can contribute its knowledge and expertise to policymakers, health care professionals, and the public. An academic health center can provide research, education, and dissemination activities as part of the overall mission of the university, as well as incorporate its findings into its own practices of patient care and educating the next generation of health care professionals.

The Ohio State University academic medical center is uniquely qualified to house the Center for Health Care Policy and Research. It contains the country's second largest teaching hospital, fourth largest medical school, and is part of the world's largest graduate school. The Ohio State University has highly trained manpower resources for research, including 33 libraries, the Instruction and Research Computer Center, the Supercomputer, the University Poll and Polimetrics Lab for surveys and opinion-gathering, and the OSU Research Foundation. The Ohio State University, Ohio's flagship university, is located in the state's capital, which provides easy access for state

policymakers and legislators. The academic medical center, through its Division of Hospital and Health Services Administration, has already assisted the State of Ohio with statistical analyses of Medicaid cases which could result in catastrophic costs, has joined an organized group from the Department of Health to look at state data needs, and has assisted the Legislative Budget Office with costing-out legislation that has health care implications.

The creation of a Center for Health Care Policy and Research for the State of Ohio would allow the resources of the University to be identified and brought under one entity to address such diverse Ohio needs as identifying health personnel and resource needs, helping to design data needs and mechanisms to collect the data, improving existing data bases, providing a consulting service on the analysis of data, demonstrating how data can be used to identify how Ohio's citizens are using Medicaid benefits, predicting Medicaid expenditures, addressing health personnel shortages, improving rural health needs, reducing infant mortality in our cities, identifying the needs of Ohio's increasing numbers of uninsured citizens, and caring for our aging population.

The Center would assist policymakers with translating objective research findings into policy initiatives at the State and Federal levels. The Center would be a clearinghouse for the formulation of policy questions and identification of technical resources, as well as the dissemination of findings and recommendations to policymakers, health care professionals, and the public. The Center can also put state and local officials in touch with an expert or specialist at their request. The Center can provide seminars and issues papers for officials and decision-makers, serving as a source for cohesive analysis of complicated issues which sharply pose policy alternatives. Elected officials and policymakers need to know all sides on an issue, no matter how complex, with objectivity maintained. And the Center can educate and train Ohio's leaders of the future in the health sciences and health services administration and research. The Center can provide research studies at less cost than private consulting firms. In recent years, studies such as Medicaid HMO demonstrations, uninsured demonstration projects, and Certificate of Need analysis went to contractors outside Ohio.

The acknowledged leader in centers for health care policy and research is at the University of Minnesota, and would serve as a model. It, too, was begun through private funding (by the Bush Foundation), then given some state funding as core support. Through its 12 year history, the Center for Health Services Policy and Research at the University of Minnesota now generates \$6 of external support for every \$1 furnished by the University. Its faculty currently holds \$8 million in research grants and

contracts, which brings significant monies into the state.

In 1989, the Federal government established the Agency for Health Care Policy and Research, which has \$117 million in research funds for distribution in FY 1991. Other Federal agencies also fund health services research, particularly in specific diseases or related to specific Federal programs:

- Agency for Health Care Policy and Research (\$117 million in FY '91)
- National Institute of Mental Health
- National Institute of Alcoholism and Alcohol Abuse
- National Institute of Drug Abuse
- National Institute on Aging
- National Institute on Child Health and Human Development
- Other NIH Institutes (NCI, NHLBI)
- Health Resources and Services Administration (especially Maternal and Child Health Program)
- Centers for Disease Control (especially Injury Prevention Program)
- Health Care Financing Administration, Office of Research and Demonstrations (\$36 million in FY '91)
- U.S. Department of Veterans Affairs (\$15 million in FY '91)
- U.S. Department of Defense

The private foundations have also played a significant role in health services research, specifically:

- The Commonwealth Fund
- William T. Grant Foundation
- John A. Hartford Foundation
- The Robert Wood Johnson Foundation
- The Kaiser Family Foundation
- Kellogg Foundation
- John D. and Catherine T. MacArthur Foundation
- The Pew Charitable Trusts
- Rockefeller Foundation (international)

Thus, with core support from the State of Ohio, the wealth of data and research expertise emanating from the CMIC-OCC \$500,000. study can be converted to a foundation for the creation of a Center for Health Care Policy and Research for the State of Ohio, which, after its establishment, will be a major contender for funding from the above-named Federal and private sources. Other funding sources include corporate funds, fees earned, and local governments.

As currently envisioned, the Center for Health Care Policy and Research would report to the Vice President for Health Affairs for The Ohio State University. The Director of the Center would be the Chairman of the Division of Hospital and Health Services Administration, who is also the principal investigator on the CMIC-OCC \$5000,000 study.

While Ohio's Center for Health Care Policy and Research would necessarily tailor its mission, organization, and research streams to the needs of Ohio's policymakers and citizens, a general plan of action would include the following:

1. To stimulate investigation of problems and issues in health services management and policy by focusing the attention of researchers on relevant contemporary health policy issues;
2. To provide consulting services to public and private organizations on multiple aspects of health management policy issues;
3. To sponsor educational programs on topics related to health services organization and finance for various groups within the state, such as government agencies, the legislature, hospital trustees, and practicing physicians;
4. To conduct educational programs for medical students, post-graduate M.D. trainees, and faculty of the College of Medicine on topics related to health services organization and finance; and
5. To publish and disseminate studies, papers, and reports for interested groups.

Initial costs to create a Center for Health Care Policy and Research with core funding are as follows:

	FY 1992	FY 1993
Salaried, contract	73,000	73,000
Salaried, non-contract	35,000	35,000
Nonsalaried, non-contract	40,000	40,000
Operating expenses	100,000	104,000
	<hr/> \$248,000.	<hr/> \$252,000.

The funding would proceed from the Ohio General Revenue Fund to the Ohio Board of Regents, which would disburse the funds to The Ohio State University College of Medicine under supervision of the Chairman, Division of Hospital and Health Services Administration, for purposes of the creation of The Center for Health Care Policy and Research.