

Change Is The One Constant We Can Expect In Health Care Reform

by **Russ Bodoff**

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“Change!” It can be good or it can be bad, but the one thing we can all be sure of is that changes in the health care sector are coming at an alarmingly fast pace. I also know that changes in the way we do business and in the method by which home infusion providers are reimbursed make everyone nervous. And it should—there is no question that history supports that concern. But the most important thing for us all to remember is that changing marketplaces, and the challenges and opportunities they bring, happen in every field, in every industry. The key to success is how we respond to change—and even drive it!

When I think about this type of industry-related change, several vivid examples quickly come to mind:

- I immediately recall how my first computer at work in the 1980s came from Wang Laboratories. At its peak, Wang was a \$3 billion dollar company with 40,000 employees. However it did not respond to changes brought about by personal computers—and was bankrupt by the early 1990s.
- Similarly, who can forget Polaroid, with its exciting “instant photography?” This now renamed company exists solely as an administrative shell, with bankruptcy resulting from the failure of its senior management to proactively assess the likely effect of digital cameras on its business.
- Likewise, Blockbuster, Inc., ready to soon declare bankruptcy, dominated the market for DVD rentals through its easily accessible stores across the country. However, its leadership never anticipated or earnestly considered the damage that a tiny start-up named Netflix could do—ignoring the landscape-altering warning signs that were evident as this competitor launched a new business model built around the simple concept that customers did not want to have to go to a store to rent a video.

And the list goes on and on. There are hundreds of well-known examples of formerly successful companies whose leaders and management did not read a changing marketplace and/or felt there was no need to alter their traditional operating models—*until it was too late.*

Our industry is no different. Alternate-site infusion companies will not be spared from the considerable changes that are emerging in health care. While we do not know the final outcome of the Congressional health care debate, we do know that increasing pressures will be placed on providers as government and private payers look to contain costs and reduce reimbursements. In particular, there are discussions in Congress looking at the bundling of payments to one source—and having that source handle the distribution of care. This is definitely an area of concern, but an unmistakable reality that we must deal with and not ignore. We must anticipate this change and strategize how best to adapt.

Now more than ever, **it is essential that all alternate-site infusion stakeholders be vigilant in communicating our story of quality patient care associated *with* lower costs.** But in doing so, we cannot fall back on business and reimbursement models reflecting “the way it has always been.” Rather, our changing market realities require today’s home infusion leaders to innovate new strategies, to provide well-informed and open-minded input into Congressional debates, and to learn how to adapt successfully in the quickly emerging new health care environment. There is no question that a rich pipeline of infusible drugs, an aging population that is living much longer and the recognition (however slow by the regulators) that care in the home is one of the best opportunities to reduce health care costs, all offer home infusion providers great opportunities for future success—but only if we are proactive and self-aware in how we will adapt to, and even drive, change.

At the NHIA Annual Conference this April in Dallas, we will be discussing the potential impact of many of these changes—and the consequential risks and opportunities that lay in front of us. I am optimistic for the future success of alternate-site infusion providers and the companies that manufacture products and offer services to the field. Our pledge as your trade association is to never fail in telling the story of the quality care that your patients receive **and** the needed savings you generate, amid growing national health care costs. Realistically, we must fit into the policies being developed by Congress—but with your input and increased advocacy actions, we will partner together to make sure our collective voice is heard, to ensure that your contribution to patient care is recognized and to secure an environment that allows infusion providers to operate successfully.

Change is coming—and we must be ready to collaboratively address it.

See you in Dallas!

