Health Beyond Health Care: A Role for Care Delivery and Financing Systems?

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Some Definitions -

- **Quality of Health Care**: The degree to which health services for individuals and populations increase the likelihood of desired health outcomes and are consistent with current professional knowledge. (IOM, 1990) (What about Patient Experience?)
- **Health:** Physical, mental and social well being, not just the absence of disease (WHO, 1946)
- **Population Health:** The health outcomes of a group of individuals including the distribution of those outcomes within the group (Kindig & Stoddard, 2003) (Length of Life and Quality of Life)
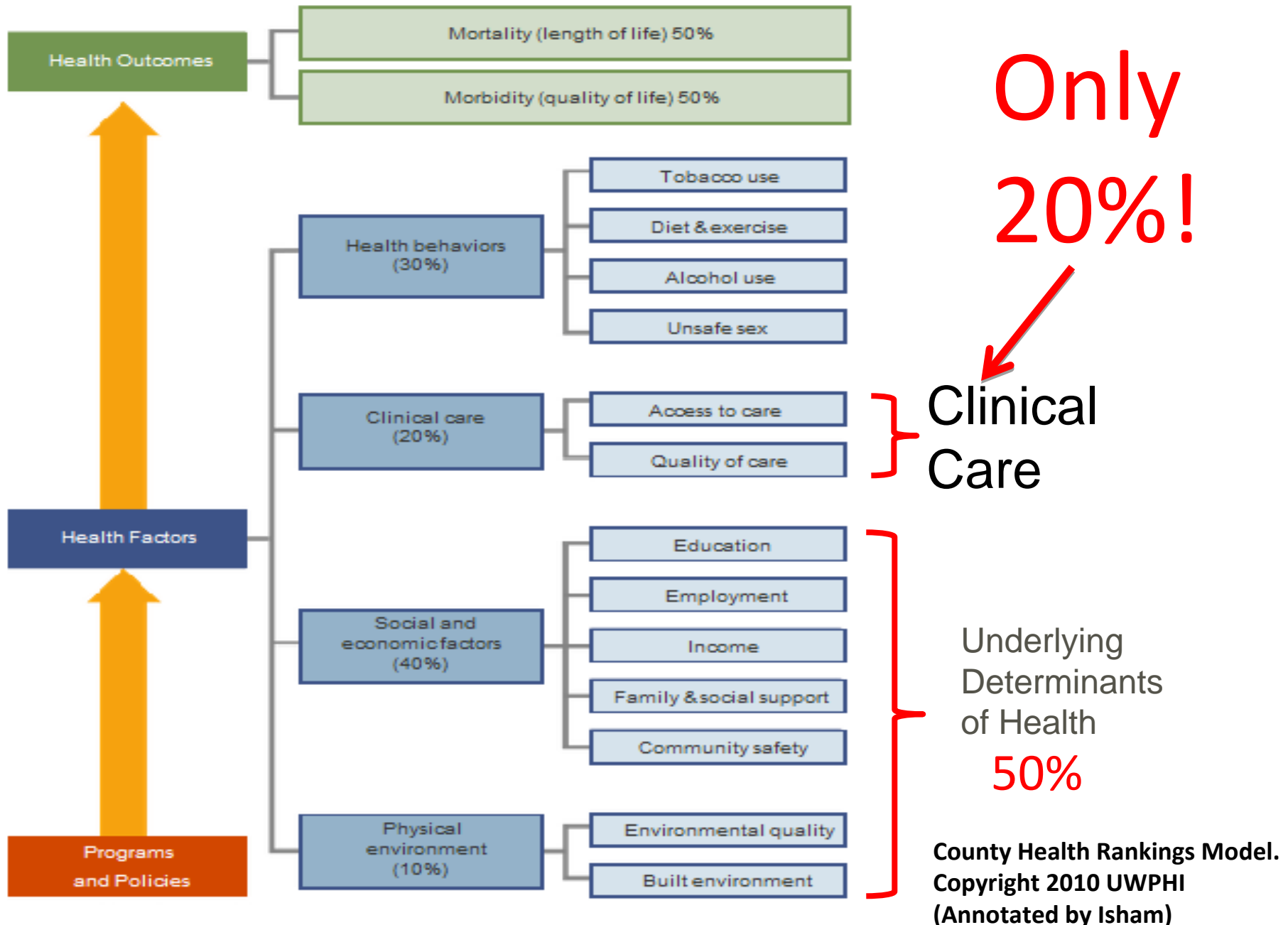- **Value** = Outcomes Achieved/Resources Expended
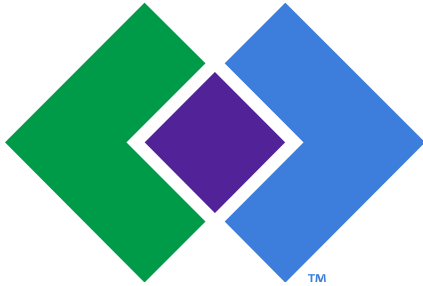
Why is health important?

Clinical Care - Not the Primary Determinants of Health

County Health Rankings Model.
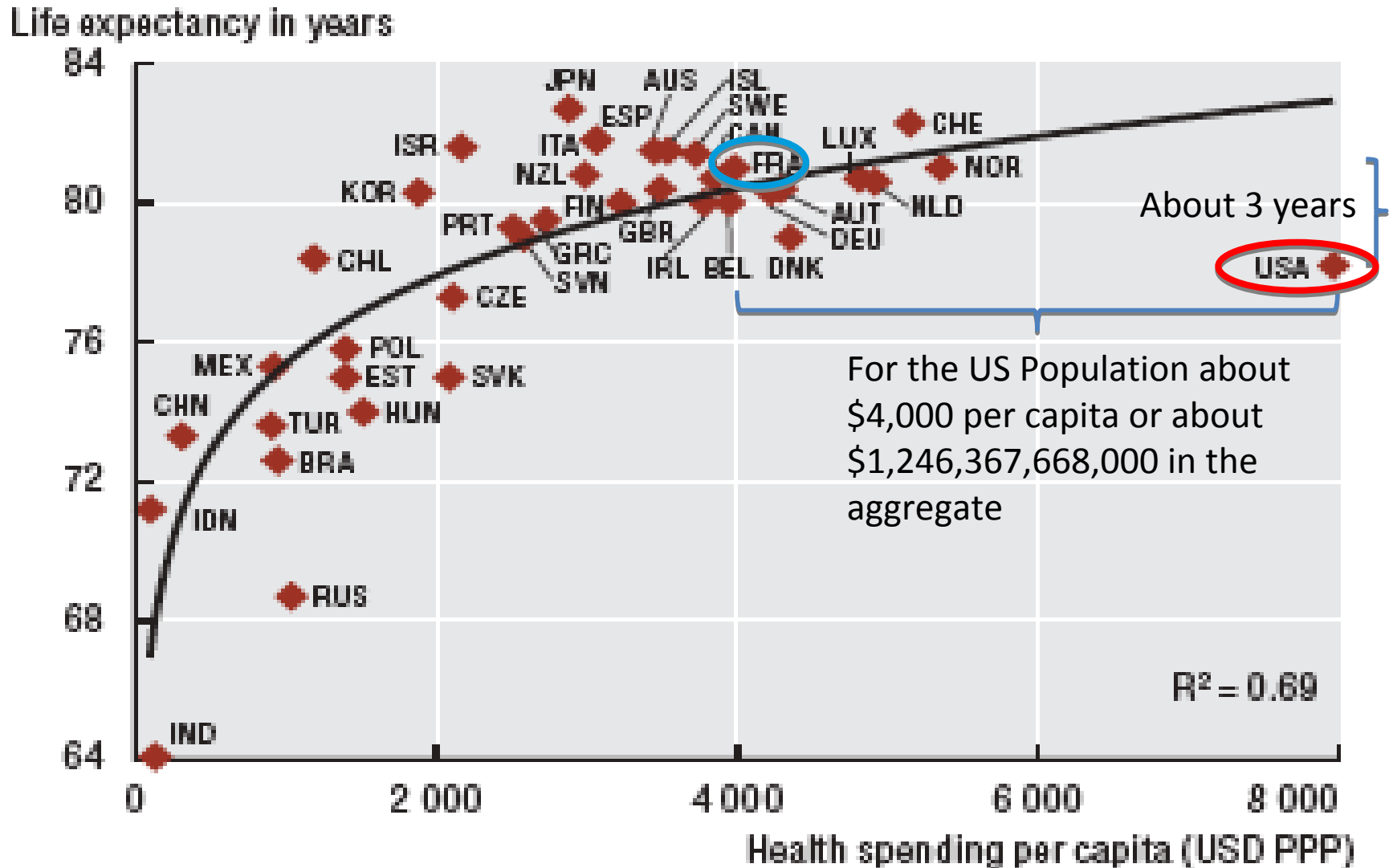Copyright 2010 UWPHI
(Annotated by Isham)

Education & Health

- Not finishing high school can be as bad for your longevity as 30 years of cigarettes

- Life expectancy for white women without a high school diploma fell five years between 1990 and 2008.

- The more highly educated can compete for better-paying jobs. They can afford healthier foods and homes. They face less stress and uncertainty, and they tend to have healthier lifestyles. Importantly for the community, studies show they're also more likely to be employed and self-sufficient

Fazio C & Kottke T. *A Paradox of Well-Being*. Star Tribune. February 16, 2015
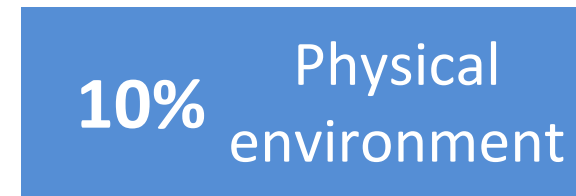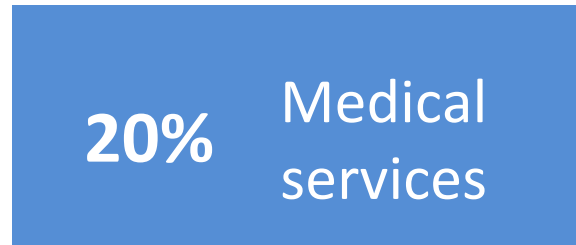
1.1.3 Life expectancy at birth and health spending per capita, 2009 (or nearest year)

Life expectancy in years

JPN AUS ISL
ESP SWE
ISR ITA CAN LUX CHE
NZL FRA NOR
KOR FIN AUT NLD
PRT GBR DEU
CHL GRC IRL BEL DNK USA
SVN
CZE

MEX POL
EST SVK
CHN TUR HUN
BRA

IDN

RUS

IND

About 3 years

For the US Population about $4,000 per capita or about $1,246,367,668,000 in the aggregate

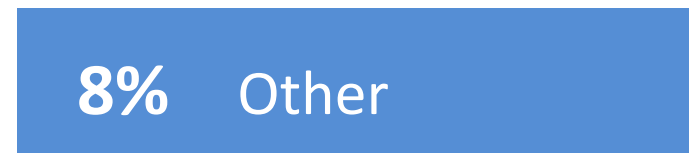R² = 0.69

Health spending per capita (USD PPP)

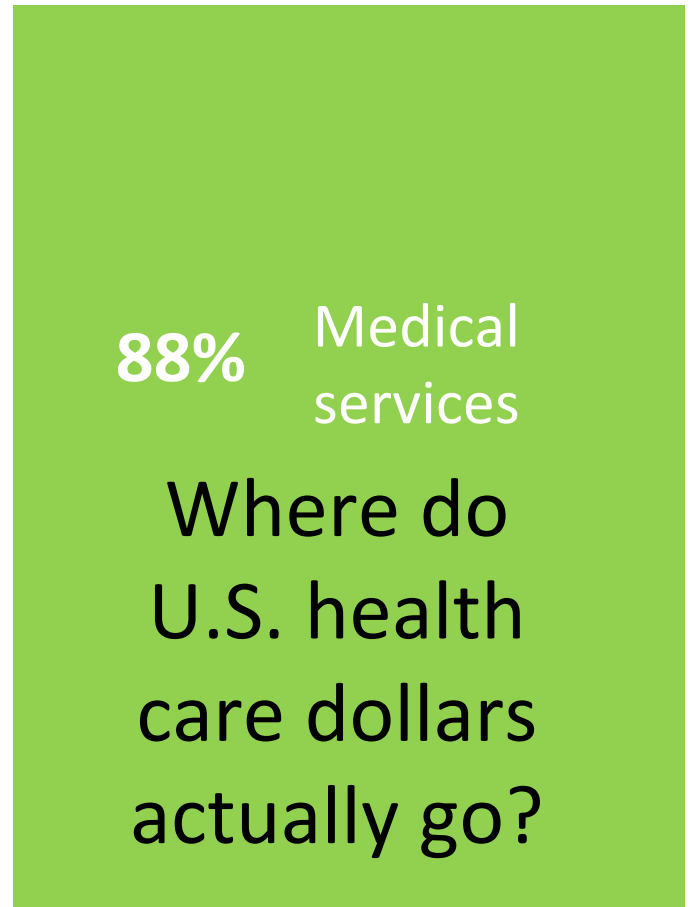Source: OECD Health Data 2011; World Bank and national sources for non-OECD countries. **(US Population as of July 2011 = 311,591,917)**

Facing the challenges in health care

Drivers of health
- 20% Medical services
- 30% Healthy behaviors
- 40% Social and economic factors
- 10% Physical environment

Where money spent
- 88% Medical services — Where do U.S. health care dollars actually go?
- 4% Healthy behaviors
- 8% Other

The Cost of Health Care
How much is waste?

1 2 3 4 5

Click the diagram for more detail or here to CONTINUE

■ = $1 Billion

Unnecessary Services
$210 Billion

Fraud
$75 Billion

Excessive Administrative Costs
$190 Billion

Inefficiently Delivered Services
$130 Billion

Prices That Are Too High
$105 Billion

Missed Prevention Opportunities
$55 Billion

Source: Data from workshop presentations and discussions summarized in *The Healthcare Imperative*

# Of the $700-$750 BILLION Wasted Each Year in Health Care Costs:

- Approximately 55% accrues to the private sector
  - Over **$400 billion**
- The remaining 45% accrues to the public sector (federal and state government)
  - Over **$330 billion**

Institute of Medicine. *The Healthcare Imperative: Lowering Costs and Improving Outcomes.* Washington, DC. National Academies Press, 2009.

Health-care related spending **crowds out** expenditures on social goods including <u>education</u>, <u>economic development</u> and maintenance of <u>critical infrastructure</u>.

Bradley, EH et al BMJ Qual Saf 2011;20:826e831.

Crowding Out Education -
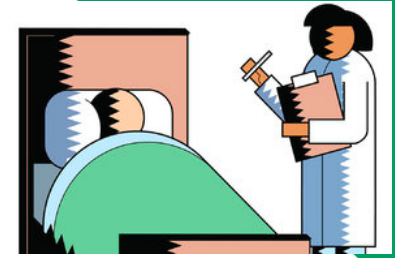
- In Massachusetts, inflation adjusted health care increased by 81% in the past 15 years while spending on education fell by 27%.

- In Minnesota over the next 25 years, it is predicted that each year health care costs will increase by 8.5%, state revenues by 3.5% and education costs by 0.2%.

Fazio C & Kottke T. *A Paradox of Well-Being*. Star Tribune. February 16, 2015

What Could $750 Billion – the Health Dividend–Do?

Private $412b

→ Increase business investment: add jobs, international competitiveness

→ Bolster economic growth: increase wages, leisure, consumer purchases
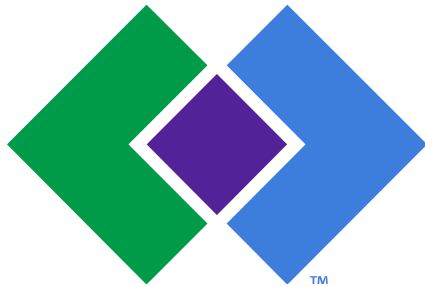
→ Increase living standards

Public $338b

→ Stabilize the nation's fiscal health

→ Address failing infrastructure

→ Improve the population's well being

McCullough J, Zimmerman F, Fielding J, Teutsch S. A Health Dividend for America
The Opportunity Cost of Excess Medical Expenditures. *Am J Prev Med 2012;43(6):650–654*

Significant Opportunity Created by Health Reform

- Information Technology – Electronic Health Records and Meaningful Use Standards and Incentives (HITECH)
- Increased Coverage, Accountable Care Organizations, Stimulus to Consolidate (ACA)
- Burwell Announcement Jan 26, 2015 - Changing the form of Payment from FFS to one that rewards value and quality of care.
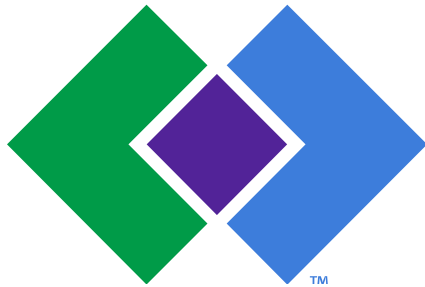- How broadly shall we define "value"

HHS Intends To:

- Use incentives to motivate higher-value care
- Tie payment to value through alternative payment models.
- Change the way care is delivered through greater team-work and integration, more effective coordination of providers across settings, and greater attention by providers to population health
- Harness the power of information to improve care for patients.

Burwell SM. *Setting Value-Based Payment Goals — HHS Efforts to Improve U.S. Health Care.* NEJM . January 26, 2015

Underway -

- CMS TEP looking at measuring population health.
- Pending IOM report on Core Measures.

Some Suggested Strategies to Increase Value for Investments in Health & Health Care

Suggested National Strategies -

1. Measure and make transparent health it's determinants at the national, regional, and local levels and across racial, ethnic, socio-economic groups & levels of literacy.

2. Reorganize the government (at all levels) around improving health across all of it's determinants. (In The Next Round of Health Reform?)

3. Set national goals for Length of Life, Quality of Life and Per Capita Health Care Costs.

4. Provide Incentives for Health Improvement.
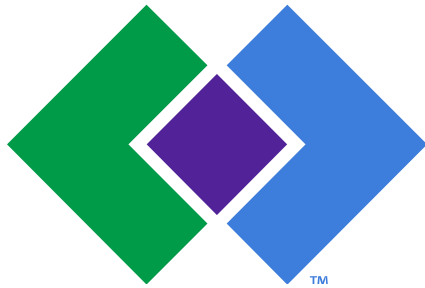
Suggested National Strategies (2)

5. Decrease of health care costs as a percent of GDP &/or raise taxes for increased spending for social programs and investment.

6. Adopt a "health in all policies" approach to policy making.

7. Set a robust research agenda around improving health and it's determinants.

8. Repurpose **Healthcare** financing and delivery as **Health** financing and delivery
   - Expand & standardize community benefit like policies to all providers (beyond Not for Profit and Hospitals)
   - Include socio-economic and environmental improvement activities in Pay for Value for health care organizations

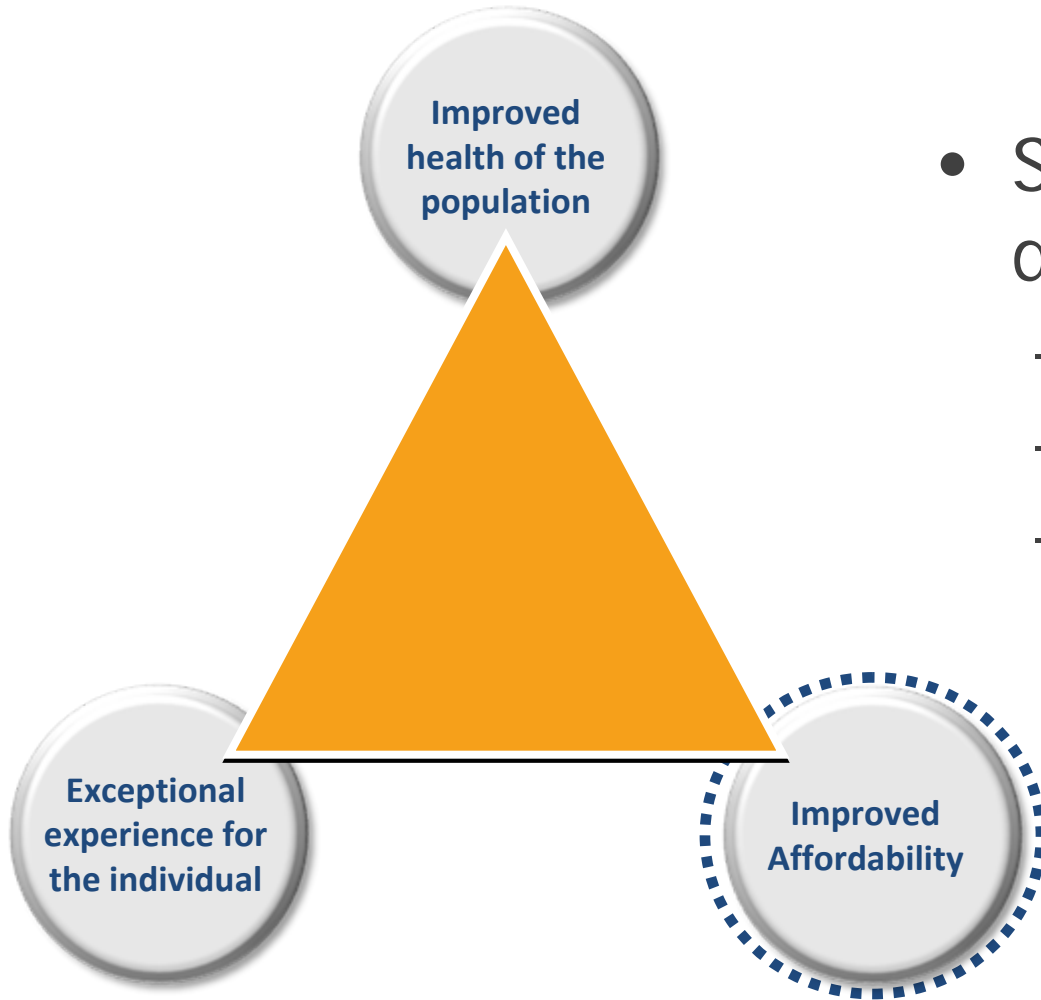# Suggested National Strategies (3)

9. Break down the barriers between public health and health care delivery (They are deep, bilateral and strongly entrenched)

10. Engage All stakeholders in improving health. (Healthcare, public health, business, education housing, transportation, philanthropy, government and others)

11. Apply QI methods more broadly to Health Improvement.

What can we do now?

Adopt The Triple Aim ...

Improved health of the population

Exceptional experience for the individual

Improved Affordability
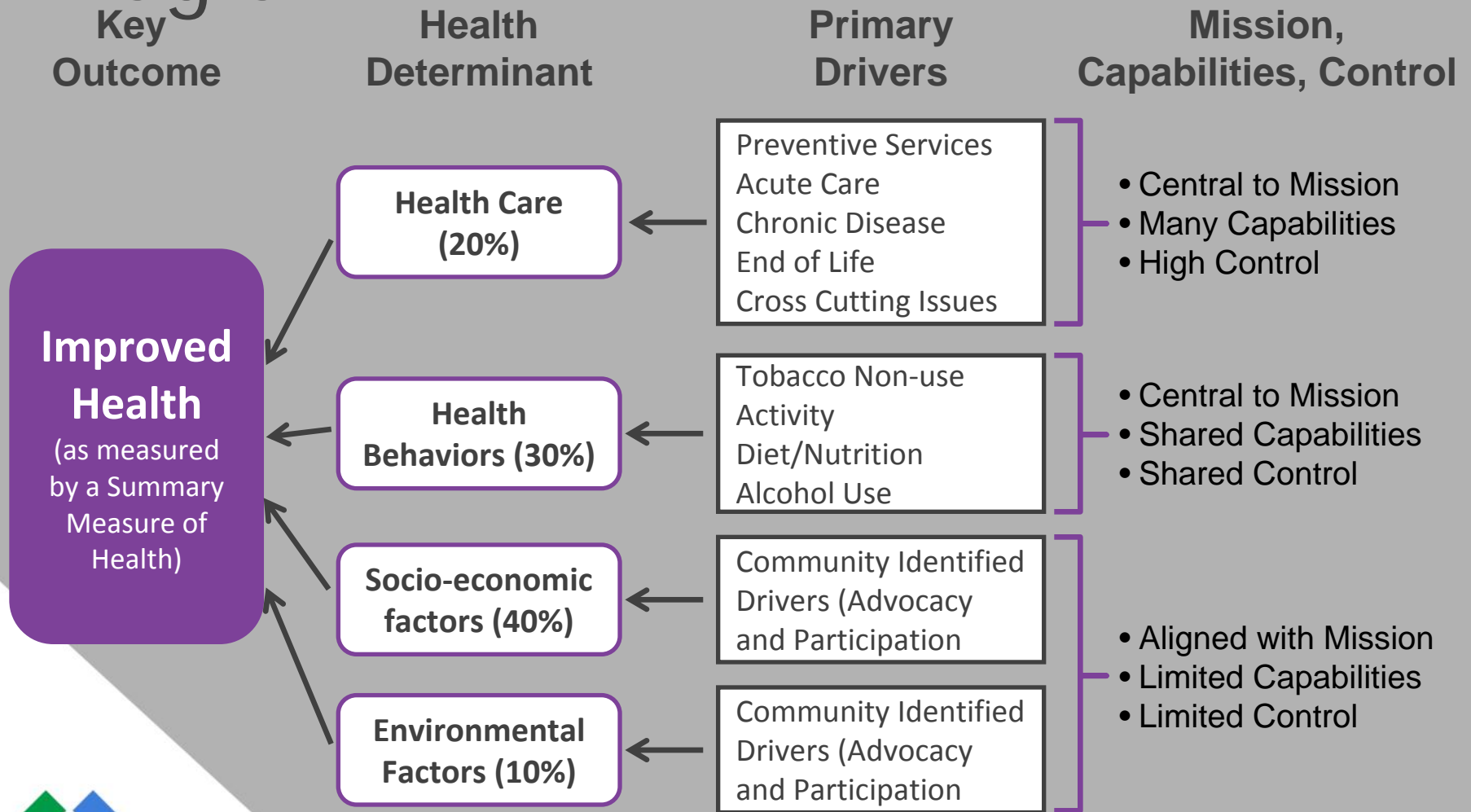
- Simultaneously deliver:
  - Improved health
  - Optimal experience
  - Affordable care and coverage

... and consider a Fourth – "Readiness."

HealthPartners Health Driver Diagram

Key Outcome	Health Determinant	Primary Drivers	Mission, Capabilities, Control

Improved Health
(as measured by a Summary Measure of Health)

Health Care (20%)

Preventive Services
Acute Care
Chronic Disease
End of Life
Cross Cutting Issues

- Central to Mission
- Many Capabilities
- High Control

Health Behaviors (30%)

Tobacco Non-use
Activity
Diet/Nutrition
Alcohol Use

- Central to Mission
- Shared Capabilities
- Shared Control

Socio-economic factors (40%)

Community Identified Drivers (Advocacy and Participation

Environmental Factors (10%)

Community Identified Drivers (Advocacy and Participation

- Aligned with Mission
- Limited Capabilities
- Limited Control

Modified from Isham G and Zimmerman D, HealthPartners Board of Directors Retreat, October 2010

Some HealthPartners Community Efforts -

- Advocacy for fluoridation of water supply
- Yum power school challenge
- Honoring choices initiative
- "Make it OK" campaign
- Saint Paul promise neighborhood initiative
- Children's health focus for 2014 and beyond

Consider Improvement Beyond Clinical Care

Level 1: Traditional Clinical Care Looking for those opportunities to improve care (e.g. disparities, health literacy, social factors)

Level 2: Population Management Utilization of services, service quality, quality of care, total cost of care

Level 3: Population Health Addressing those broader factors that lead to improved length and quality of life

Address cost management more broadly and aggressively

Level 1: Institutional financial management (Be financially responsible)

Level 2: Keep cost and price increases under inflation (Do no further harm to society)

Level 3: Support a market dynamic that results in lower total cost of care (Be a part of the solution)

When health is absent, wisdom cannot reveal itself, art cannot become manifest, strength cannot be exerted, wealth is useless, and reason is powerless.

— Herophilus, ancient Greek physician