HEALTH CARE IN THE U.S.:
Where it should be
Where it is
...and NOW WHAT?

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Where it should be... What are our goals for health care?

1. For the people: access to affordable, adequate health care coverage
   - Coverage
     ▪ 100% of Americans have health insurance – private or public
     ▪ Guaranteed safety net – Community clinics + “Anchor” hospitals
   - Affordable
     ▪ 5% of income for $30,000 (barber/hairdresser)
       • Current $6449 (22% of income)
   - Adequate
     ▪ Some patients want less care than prescribed – especially at end of life
Where it should be...
What are our goals for health care?

2. For providers: less hassles
   • Insurers required to spend 80-85% of premium on medical care
   • Current family physician: 55% of time in direct care
   • Care in integrated health systems (e.g. Accountable Care Organizations)
     ▪ Permits well-functioning Electronic Health Record
     ▪ Salaried physicians
Where it should be…
What are our goals for health care?

3. For US Health Care System: Improved quality and cost
   • Attack chronic disease
     ▪ 50% of middle-aged have 1 chronic disease
       25% have 2 or more
     ▪ 2/3 of >65 have 2 or more chronic diseases
       • >40% have Obesity, hypertension, hyperlipidemia,
       • >25% have Coronary artery disease, Arthritis, Diabetes
       • >10% have Heart failure, Depression, Kidney disease, COPD, Alzheimer’s
       • Cancer 8%
   • Improve life expectancy – US is #___
Where it should be…
What are our goals for health care?

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   • Improve life expectancy – US is # 43
1. Almost all Republican members of the House voted for:
   • Obamacare $190 bn to $30 bn → 24 million lose coverage
   • The tax credit discussion seemed unrelated to trying to make coverage “affordable” ($2,000-$4,000)
     ▪ 5% of income for $30,000 (barber/hairdresser) = $1,500
     ▪ ACHA would require to pay an additional $2500 per year (total 13% of income)
   • Eliminates mandates – replace with 30% fine
Where it is...
What do we learn from the ACHA?

2. Few spoke out to save the huge cuts to Medicaid
   • 48% of those covered by Medicaid expansion permanently disabled
   • Of the other half 62% already working or in school

3. Original CBO $337 bn reduction in deficit
   • Last minute chopped this in half – little argument
Where it is...
What do we learn from the ACHA?

4. The MacArthur Amendment
   - Permits states to apply for a waiver eliminating
     ▪ The pre-existing condition exclusion
       • From 2007-2009, the four largest insurance companies showed that they had denied coverage to 651,000 people – one of every seven who applied – because of pre-existing conditions.
     ▪ Federal “essential” benefits for insurance (e.g. maternity)
       • Watch for the plans to emerge “so riddled with gotchas they wont come close to covering expenses – like $1,000 in hospital costs/year” [Consumer Reports]
What do we learn from the ACHA?

4. The MacArthur Amendment
   • As long as they “reduce reducing average premiums for health insurance coverage in the State; increase enrollment in health insurance coverage; increase the choice of health plans in the State” and
   • have in place ways to help people with re-existing conditions such as high risk pools
     ▪ Texas: 2.6% of eligible people are in high risk pool
     ▪ High premiums
     ▪ Pre-existing condition exclusion for 1 year
Where it is going...
“It’s the cost, stupid!”

- We waste ____% of our 3 trillion dollars spent on health care
ESTIMATES OF ANNUAL HEALTH CARE WASTE (Berwick, 2012)

<table>
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<tr>
<th>Failure Type</th>
<th>Amount</th>
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Where it is going...
“It’s the cost, stupid!”

-we waste 1/3 of our health care dollars

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Berwick, JAMA, 2012
Where it is going...
“It’s the cost, stupid!”

➢ Republicans and Democrats can BOTH get what they want
   → Republicans: less entitlements
   → Democrats: more health insurance coverage

but must cut cost ...how?

1. “Value-based care”
   ▪ Capitation
   ▪ Bundles

EMPLOYERS CAN TAKE THE LEAD
Where it is going...
“It’s the cost, stupid!”

- Republicans and Democrats can BOTH get what they want but must cut cost..how?
  2. Salary physicians + bonus for quality
  3. Examine top 20 cost procedures and tests
  4. Low-deductible catastrophic plan – healthy buy-in
  5. Permit use of cost in decision of what to cover (!) “cost-effectiveness”
     - Federal and state insurance mandates
     - Medicaid mandates
     - Permit Medicare to negotiate for drug prices
  6. Be careful what you wish for: “per-capita-CAPS” or block grants
     - Develop new program for low-income exchanges + Medicaid
Where it is going...
“It’s the cost, stupid!”

- Reduce unnecessary admissions
- Reduce readmissions
- Reduce unnecessary Emergency Dept visits
- Improve medication adherence
The “people + technology” answer to improve population health with better outcomes, lower costs and satisfied patients

One person at a time
Heart failure patients with Grand-Aides have significantly fewer all-cause readmissions and Emergency Dept visits.

- All-cause readmissions 0-30d: 2.8% (Grand-Aides) vs 15.8% (Controls) (p=0.006)
- All-cause readmissions 0-6 mo: 2.8% (Grand-Aides) vs 13.0% (Controls) (p<0.0001)
- Emergency Dept 0-30d: 2.8% (Grand-Aides) vs 45.1% (Controls) (p<0.0001)
- Emergency Dept 0-6 mo: 2.8% (Grand-Aides) vs 58.0% (Controls) (p<0.0001)
Now what?

“Although the boys throw stones at the frogs in fun, the frogs do not die in fun, they die in earnest”