



Slaying the Unicorn Balancing Cost, Quality, and Access

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Method: Literature Review. Using 7 peer-reviewed journals (2010-2014), 3 books, 5 periodicals

Overall Problem:
Costs Rising. Access and Quality Not Improving

Problem: Rising Costs^{4, 1}

- As a percentage of GDP, the U.S. spends nearly *two times* more on healthcare than the average developed nation.
- Since 1999, income has outpaced inflation so families should have realized increased quality of life.
- Healthcare spending has almost wiped out almost all realized gains.

Problem: Decreased Access⁴

- The average number of physicians among the industrialized peer group is 3.1 per 1k and the U.S. has at 2.4 per 1k.
- As the supply of physicians get smaller, the price for each will only increase.

Problem: Decreased Quality⁵

- In terms of quality, across 10 metrics, the U.S. falls dead last when compared to 11 other leading industrialized nations, and is below average in life expectancy and infant mortality.
- Poor quality = increased costs.

Findings:
Technology Costs

- Per capita, The U.S. conducts 111% more MRIs, 114% more CT scans, 96% more tonsillectomies, 86% more knee replacements, 67% more coronary bypasses, and 26% more C-sections.

Findings:
Defensive Medicine and the Malpractice Myth³

- Defensive medicine accounts for \$650 million in annual spending.
- Providers fear litigation, however, a study of 45K records across 3 states, revealed only 442 cases of malpractice & only 12 were tried.
- Furthermore, malpractice payouts are down 43% since 2001.

Findings:
Chasing Patient Satisfaction²

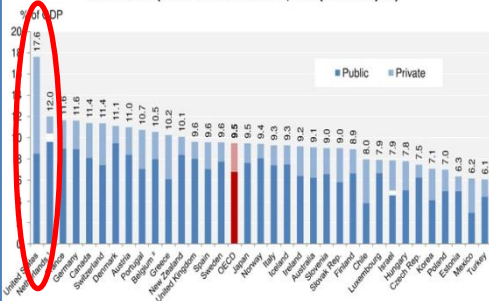
- There is an inverse relationship between satisfaction and quality.
- The most satisfied have higher drug expense, inpatient utilization and 26% greater risk of mortality.

Conclusion:
Bucking the Trend
Group Health⁶

- Conducted a pilot study of one clinic.
- After 24 months quality was up 20-30% compared to control group.
- Utilization decreased by 6% providing greater access for others.
- Per Member Per Month costs decreased by \$10.31.
- Unexpected results were less provider burnout, fewer ER and inpatient admissions, and improved patient satisfaction.
- While not a cure-all, it does serve as proof of concept for others to modify and test.
- IT CAN BE DONE!

At 17.6% of GDP in 2010, US health spending is one and a half as much as any other country, and nearly twice the OECD average

Total health expenditure as a share of GDP, 2010 (or nearest year)



1. In the Netherlands, it is not possible to clearly distinguish the public and private share related to investments.
 2. Total expenditure excluding investments.
 Information on data for Israel: <http://dx.doi.org/10.1787/888932315662>.

Source: OECD Health Data 2012.

COUNTRY RANKINGS

2013 Overall Peer Population Quality Rankings

	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
OVERALL RANKING (2013)	4	10	9	5	5	7	7	3	2	1	11
Quality Care	2	9	8	7	5	4	11	10	3	1	5
Effective Care	4	7	9	6	5	2	11	10	8	1	3
Safe Care	3	10	2	6	7	9	11	5	4	1	7
Coordinated Care	4	8	9	10	5	2	7	11	3	1	6
Patient-Centered Care	5	8	10	7	3	6	11	9	2	1	4
Access	8	9	11	2	4	7	6	4	2	1	9
Cost-Related Problem	9	5	10	4	8	6	3	1	7	1	11
Timeliness of Care	6	11	10	4	2	7	8	9	1	3	5
Efficiency	4	10	8	9	7	3	4	2	6	1	11
Equity	5	9	7	4	8	10	6	1	2	2	11
Healthy Lives	4	8	1	7	5	9	6	2	3	10	11
Health Expenditures/Capita, 2011**	\$3,800	\$4,522	\$4,118	\$4,495	\$5,099	\$3,182	\$5,669	\$3,925	\$5,643	\$3,405	\$8,500

Notes: * Includes ties. ** Expenditures shown in BUS PPP (purchasing power parity). Australian \$ data are from 2010.
 Sources: Calculated by the Commonwealth Fund based on 2013 International Health Policy Survey of State Adults; 2012 International Health Policy Survey of Primary Care Physicians; 2013 International Health Policy Survey; Commonwealth Fund National Scorecard 2011; World Health Organization; and Organization for Economic Cooperation and Development, OECD Health Data, 2013 (Paris: OECD, Nov 2013).

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