THE AMERICAN HEALTH CARE PARADOX

Friday, October 24th
Blue Cross Blue Shield
Foundation of Massachusetts

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Outline for Today

1. Define the US health care paradox

2. Present some data on international health spending patterns

3. Present some new data on domestic health spending patterns

4. Discuss challenges in financing health
Then there’s the problem of rising cost. We spend one and a half times more per person on health care than any other country, but we aren’t any healthier for it.

President Obama
Joint Session of Congress
September 9, 2009
Health Expenditures as a % of GDP, 2009*

*Turkey is missing data for 2009
US HEALTH RANKINGS

Maternal Mortality
Rank: 25th among OECD countries

Life Expectancy
Rank: 26th among OECD countries

Low Birth Weight
Rank: 28th among OECD countries

Iran #136
Hungary

Finland #42
Turks and Caicos

Guam #169
Croatia
Particularly perplexing when we imagine

HEALTHCARE = HEALTH
What Determines Health?

- Healthcare: 20%
- Genetics: 20%
- Social, Environmental, Behavioral Factors: 60%

McGinnis et al, 2002
High cost conditions

Evidence suggests that social, behavioral and environmental factors are responsible for...

70% of colon cancer cases
70% of stroke cases
80% of heart disease cases
90% of adult-onset diabetes cases
Social Services

- employment programs
- supportive housing & rent subsidies
- nutritional support & family assistance
- other social services that exclude health benefits
Health Expenditures as a % of GDP, 2009*

*Turkey is missing data for 2009
Total Expenditures as a % GDP, 2009*

*Switzerland and Turkey are missing data for 2009*
Ratio of Social to Health Expenditures, 2009*

*Switzerland and Turkey are missing data for 2009.
METHOD: Multivariable regression using OECD pooled data from 1995-2007 on 29 countries and 5 health outcomes.

FINDING: The ratio of social to health spending was significantly associated with better health outcomes: less infant mortality, premature death, fewer low birth weight infants, and longer life expectancy.

NOTE: This remained true even when the US was excluded from the analysis.

Bradley et al, 2011
Inadequate attention to and investment in services that address the broader determinants of health is the unnamed culprit behind why the United States spends so much on health care but continues to lag behind in health outcomes.
Can the same be said within US?

<table>
<thead>
<tr>
<th>State spending in 2009</th>
<th>Mean %GSP</th>
<th>Range</th>
<th>MA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health service spending</td>
<td>18.2%</td>
<td>13.0% - 26.6%</td>
<td>19.25%</td>
</tr>
<tr>
<td>Social service spending</td>
<td>11.0%</td>
<td>7.8% - 15.5%</td>
<td>12.86%</td>
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</tbody>
</table>
Ratio of social-to-health care spending*

*Medicare and Medicaid spending
Ratio social-to-health spending

Percent of population that is obese

LOWEST QUINTILE
MEDIAN QUINTILE
HIGHEST QUINTILE
LOWEST QUINTILE
MEDIAN QUINTILE
HIGHEST QUINTILE
Post neonatal mortality rate per 100,000 live births
Affordable Care Act (2010)
The Promise of Population Health

Patient

Built Environment
Nutrition

Healthcare
Individual Health
Population Health

Education
Housing
# ACO Measures & Incentives

<table>
<thead>
<tr>
<th>Measure</th>
<th>Incentive</th>
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<tbody>
<tr>
<td>Getting Timely Care, Appts and Information</td>
<td>$</td>
</tr>
<tr>
<td>How Well Your Doctors Communicate</td>
<td>$</td>
</tr>
<tr>
<td>Patients Rating of Doctor</td>
<td>$</td>
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<tr>
<td>Access to Specialists</td>
<td>$</td>
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<tr>
<td>Health Promotion and Education</td>
<td>$</td>
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<tr>
<td>Shared Decision Making</td>
<td>$</td>
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<tr>
<td>Risk Standardized, All Condition Readmissions</td>
<td>$</td>
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<tr>
<td>ASC Admissions, COPD or Asthma</td>
<td>$</td>
</tr>
<tr>
<td>Percent of PCPs who Qualified for EHR Incentive</td>
<td>$</td>
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<tr>
<td>Medication Reconciliation</td>
<td>$</td>
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<tr>
<td>Falls; Screening for Fall Risk</td>
<td>$</td>
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<tr>
<td>Influenza Immunization</td>
<td>$</td>
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<tr>
<td>Pneumococal Vaccination</td>
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<tr>
<td>Adult Weight Screening and Follow-up</td>
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<tr>
<td>Tobacco Use Assessment and Cessation</td>
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<tr>
<td>Depression Screening</td>
<td>$</td>
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<tr>
<td>Colorectal Cancer Screening</td>
<td>$</td>
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<tr>
<td>Mammography Screening</td>
<td>$</td>
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<tr>
<td>Proportion of Adults Who Had Blood Pressure Screened in Last 2 years</td>
<td>$</td>
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<tr>
<td>Homoglobin A1c Control</td>
<td>$</td>
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<tr>
<td>Low Density Lipoprotein</td>
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<tr>
<td>Blood Pressure</td>
<td>$</td>
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<tr>
<td>Tobacco Non-Use</td>
<td>$</td>
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<tr>
<td>Aspirin Use</td>
<td>$</td>
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<tr>
<td>Percent of Beneficiaries with diabetes whose HbA1c in poor control</td>
<td>$</td>
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<tr>
<td>Percent of beneficiaries whose BP &lt; 140/90</td>
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<tr>
<td>Percent of beneficiaries with IVD who use Aspirin or other antithrombo</td>
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<tr>
<td>Beta blocker therapy for lowering LOL Cholesterol</td>
<td>$</td>
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<tr>
<td>Drug therapy for lowering LDL Cholesterol</td>
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<tr>
<td>ACE Inhibitor forARB Therapy for Patients with CAD and Diabetes</td>
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<tr>
<td>Health Status + Functional Status</td>
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</tbody>
</table>
What Happened to This Model?

Initial Vision of What ACO Would Be Responsible For

- Healthcare: 20%
- Genetics: 20%
- Social, Environmental, Behavioral Factors: 60%
What Happened to This Model?

What We Paid ACOs to Be Responsible For

- Healthcare: 20%
- Genetics: 20%
- Social, Environmental, Behavioral Factors: 60%

But Who Is Accountable for This?
Looking Forward

What do we mean by health?

Who needs to be at the table, on the board, in the meeting?

How are we going to systematically share resources to get the job done?
Thank you!