

Health System Reform in the U.S.: Chaos or a New Paradigm?

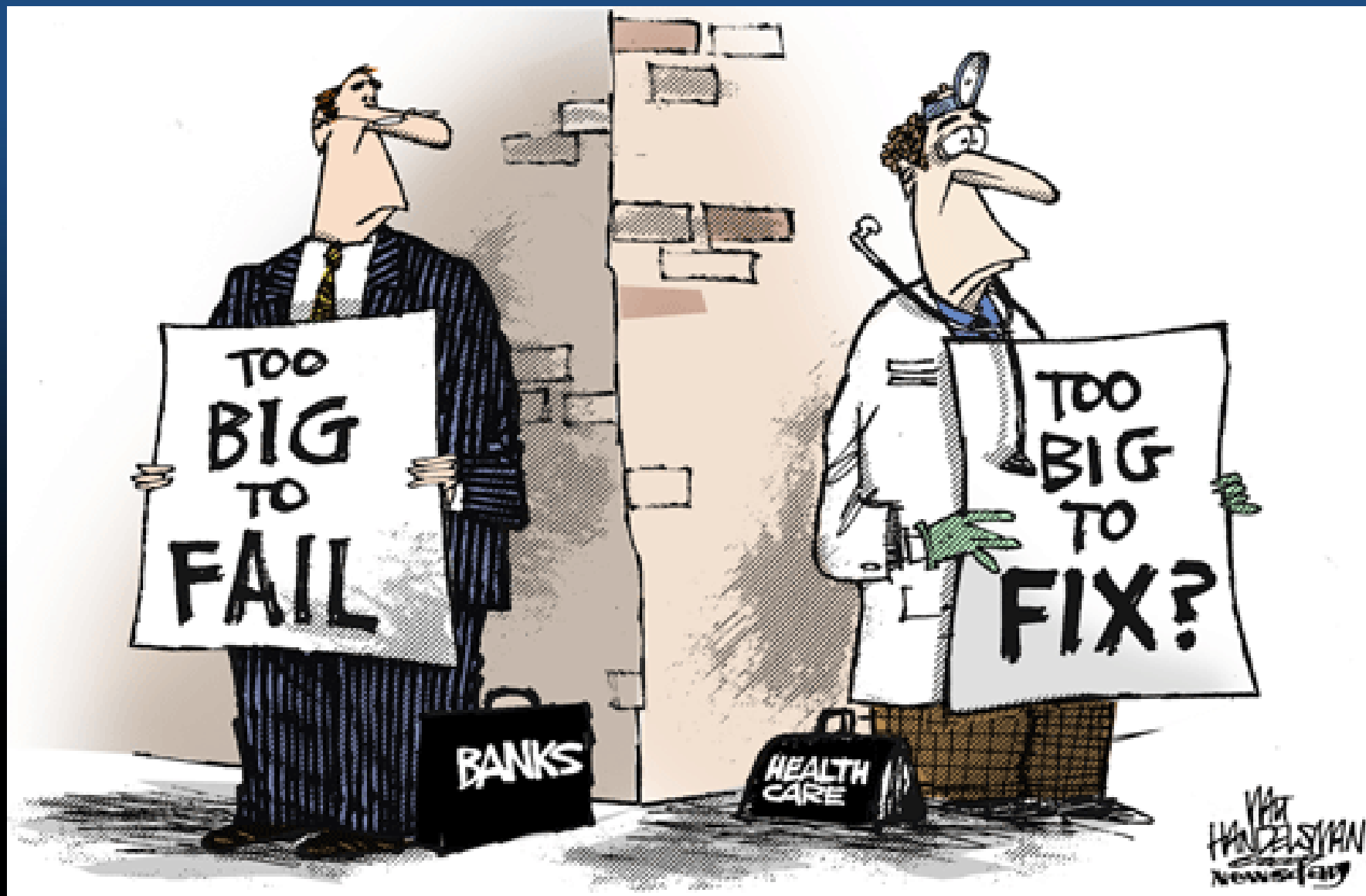
**Hong Kong
May 2010**

**Jack Lewin, M.D., CEO
American College of Cardiology**



CHAOS





Legislation on Health Care Reform



“You can lead a man to Congress, but you can’t make him think.”

– Milton Berle





















U.S. HOUSE - HEALTH CARE

LIVE

HOUSE PASSES SENATE BILL

10:47 pm ET

AHEAD - Vote on Reconciliation Bill

H R 3590

	YEA	NAY	PRES	NV
DEMOCRATIC	219	34		
REPUBLICAN		176		2
INDEPENDENT				
TOTALS	219	210		2
TIME REMAINING		0:00		

C-SPAN





Where is U.S. health reform now?



Chronology: Public Law 111-148 and the Companion Reconciliation Piece

Immediate Action



- Health insurance reforms
 - Guaranteed issue
 - Exclusions of pre-existing conditions prohibited
 - Nondiscrimination
 - Limits on profits and admin costs
 - Community rating
 - Marketing across state lines
 - High risk pools established

2010 - 2013



- New National Institutes on Workforce, Outcomes and Cost Effectiveness
- Small business tax credits
- Expanded kids coverage
- Young adults through 26
- 50 state insurance exchanges
- Prevention services free
- Loan forgiveness for health workers
- Comparative Effectiveness research

- Individual mandate – or penalties
- Employer coverage – or penalties
- Medicaid coverage for all low income
- Tax credits for business coverage
- Minimum health benefits required
- Wellness programs required
- State experimentation allowed

2015 - 2018



- Payment reform for physicians/hospitals
- Cost containment commission
- 1 – 3% taxes on the wealthy
- Taxes on high cost insurance policies
- Taxes on indoor tanning
- Payment increases for primary care



What it doesn't do...

Uneven Quality



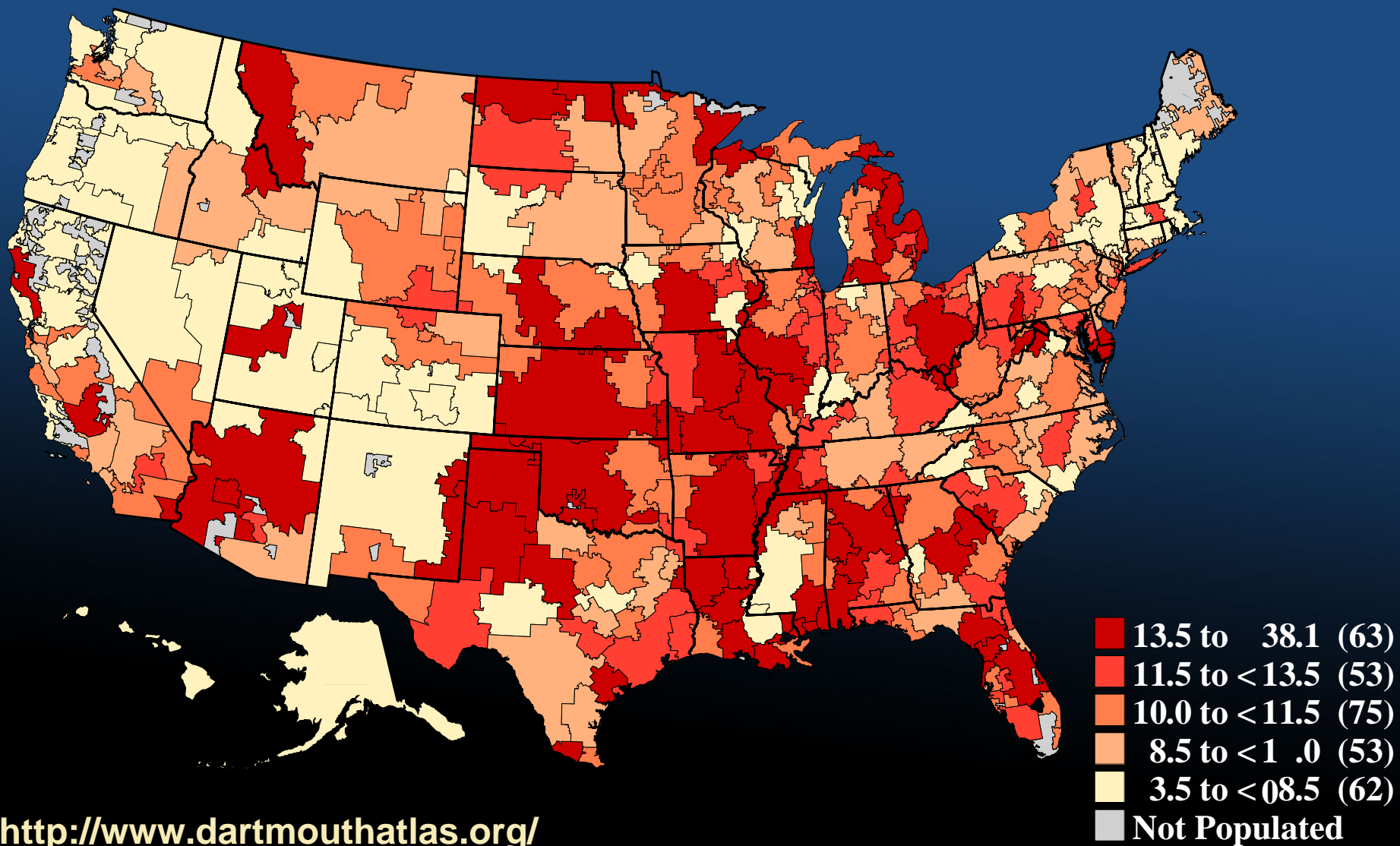
Beth McGlynn – RAND Study in *NEJM*

The Quality of Health Care Delivered to Adults in the United States; N Engl J Med 2003 348: 2635-2645



Variation in Care

PCI Rates per 1,000 Medicare Enrollees (2002-03)



<http://www.dartmouthatlas.org/>

Poor Care Coordination



- Readmission rates for heart failure, etc.
- Medication adherence
- Primary and specialty care coordination
- Integrated systems vs. independent, smaller practices and hospitals

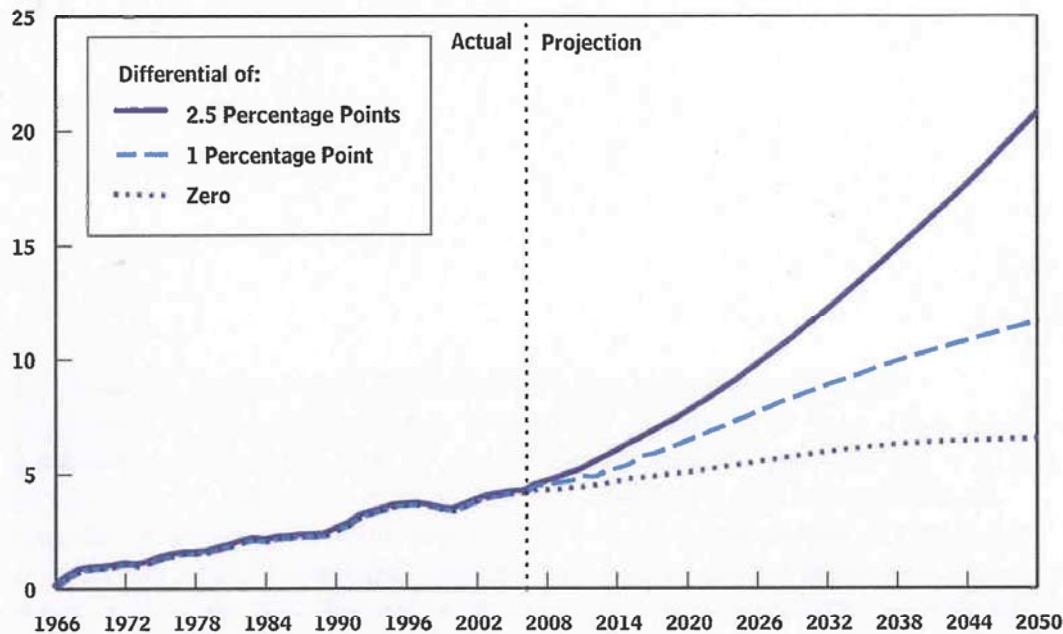
Rising Costs



Figure 1.

Total Federal Spending for Medicare and Medicaid Under Assumptions About the Health Cost Growth Differential

(Percentage of gross domestic product)

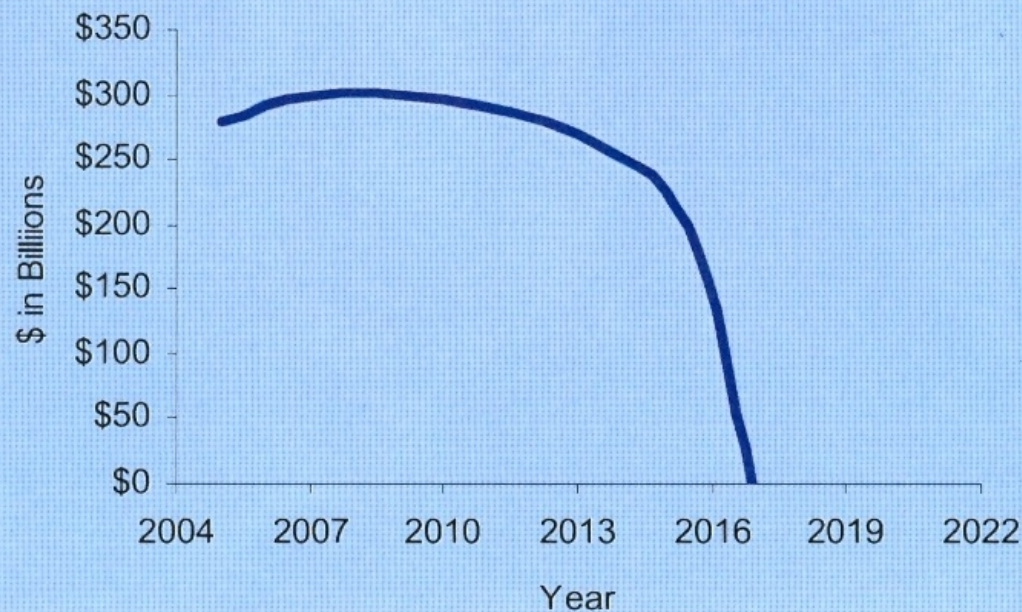


Source: Congressional Budget Office.

Note: The health cost growth differential refers to the number of percentage points by which the growth of annual health care spending per beneficiary is assumed to exceed the growth of nominal gross domestic product per capita, after an adjustment for the growth and aging of the Medicare and Medicaid populations.

With Regard to Payment Reform, the Empirical Evidence of Crisis is Clear

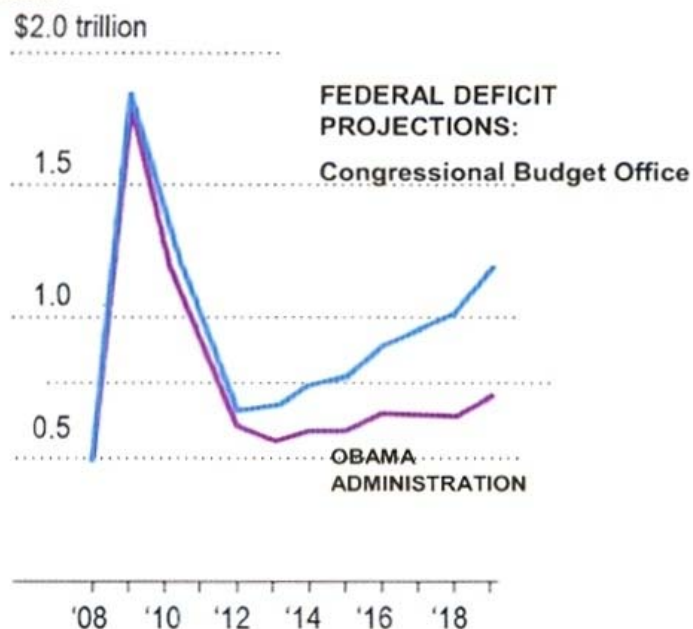
HI Trust Fund Balance (Calendar Year End)



Source: Kaiser Family Foundation, CMS, Social Security Administration, USA Today

Simply Put, The Federal Government Will Not Be Able to Continue to Fund the Current System

- The Congressional Budget Office projects that the federal deficit will grow even more than the Obama administration has projected if its budget is adopted.



Sources: Congressional Budget Office; Office of Management and Budget; New York Times

Rising Costs



Health care is **one-sixth** of the U.S. economy.

That is \$2.4 trillion and 17 percent of the gross domestic product (GDP) in 2008.

It's likely to be **\$4.3 trillion and 20 percent of the GDP in 2017.**

International Comparisons



Key Values and Assumptions

EUROPEAN (+)

- "public good" (education)
- Element of "social security"
- Benefit of citizenship
- Accept government as agent for "public good"
- Trust in public-private blend

AMERICAN

- "private good"
- Consumer commodity
- Benefit of employment
- Distrust of government
- Trust in private enterprise

International Comparisons



EFFECTIVENESS

Avoidable Mortality

Measures extent to which health services save lives and contribute to population health.
The number of deaths (< 75) that should not occur in the presence of effective and timely health care.

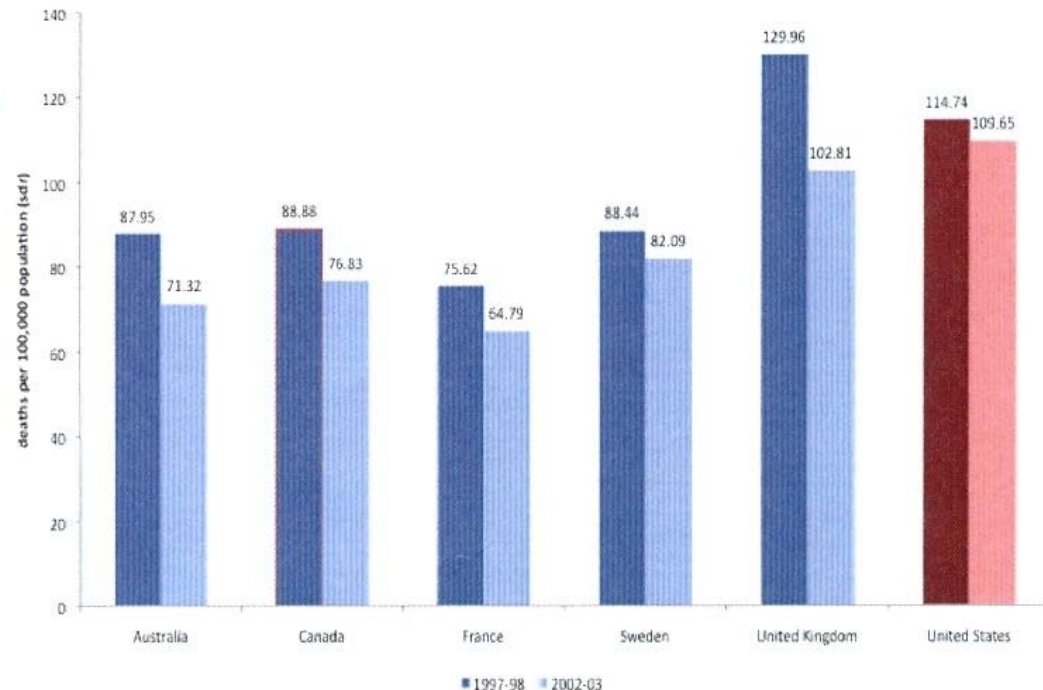
Source: WHO data, Nolte and McKee, 2008

Trajectory of Improvement;

Reduction in Avoidable mortality

Australia	-18.9%
Canada	-13.6%
France	-14.3%
Sweden	-7.2%
U K	-20.9%
U S	-4.4%

Mortality from causes considered amenable to healthcare, 1997/98 - 2002/03



Source: Sheila Leatherman, UNC and WHO data, Nolte and McKee, 2008

International Comparisons



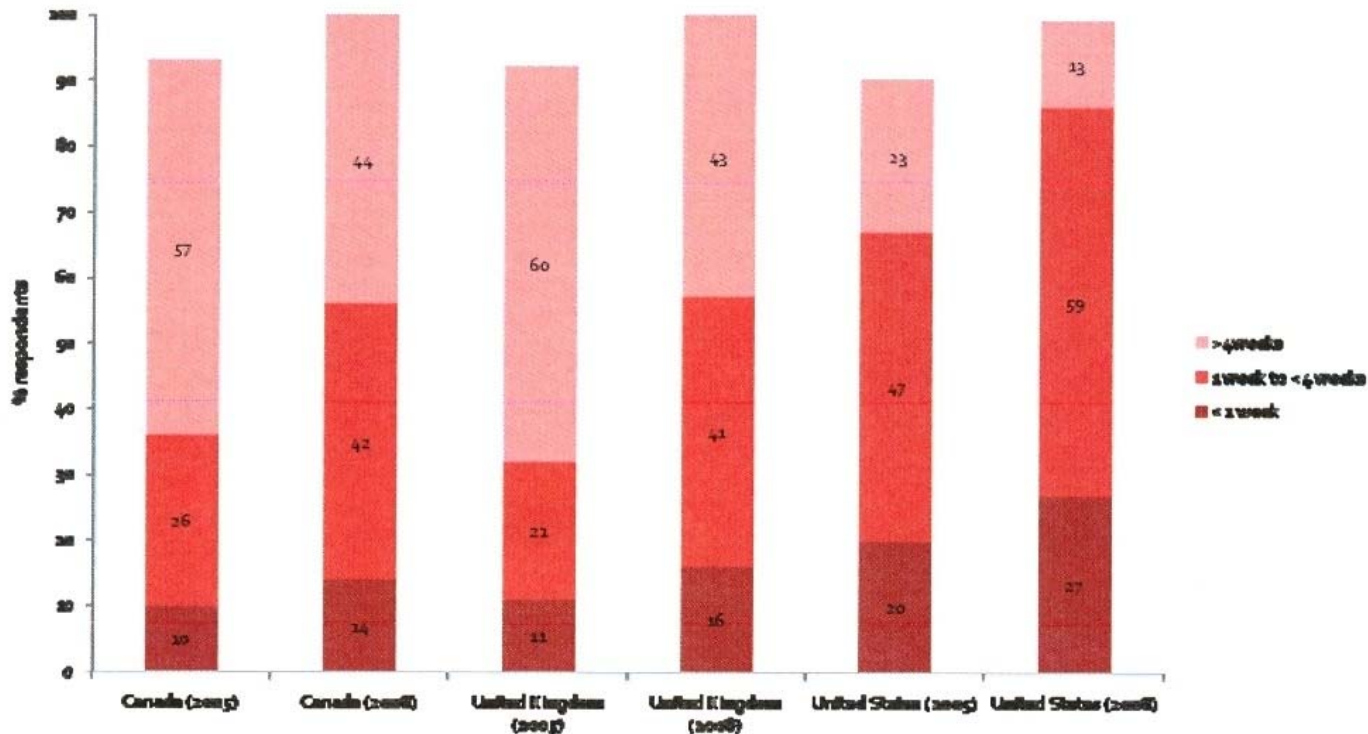
Access

Access to specialist care for sick adults

how long did you wait for access to specialist doctor?

CMWF

Waits to see a specialist, sick adults, 2005 and 2008



Source: Sheila Leatherman, UNC and CMWF Survey

Additional Issues



- Irrational Payment Systems
- Lack of 'malpractice' tort reform
- Workforce shortages threaten decline in primary care, prevention, and some specialty care

Interesting Statistics



Percentage of men and women who survived a cancer five years after diagnosis:

U.S.	65%
England	46%
Canada	42%

Percentage referred to a medical specialist who see one within one month:

U.S.	77%
England	40%
Canada	43%

Percentage of patients diagnosed with diabetes who received treatment within six months:

U.S.	93%
England	15%
Canada	43%

Number of MRI scanners (a prime diagnostic tool) per million people:

U.S.	71
England	14
Canada	18

Percentage of seniors needing hip replacement who received it within six months:

U.S.	90%
England	15%
Canada	43%

Percentage of seniors (65+), with low income, who say they are in "excellent health":

U.S.	12%
England	2%
Canada	6%

ACC Principles for Reform



1. Provides universal coverage;
2. Provides coverage through an expansion of both public and private (pluralistic) programs;
3. Focuses on patient *value* — transparent, high quality, cost-effective, continuous care;
4. Emphasizes professionalism, the foundation of an effective partnership with empowered patients;
5. Ensures coordination across sources and sites of care; and
6. Includes payment reforms that reward quality and ensure value.



**Deaths from heart disease
down 30 percent between
1996 and 2006 in US**



Payment Reform



- Reducing fee for service payment (volume-based payment)
- Incentivizing quality or outcome based payments
 - Bundled payment
 - Capitation
 - ‘Accountable Care Organizations’ and integrated systems



“Clear diagnosis, uncertain remedy”

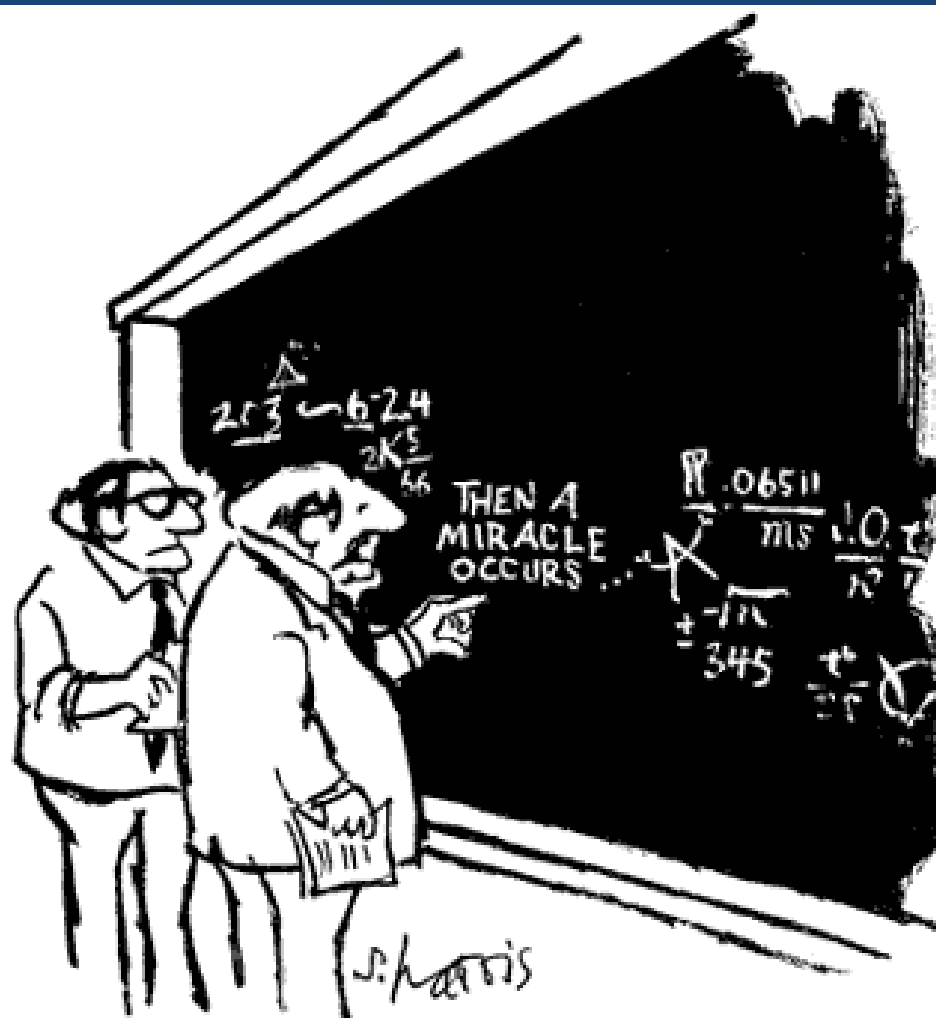
Governments are increasingly turning to private insurance in order to widen access to health care and make it more efficient.

Are they expecting too much?

The Economist
Feb. 18, 2010



Innovation and Accountable Care Organizations



"I think you should be more explicit here in step two."



From Here to Nirvana



The Role of the Profession



Case Studies from Cardiology

Door to Balloon



www.D2BAlliance.com

Hospital to Home



www.H2HQuality.org

PINNACLE



www.pinnacledenetwork.org



Who will save us?

