

Making the Health Care System Friendly for Innovation

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Affordable, quality health care. For everyone.

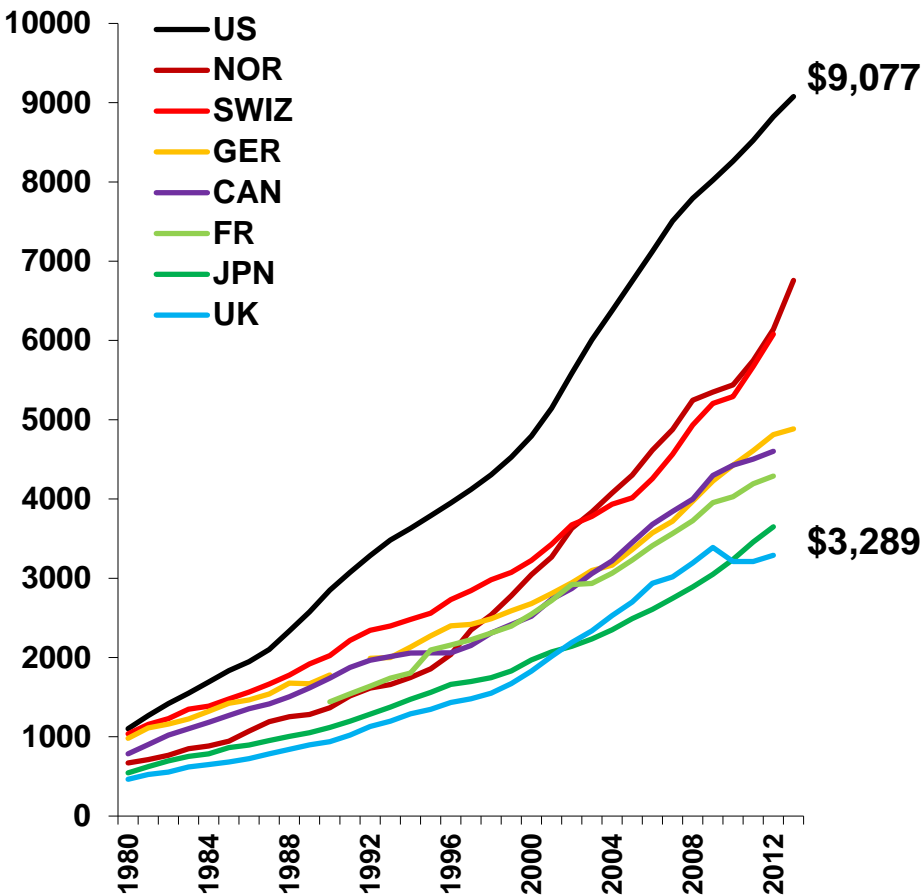
Agenda

- Challenges
- Next Steps
 - ACA
- What's Happened?

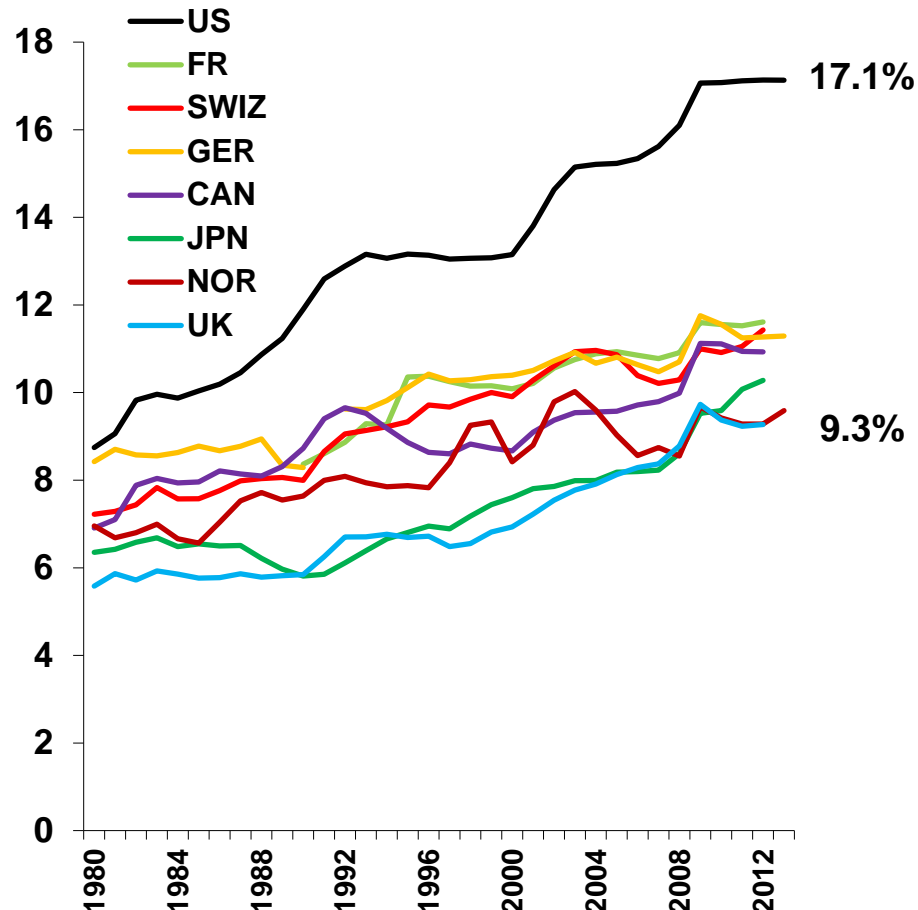


International Comparison of Spending on Health, 1980–2013

Average spending on health per capita (\$US PPP)



Total health expenditures as percent of GDP



Note: PPP = Purchasing power parity.

Source: OECD Health Data 2014; National Health Expenditure Accounts.



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Eleven-Nation Summary Scores of Health Care System Performance

Country Rankings	
	Top 2*
	Middle
	Bottom 2*



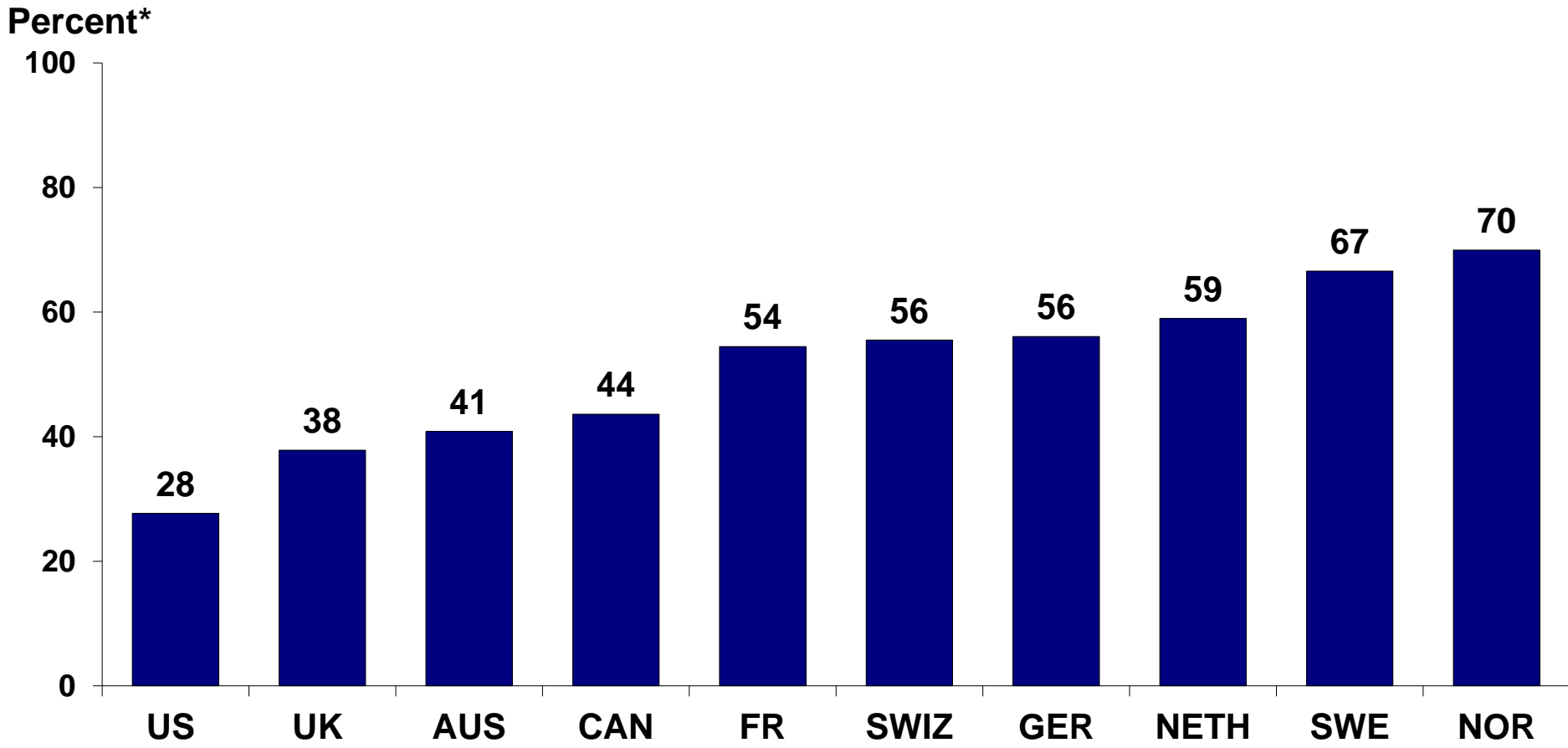
AUS CAN FRA GER NETH NZ NOR SWE SWIZ UK US

OVERALL RANKING (2013)	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
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	\$8,508

Note: * Includes ties. ** Expenditures shown in \$US PPP (purchasing power parity). Australian \$ data from 2010.

Source: Calculated by the Commonwealth Fund based on 2011 International Health Policy Survey of Sicker 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, November 2013).

Experienced Gaps in Hospital Discharge Planning in the Past Two Years, Among Adults Age 65 or Older

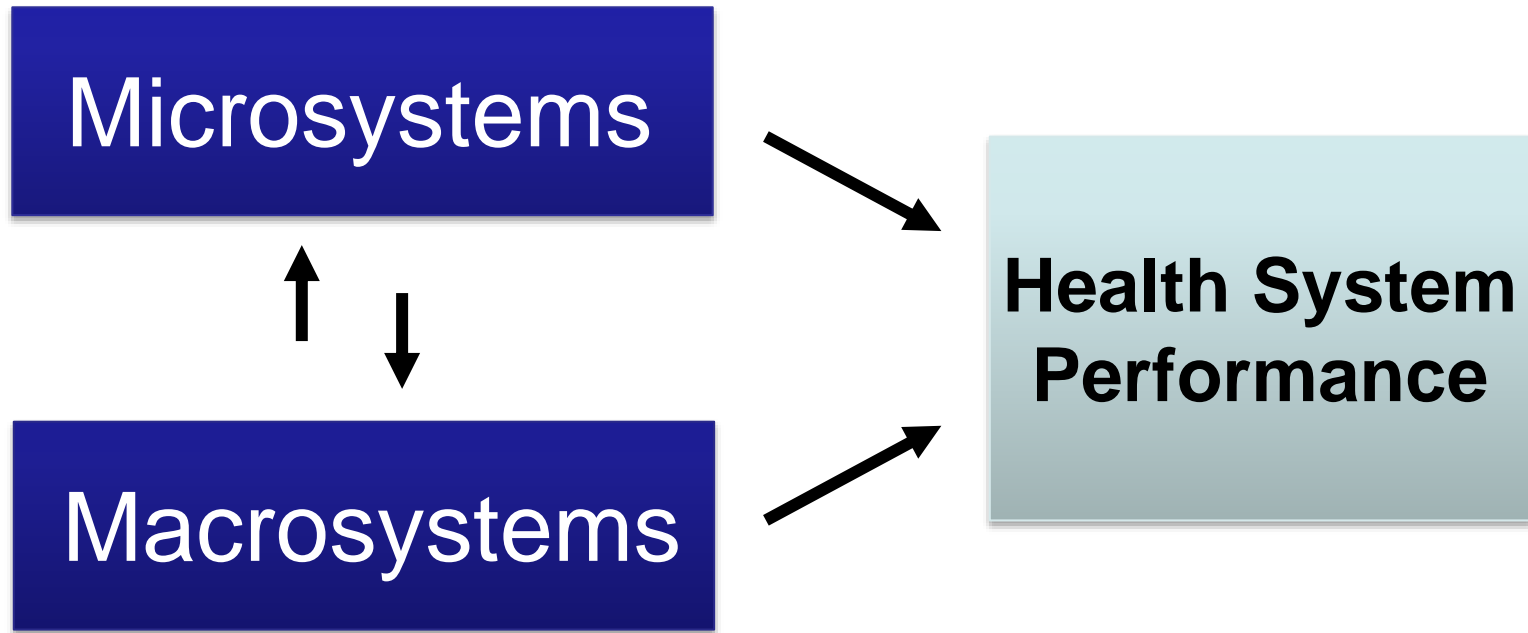


* When discharged from the hospital: you did not receive written information about what to do when you returned home and symptoms to watch for; hospital did not make sure you had arrangements for follow-up care; someone did not discuss with you the purpose of taking each medication; and/or you did not know who to contact if you had a question about your condition or treatment. Base: hospitalized overnight in the past two years.

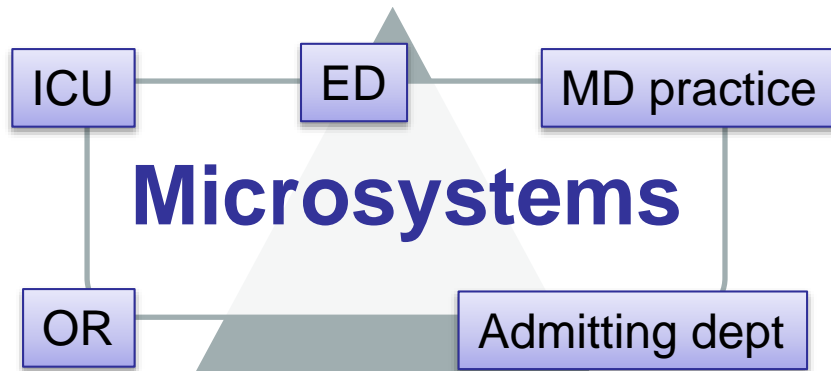
Source: 2014 Commonwealth Fund International Health Policy Survey of Older Adults in Eleven Countries.



Improving Performance



Microsystems

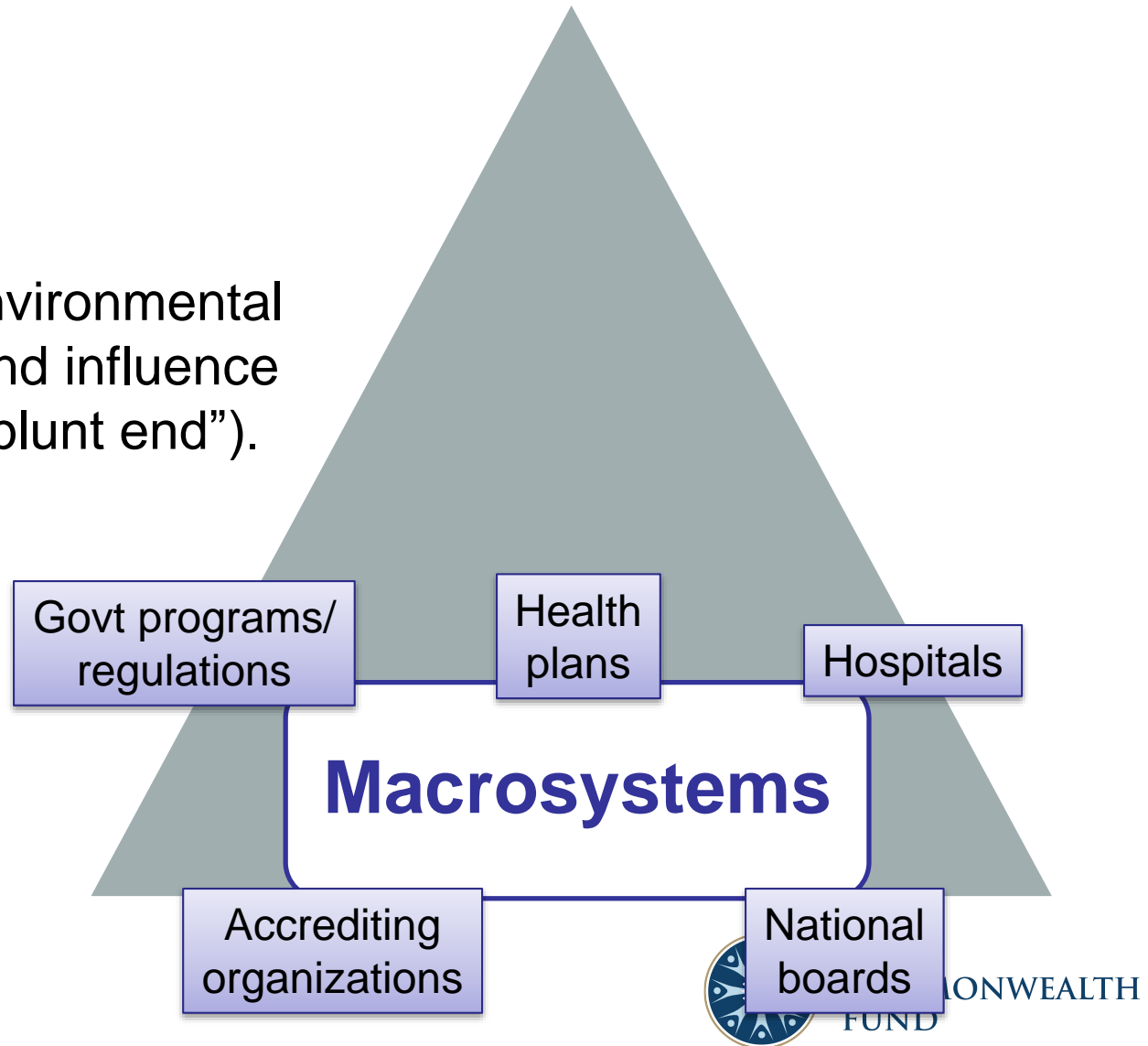


People, processes and practices that interact directly with patients or support patient care at the local level (the “sharp end”).

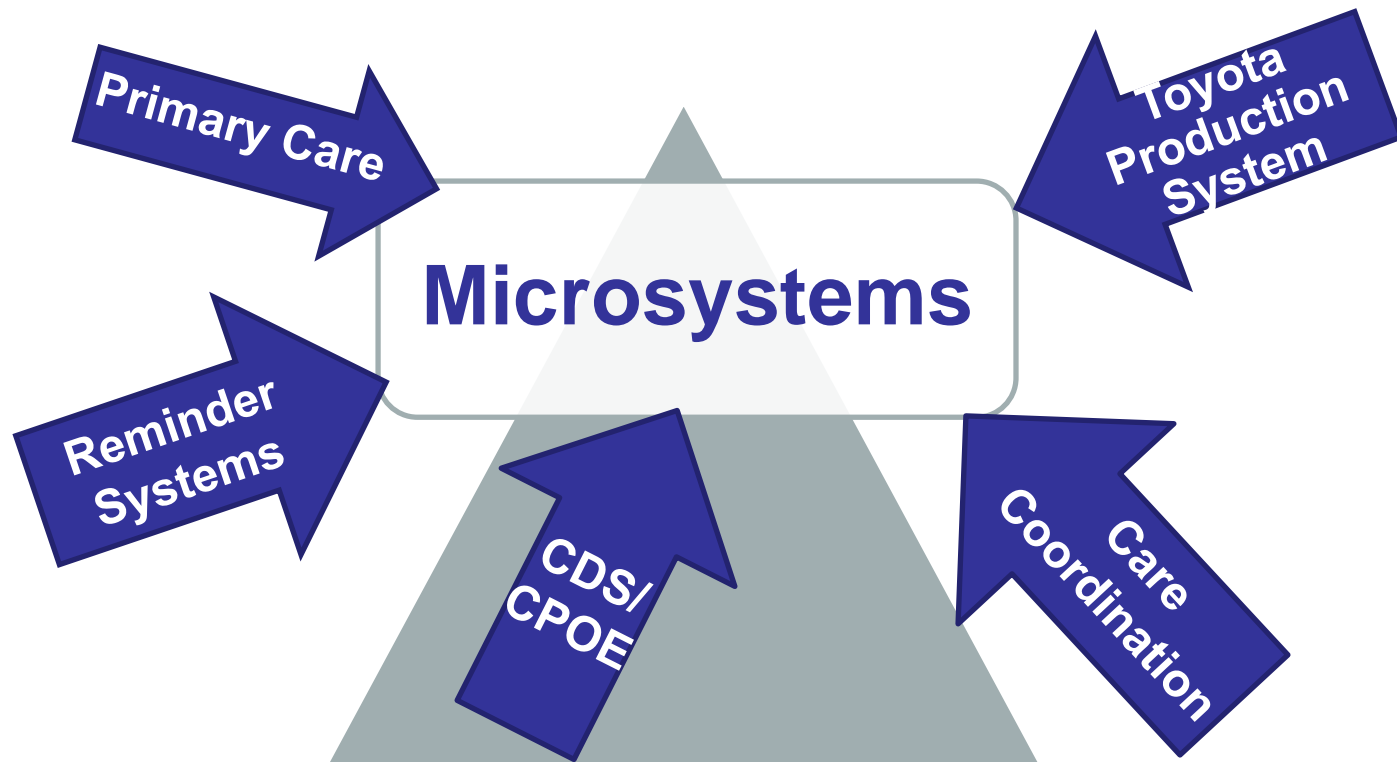


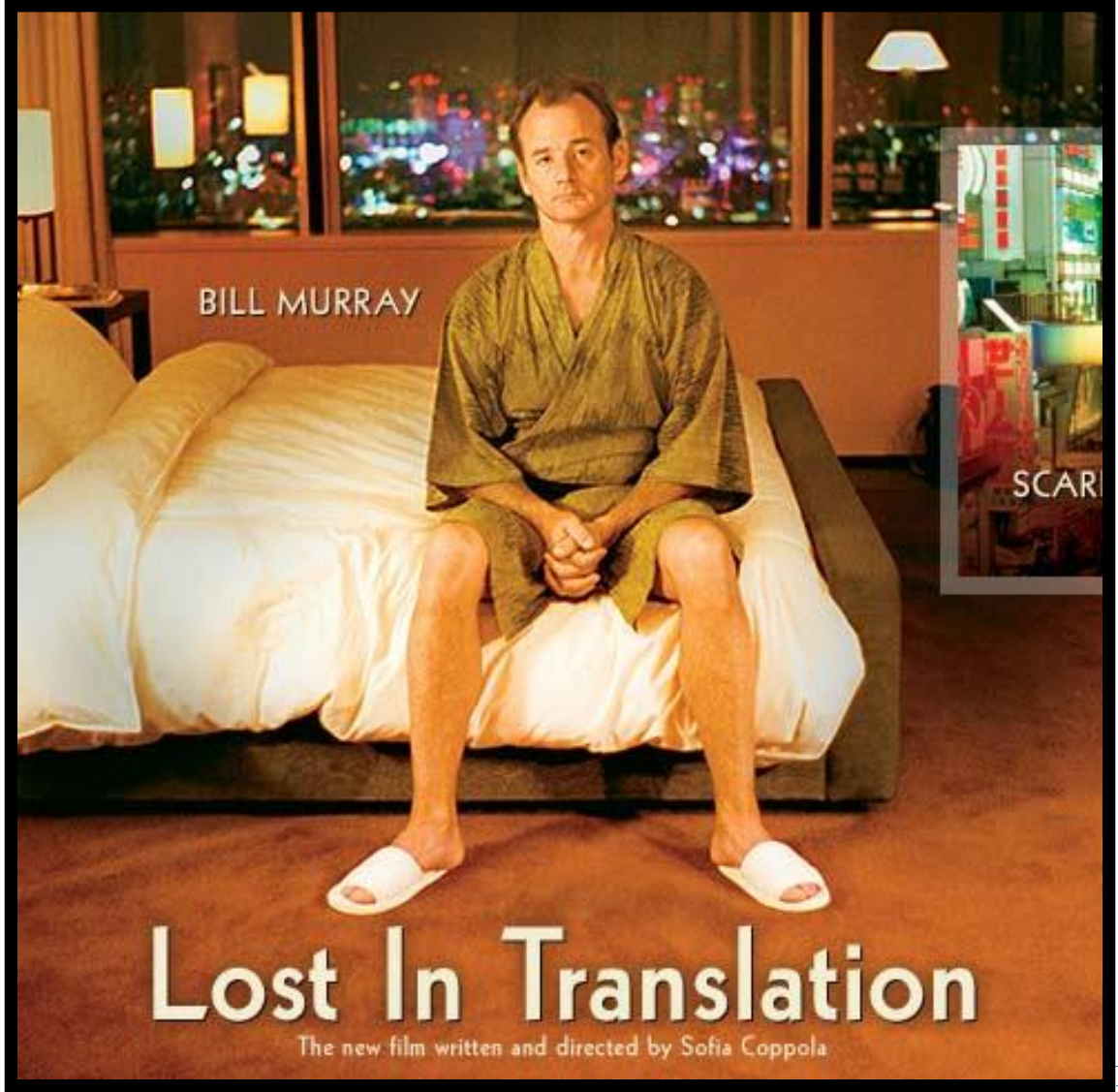
Macrosystems

Organizations and environmental forces that support and influence microsystems (the “blunt end”).



Interventions That Work: Microsystem





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Macrosystems

We have failed to create macrosystems that encourage and support use of these solutions, thereby changing the behavior of large numbers of microsystems and raising the performance of the health care system as a whole.

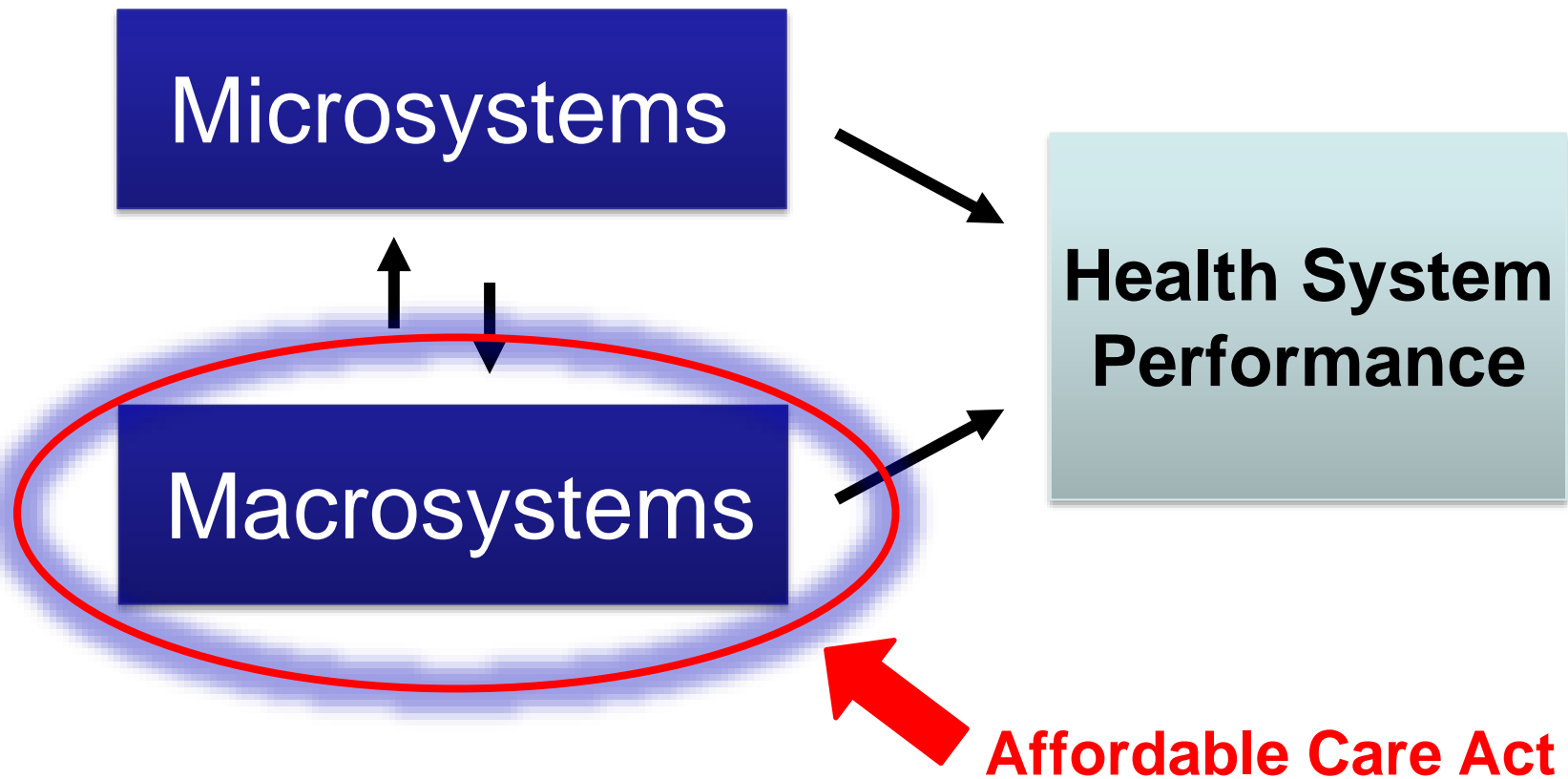


Fundamental Delivery System Reform

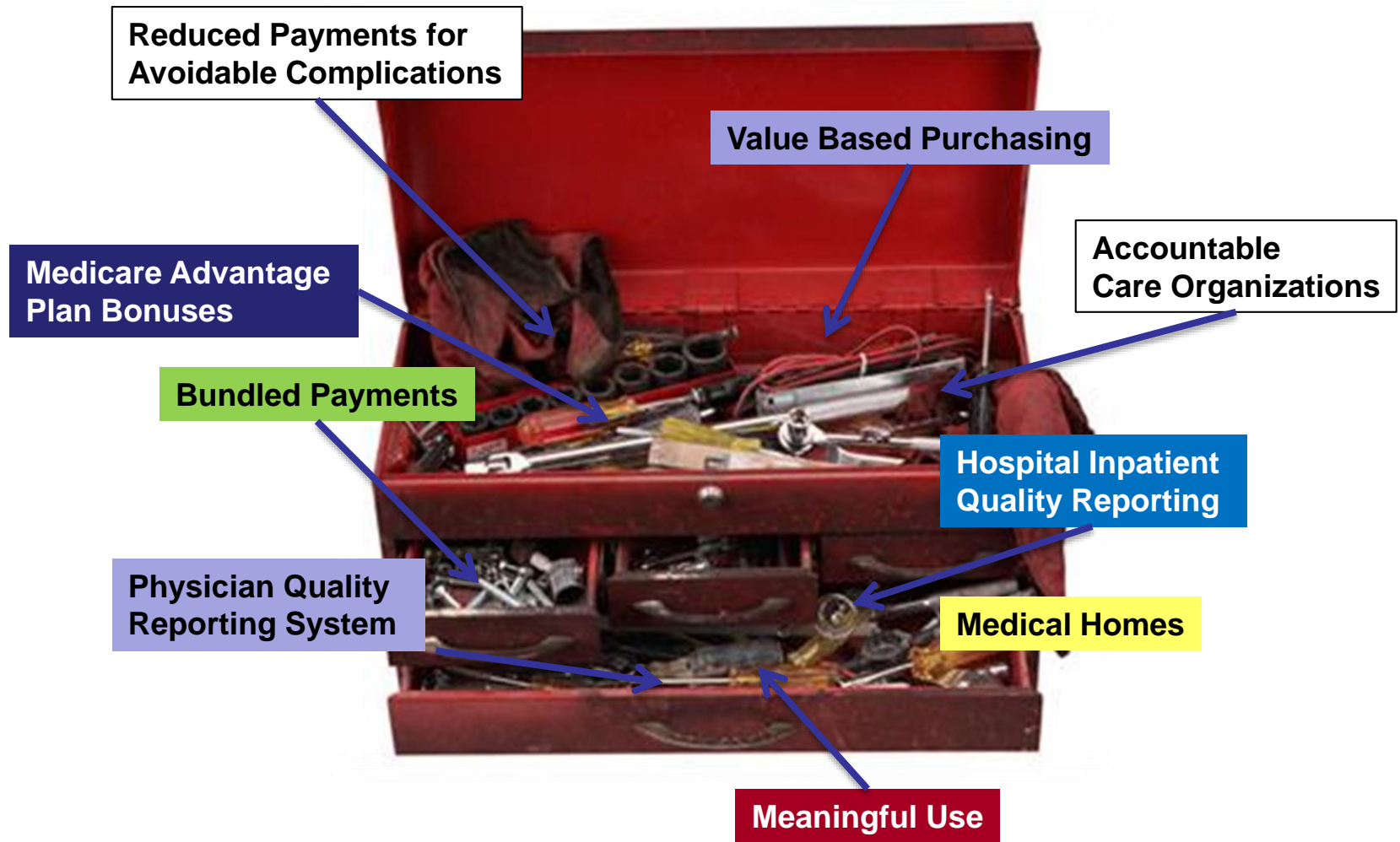
**We need to make it easier to do the
right thing...**



Improving Performance



The Affordable Care Act



Some Good News:

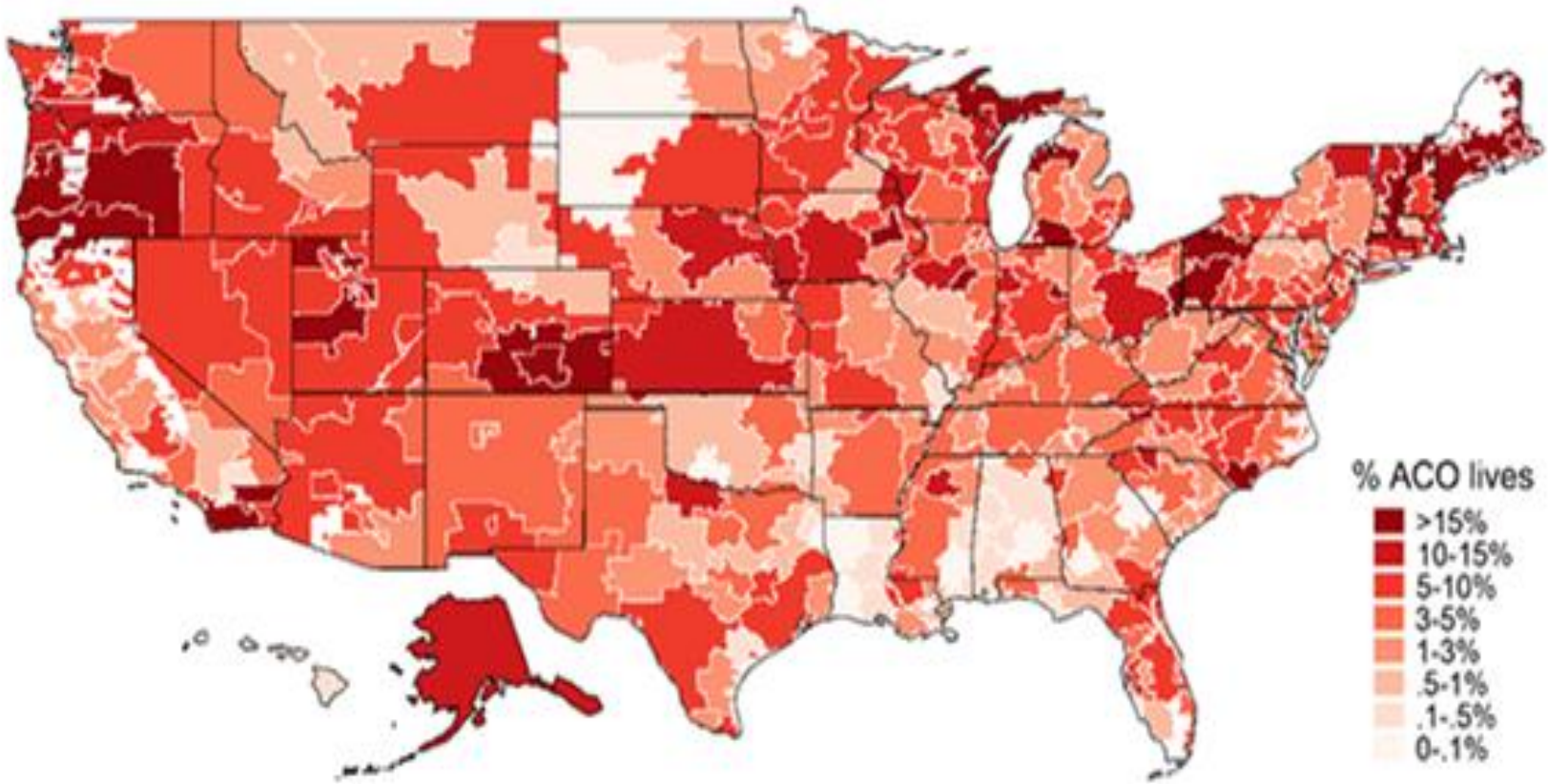
Medicare accountable care organizations (ACOs)

- **Over 424 Medicare ACOs serving up to 7.8 million people**
- **\$417 million in savings have been generated by Medicare ACOs and Pioneer ACOs.**
- **Medicare costs per capita for “Pioneer ACOs” increased 1.4 percent in 2012 vs. 1.85 percent for FFS Medicare.**
- **11 out of 23 Pioneer ACOs produced gross savings of \$96 million in their second year.**
- **ACOs exceeding quality goals.**



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Estimated ACO Covered Lives, by Hospital Referral Region



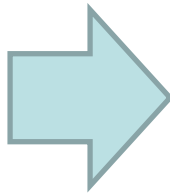
Total of 626 accountable care entities in the U.S.

Source: Growth and Dispersion of Accountable Care Organizations: June 2014 Update, Leavitt Partners.



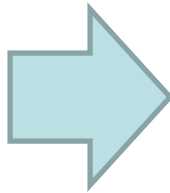
Delivery System Reform, Further Effects

Reporting on hospital-acquired conditions



- **Rates of serious hospital-acquired conditions (HACs) now available on Hospital Compare website**

Creation of the Center for Medicare and Medicaid Innovation (CMMI)



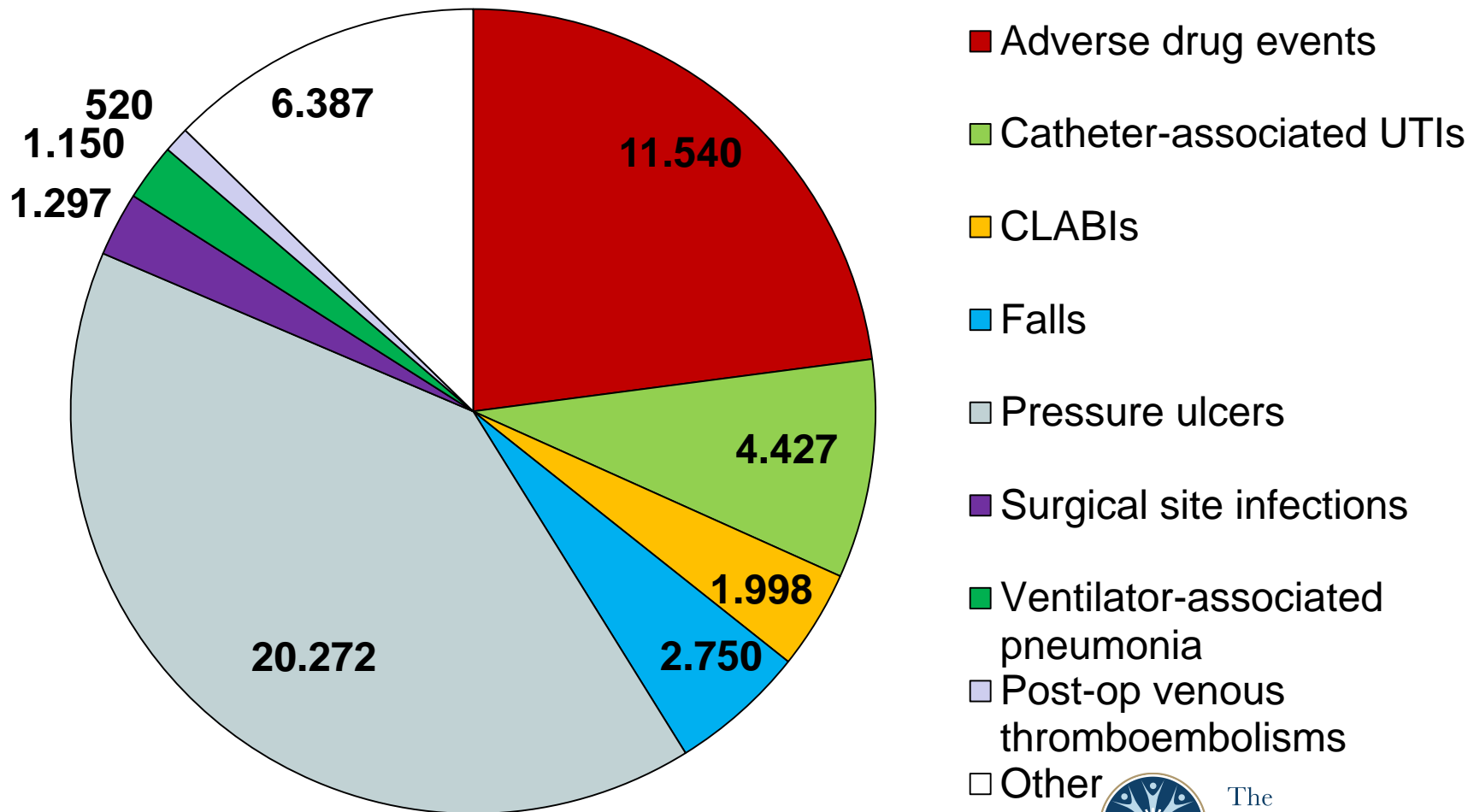
- **More than 60,000 health care providers involved in CMMI innovation projects**



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Decline in Hospital-Acquired Conditions Between 2010 and 2013 Prevents 50,000 Deaths

Number of prevented deaths by condition

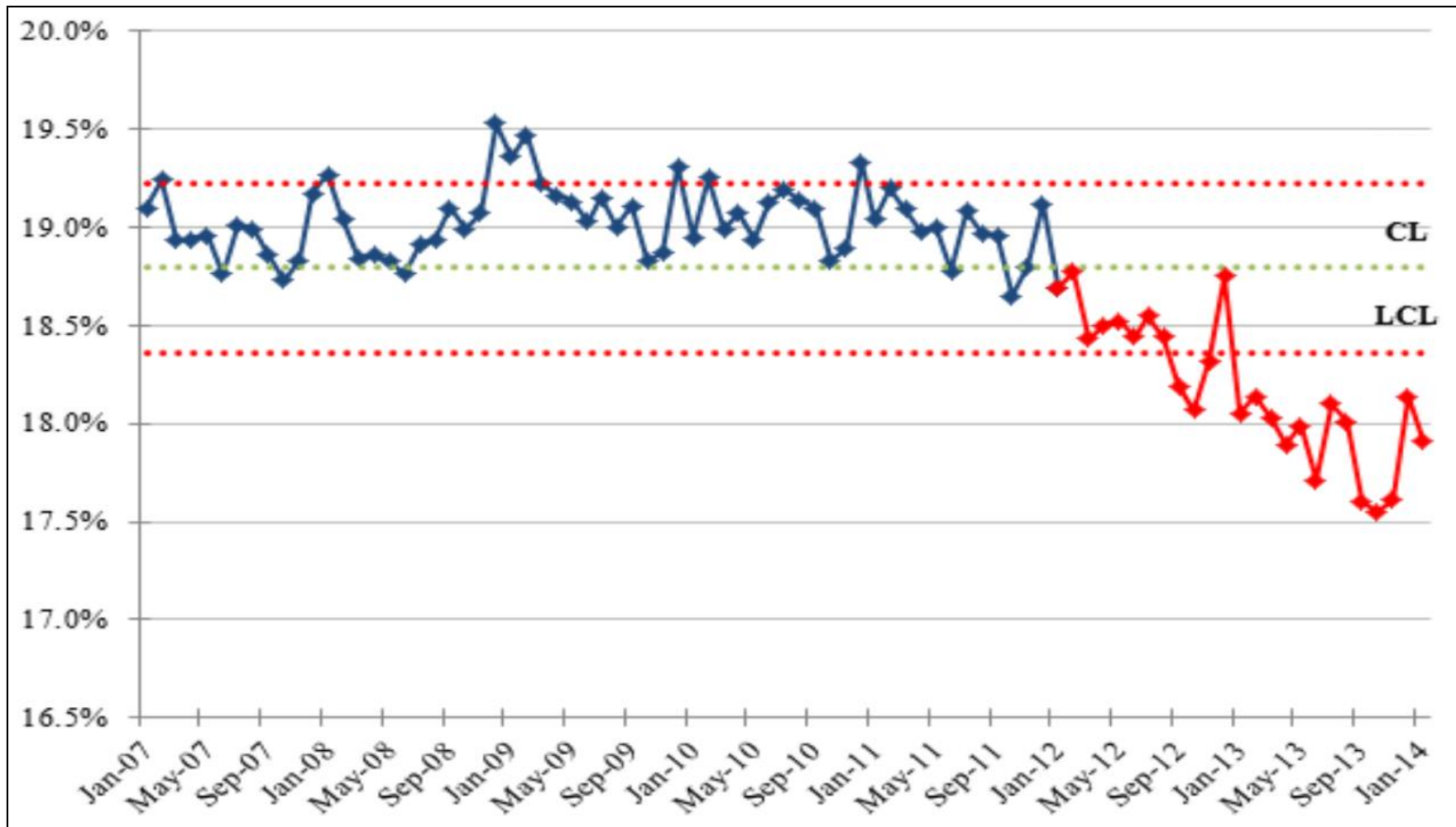


Source: "Interim Update on 2013 Annual Hospital-Acquired Condition Rate and Estimates of Cost Savings and Deaths Averted From 2010 to 2013," December 2, 2014, CMS.



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Medicare Hospital Readmissions Declining



Note: Medicare 30-Day, All-Condition Hospital Readmission Rates January 2007-2014.

Source: "New HHS Data Shows Major Strides Made in Patient Safety, Leading to Improved Care and Savings," May 7, 2014, CMS.

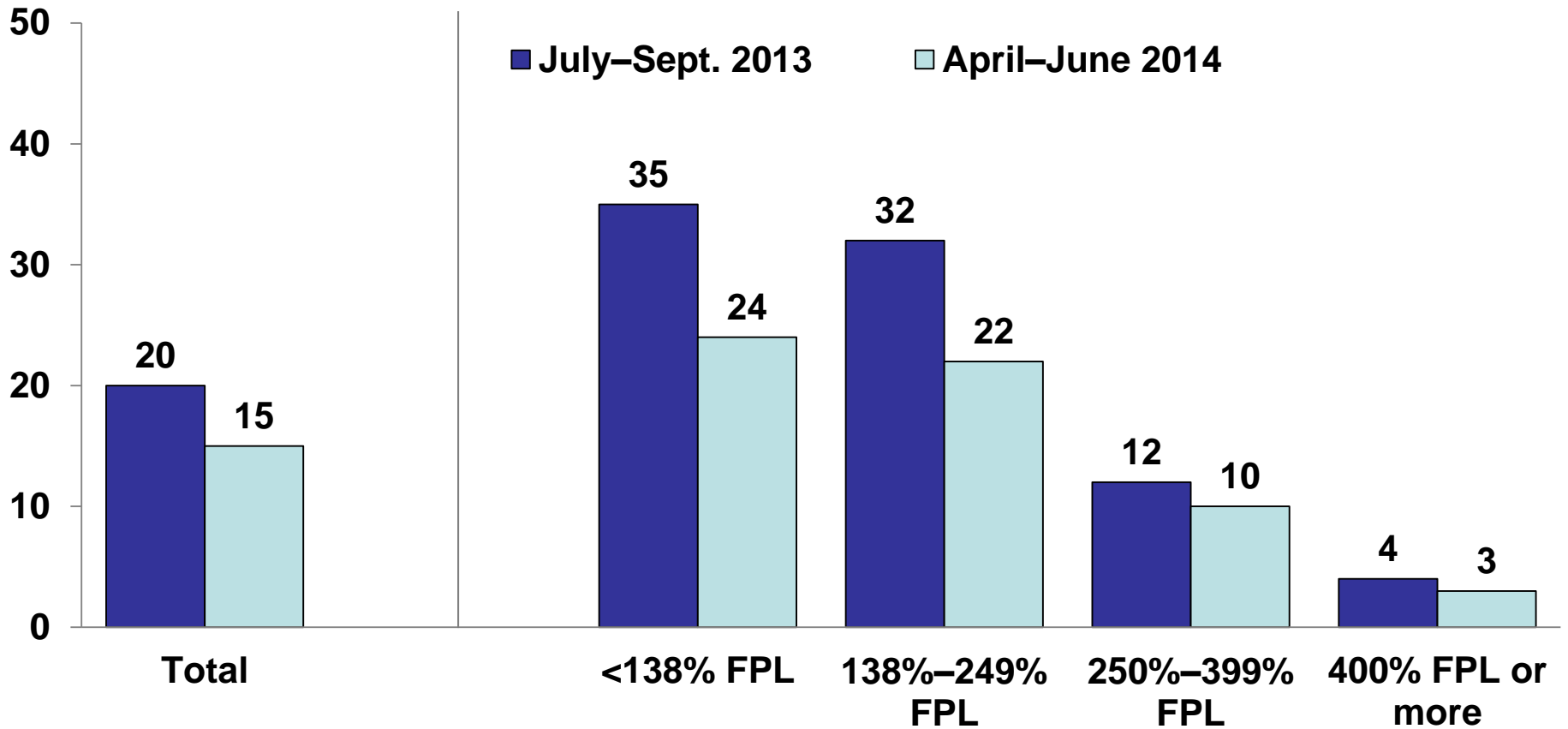


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U.S. Uninsured Rate Falls by One-Fourth During First ACA Open Enrollment Period

Low-Income Experience the Largest Decline

Percent adults ages 19–64 uninsured



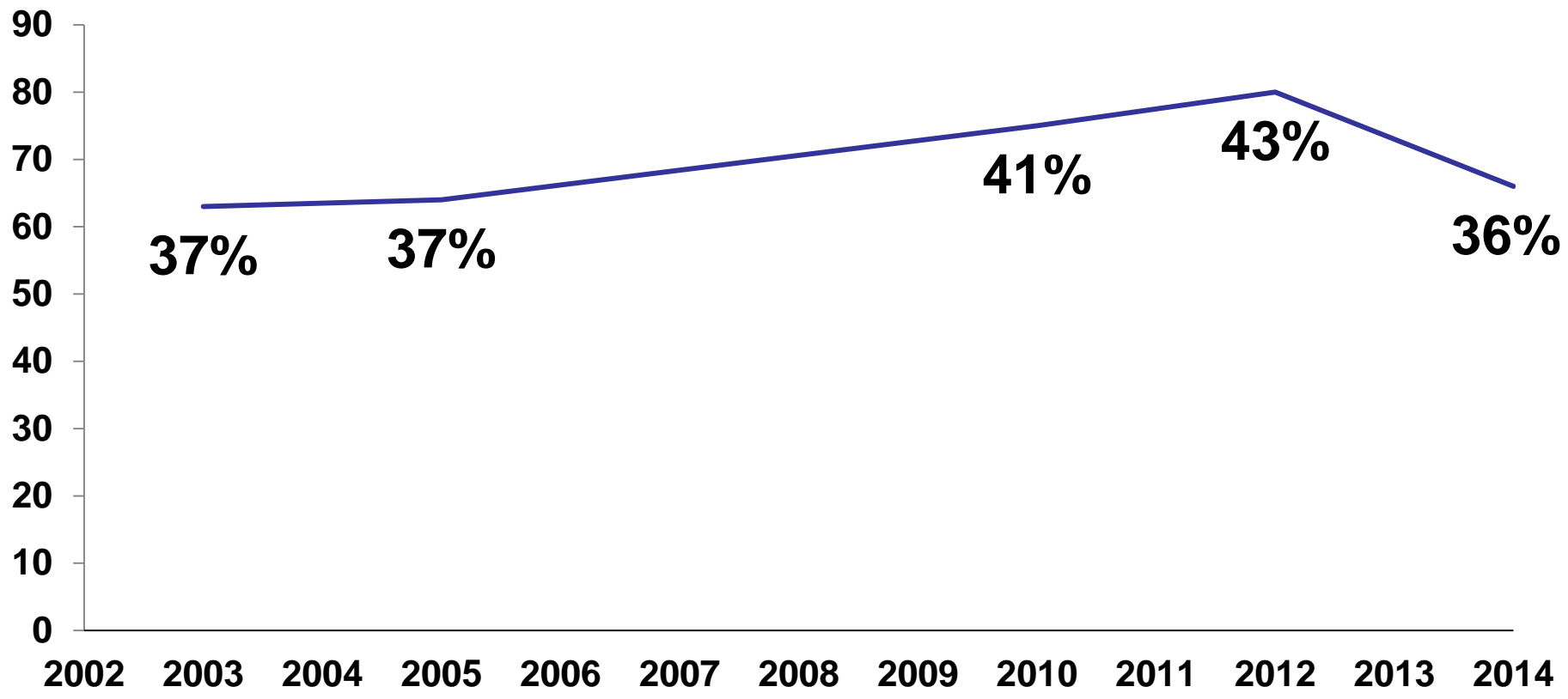
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Note: FPL refers to federal poverty level.

Source: The Commonwealth Fund Affordable Care Act Tracking Surveys, Jul–Sept. 2013 and Apr–Jun 2014.

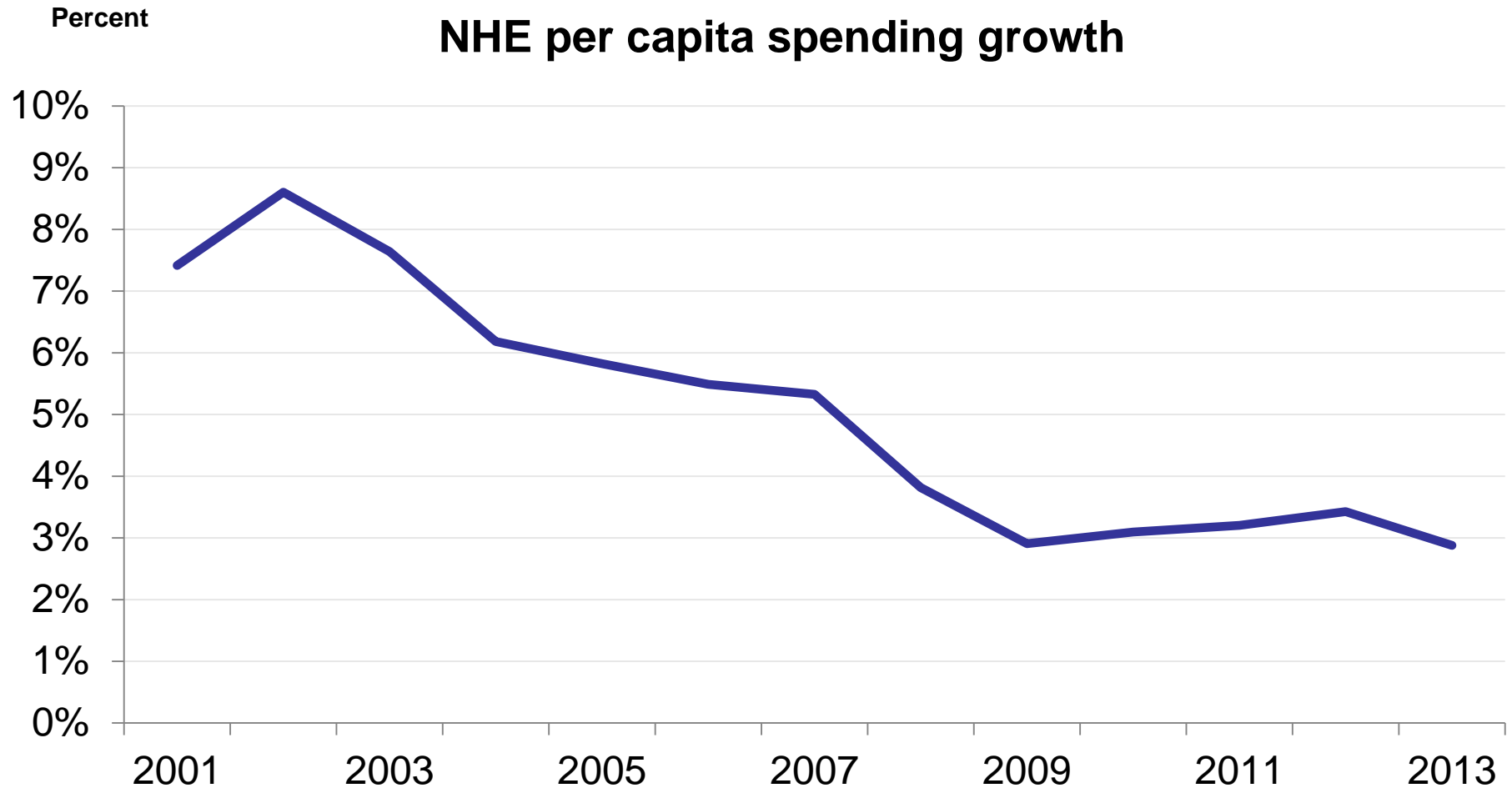
Number of Adults Reporting Not Getting Care Due to Cost Declined for the First Time Since 2003

Millions of adults ages 19–64



Source: The Commonwealth Fund Biennial Health Insurance Surveys (2003, 2005, 2010, 2012, and 2014).

Spending Growth Rate Has Slowed in Recent Years



Source: Hartman M, Martin AB, Lassman D, Catlin A; the National Health Expenditure Accounts Team. "National Health Spending In 2013: Growth Slows, Remains In Step With The Overall Economy." *Health Affairs*. 2014 Dec 3.



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Is This the Dawn of a New Day in the U.S.?



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