Reforming Healthcare, Reforming Medical Education, Reducing Costs

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Abstract

• Among the developed nations in the world, the United States ranked low in access to and quality of medical care in 2000 according to WHO. Since the introduction of the ACA in 2010, many Americans are now have medical insurance but healthcare cost continue to skyrocket. To better achieve high quality, low cost medical care, we must refocus our attention on cost transparency and reduction as well as incorporating more financial literacy into medical undergraduate education. By adopting some cost-savings innovations currently employed in other countries and instigating price regulation on medical commodities, cost reduction may be achieved. By incorporating financial awareness in medical training, we can make future physician good stewards of healthcare dollars.
Introduction

• 2000 WHO rankings of the world’s health care systems:
  – United States 37th (behind much poorer countries like Dominica and Costa Rica
  – United States ranked 1st in the world in health expenditures as a percentage of GDP in 2005
• March 2010: Affordable Care Act signed
• From 2010-2014, healthcare costs have still increased by just under 3% per year (but a reduction since costs were rising 6% per year during the previous 8 years)
Percentage Uninsured in the U.S., by Quarter

Do you have health insurance coverage?
Among adults aged 18 and older

% Uninsured

Quarter 1 2008-Quarter 1 2015
Gallup-Healthways Well-Being Index

GALLUP
Literature Review (this slide will change with proper formatting)

- Atul Gawande’s The Cost Conundrum. The New Yorker 2009
- Remedy and Reaction Paul Starr
- The Healing of America: A Global Quest for better, cheaper, and fairer health care T.R. Reid
- Bitter Pill: Why Medical Bills Are Killing Us | TIME Steven Brill April 4, 2013
- http://content.healthaffairs.org/content/24/6/1436.full
- http://www.entrepreneur.com/article/243297
Thesis Statement

Given the history of health reform in the United States, we should refocus efforts to reduce spending costs and pragmatically teach health professional students the importance of low cost, high-quality patient care to ultimately alter the trajectory of the high price of healthcare in the United States.
Discussion/Evidence

• Finding the right model for low spending
  – France’s vital card: improving costs, improving quality of care
  – Japan’s fee schedule
• Defragmenting healthcare?
• Educating the future physicians to be financially responsible by incorporating emerging health data into curriculum and order sets
# Types of Waste in U.S. Health Care Spending

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>DESCRIPTION</th>
<th>PERCENT OF HEALTH CARE SPENDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLINICAL WASTE</td>
<td>Spending that could be reduced with better prevention or higher-quality initial care; replacing services with less-resource-intensive alternatives; or improving processes by standardizing best practices</td>
<td>14%</td>
</tr>
<tr>
<td>ADMINISTRATIVE COMPLEXITY</td>
<td>Spending that could be eliminated with simpler, more-standardized processes for billing and collections, credentialing, compliance, and oversight</td>
<td>9%</td>
</tr>
<tr>
<td>EXCESSIVE PRICES</td>
<td>Overspending resulting from paying high prices charged by inefficient suppliers (including providers), which could be eliminated by tying prices to efficiency, outcomes, and a fair profit</td>
<td>5%</td>
</tr>
<tr>
<td>FRAUD AND ABUSE</td>
<td>Spending associated with illicit schemes to extract payments for the illegitimate delivery of health care services</td>
<td>7%</td>
</tr>
</tbody>
</table>

*NOTE: THE THREE DESCRIPTIONS OF CLINICAL WASTE ARE AN AGGREGATION OF BERWICK AND HACKBARTH'S ORIGINAL ANALYSIS.*

*SOURCE: “ELIMINATING WASTE IN U.S. HEALTH CARE,” BY DONALD M. BERWICK AND ANDREW D. HACKBARTH, 2012*
Health care markets ranked from most- to least-spending, in two ways

Grand Junction, Colo.

Low Medicare, High Private

High Medicare, High Private

Low Medicare, Low Private

High Medicare, Low Private

McAllen, Tex.
Conclusion/Significance

- Future is still uncertain and in flux.
- Anticipation of
  - improved preventative medicine
  - increased access to medical data
  - transition from generic to personal medicine
  - Technology advance
- America must be mindful of rising costs of healthcare.
- Legislation to decrease rising medical costs with set prices and alterations in medical education in regards to financial literacy are important steps to curve the current trajectory of the money pit that is the current United States healthcare system.