

“It costs *how* much?”

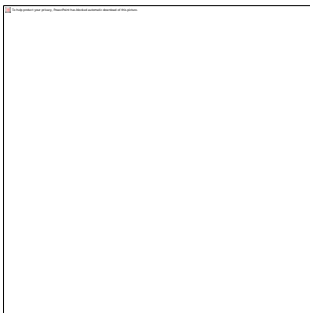
*Understanding Health Care Spending
and Getting to the Root of the Problem*

Webinar July 17, 2019

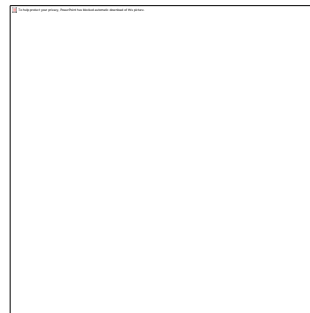
Presenters



Robert W. Dubois, MD, PhD
Chief Science Officer & EVP
*National Pharmaceutical
Council*



**Janet McNichol, SPHR, CAE,
SHRM-SCP**
Human Resources Director
*American Speech-Language-
Hearing Association*



Debbie Witche, MHA
Executive VP/COO
*Healthcare Leadership
Council*

Agenda

- Welcome & Overview
- Health Spending and Value Initiative
- Community Town Halls on Health Spending
- Employer Case Study on Plan Design & Tradeoffs
- Q&A

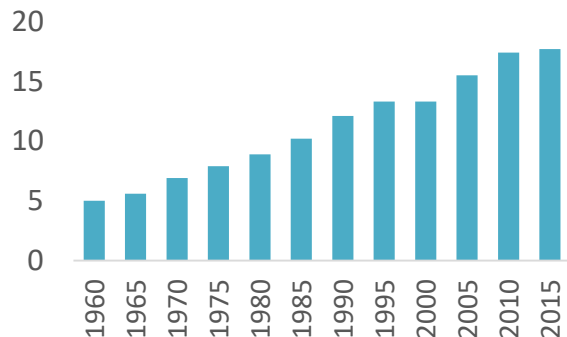
The Health Spending and Value Initiative

Robert W. Dubois, MD, PhD
Chief Science Officer and EVP
National Pharmaceutical Council

A New Dialogue Is Needed

Concerns about growing spending

Health Spending as a Percent of GDP

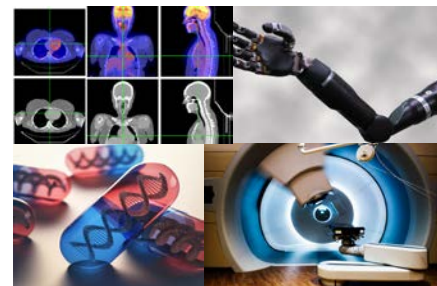


Persistent waste

A decrease in unnecessary healthcare services “appear to be slow in moving”

Health Affairs 2017, re: Choosing Wisely

Desire for innovation



Prices are Part of the Problem...

JAMA The Journal of the
American Medical Association

..... and Part of the Solution.

JAMA | Special Communication Health Care Spending in the United States and Other High-Income Countries

Kevin F. Donohue, PhD, David A. Asch, MD, Andrew K. J. Lee, MD, MPH

IMPORTANCE: Health care spending in the United States is a major concern and is higher than in other high-income countries. As there is little evidence that efforts to reduce US health care delivery have had a meaningful influence on controlling health care spending and costs.

OBJECTIVE: To compare per-capita health care spending, such as structural capacity and care delivery, between the United States and other high-income countries (Canada, United Kingdom, Germany, Australia, Japan, Sweden, France, the Netherlands, Switzerland, and Denmark) to gain insight into what the United States can learn from these nations.

EVIDENCE: Analysis of data primarily from 2010–2016 from key international organizations, including the Organisation for Economic Co-operation and Development (OECD), comparing and contrasting differences in structural capacity, care delivery, and health care spending, and performance between the United States and other high-income countries. Where data were not available for a given country or were incomplete, best estimates were used.

CONCLUSIONS: In 2016, the US spent 17.8% of its gross domestic product on health care, and spending in other countries ranged from 10.2% to 12.1%. The US had the highest per-capita health care spending of the population with health insurance, 10.2%, in the US, followed by the other countries in the range of 6.9% to 9.1%. For some dimensions of health care, such as spending, the US ranked near the top of the countries (10.2%), but the US had the lowest percentage of adults who were covered by health insurance (93.4%) of the countries (93.4%).

KEY POINTS: The US had the highest percentage of adults who were covered by health insurance (93.4%) of the countries (93.4%). The US had the highest percentage of adults who were covered by health insurance (93.4%) of the countries (93.4%).

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“Prices of labor and goods, including pharmaceuticals, and administrative costs appeared to be the major drivers of the difference in overall cost between the United States and other high-income countries.”¹

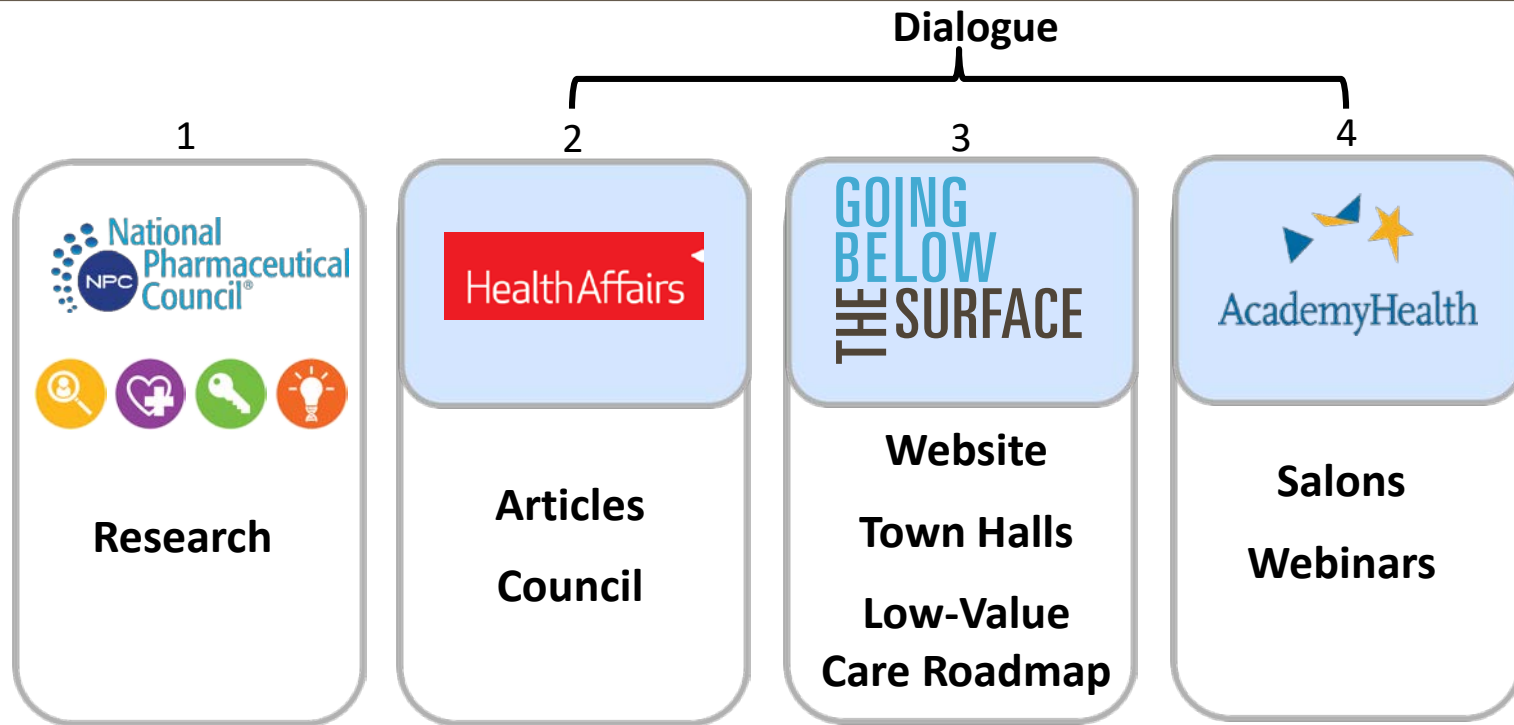
#GoingBelowTheSurface

GOING
BELOW
THE SURFACE

Addressing the Tough Questions

- Does health spending growth “crowd out” other spending? If we do nothing, will the “crowd out” continue to grow and force us to cut back on innovations in health care?
- Do we need to “dis-invest” in certain areas so that we can further “invest” in others (including preventative care and social determinants of care)?
- How do we know if we are spending too much in one area?
- How best to make these re-allocation decisions? Should resources be allocated by disease?
- When should there be a “No,” and who should decide?
- Given our lack of success thus far, is it realistic to believe that substantial amounts of low value care will be reduced, freeing up resources?
- As compared to other countries, is it realistic to lower the higher prices in the U.S. (hospital care, drugs, diagnostics, devices, specialists, long-term care)? If so, how?

Overview of The Health Spending and Value Initiative



#GoingBelowTheSurface

GOING
BELOW
THE SURFACE

Going Below The Surface Forum

- **Mission:** Have a sustained, productive, and informed *dialogue* with all *stakeholders* to address challenging questions about *spending*
- **Goal:** Provide clarity on how best to *optimize health care spending* so that patients receive the *right care* while simultaneously providing the right incentives to *sustain next-generation innovation* to improve patient well being and health system efficiencies
- **Phased Approach**
 - Determine key questions
 - Identify answers
 - Offer solutions

Partners Represent Multiple Stakeholders



Let's Start The Journey



www.GoingBelowTheSurface.org

#GoingBelowTheSurface

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Community Town Halls on Healthcare Spending

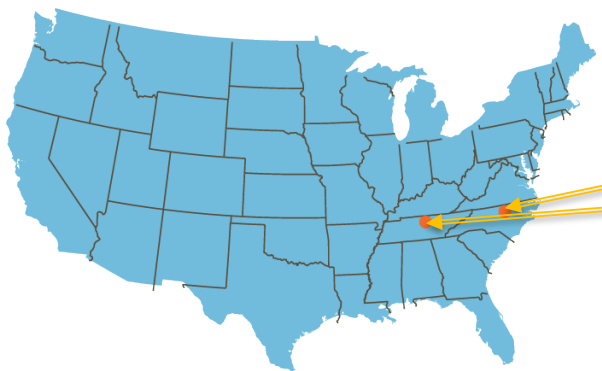
Debbie Witche, MHA
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How the Dialogue Started

- Are the conversations the same in a regional/local environment... “outside the Washington, DC beltway?”
- What are their pain-points?
- How can local constituencies influence change?

HLC's Regional Focus



- HLC's regional infrastructure was a natural fit for these conversations.
- **Raleigh, NC** and **Nashville, TN** conducted the first "beta" test programs.
- Audience comprised of various stakeholders

The Conversation - Raleigh

- Do we spend too much as a nation on healthcare?
- If so, how should we allocate these dollars?
- If not, can we get greater benefit from our dollars spent?
- What trade-offs are you willing to make to decrease healthcare spending?

The Conversation - Nashville

- Challenge Questions
 - The patients' responsibility of caring for their own health
 - Who says "No?"



More to come...

- Follow-up focus groups for town hall attendees to dig deeper into the conversation.
- Explore ways to expand town hall dialogues across the country.
- Seek out other interested groups with which to partner to conduct town halls.

Are *you* interested in conducting a town hall on healthcare spending?

contact@goingbelowthesurface.org

ENGAGING EMPLOYEES IN HEALTH BENEFIT DESIGN

Janet McNichol, SPHR, CAE, SHRM-SCP

Human Resources Director

American Speech-Language-Hearing Association

WHAT IS?





WHAT IF?

WHAT WE LEARNED



People can understand and make health insurance tradeoffs.



People will sacrifice their own preference for the good of the group.



Participating made people very accepting of plan limits.

WHAT WE LEARNED



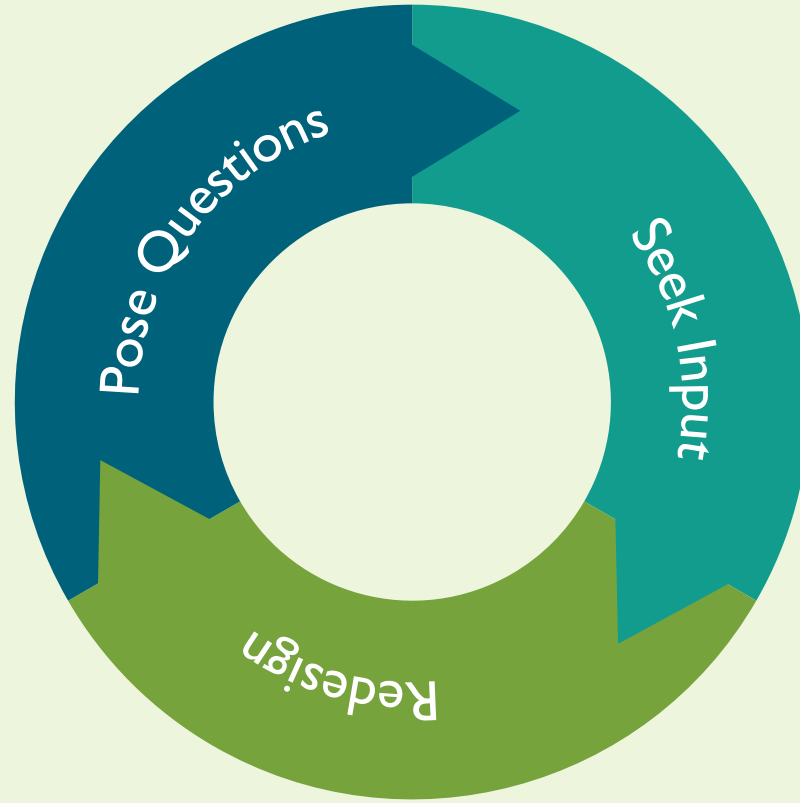
People who participated were more likely to say they have a high understanding of their health insurance.



Enrollment in our high deductible health plan increased by ten percent.



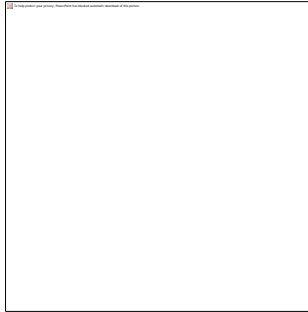
Did greater understanding give people the confidence to enroll in a high deductible health plan?



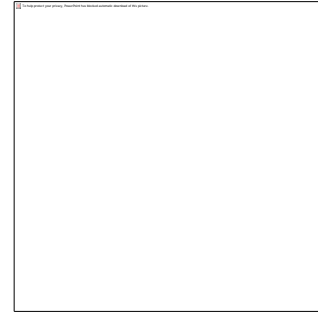
Questions?



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Thank you!