### THE AMERICAN HEALTH CARE PARADOX

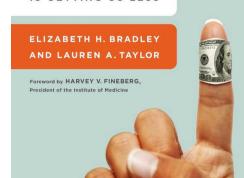
Friday, October 24<sup>th</sup>
Blue Cross Blue Shield
Foundation of Massachusetts

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WHY SPENDING MORE
IS GETTING US LESS



#### **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*



## Health Expenditures as a % of GDP, 2009\*



#### US HEALTH RANKINGS

Maternal Mortality

Rank: 25<sup>th</sup> among OECD countries

Iran #136

Life Expectancy

Rank: 26<sup>th</sup> among OECD countries



Low Birth Weight

Rank: 28th among OECD countries



# Particularly perplexing when we imagine

HEALTHCARE = HEALTH

#### What Determines Health?



#### 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

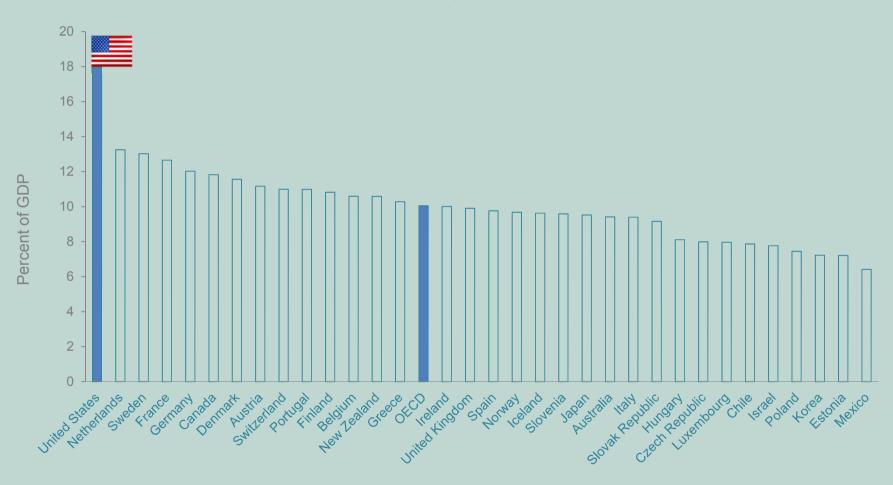


nutritional support & family assistance

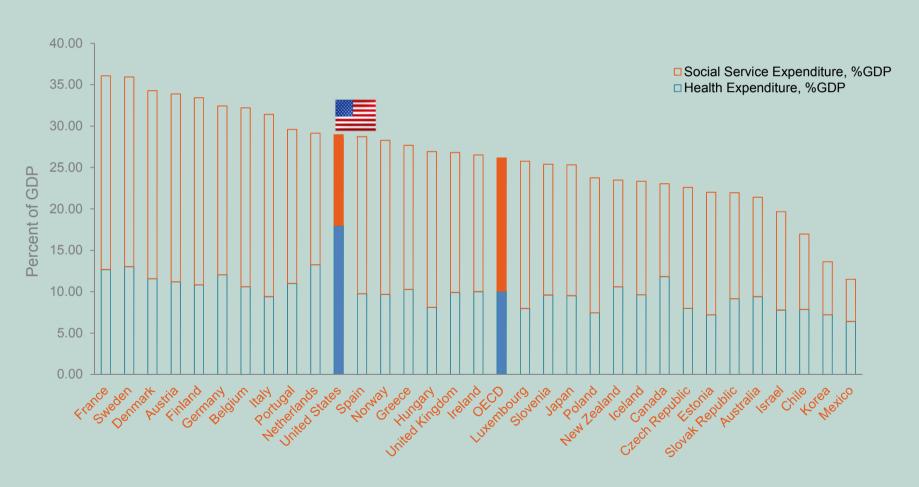


other social services that exclude health benefits

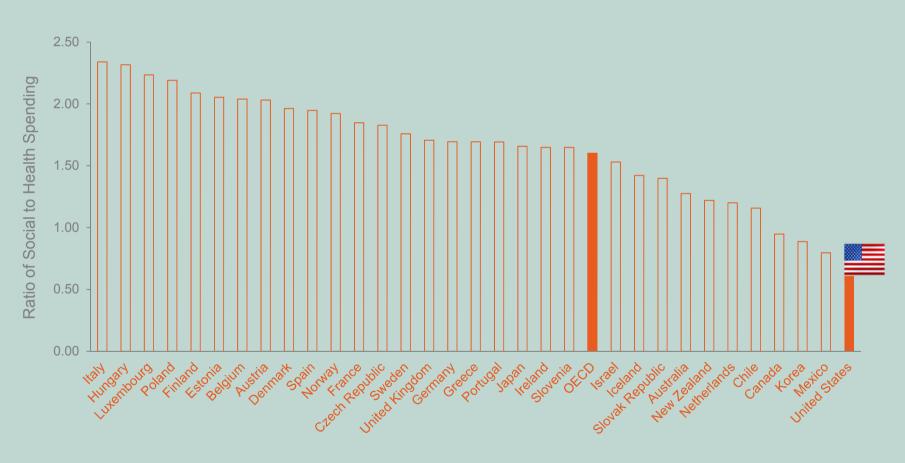
## Health Expenditures as a % of GDP, 2009\*



### Total Expenditures as a % GDP, 2009\*



## Ratio of Social to Health Expenditures, 2009\*



#### DOES IT MATTER?

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.

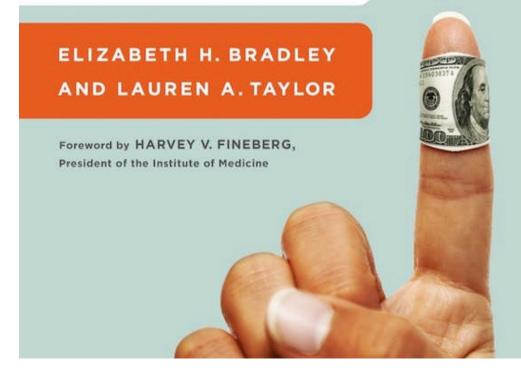
NOTE: This remained true even when the US was excluded from

the analysis.

Bradley et al, 2011

# THE AMERICAN HEALTHCARE PARADOX

WHY SPENDING MORE
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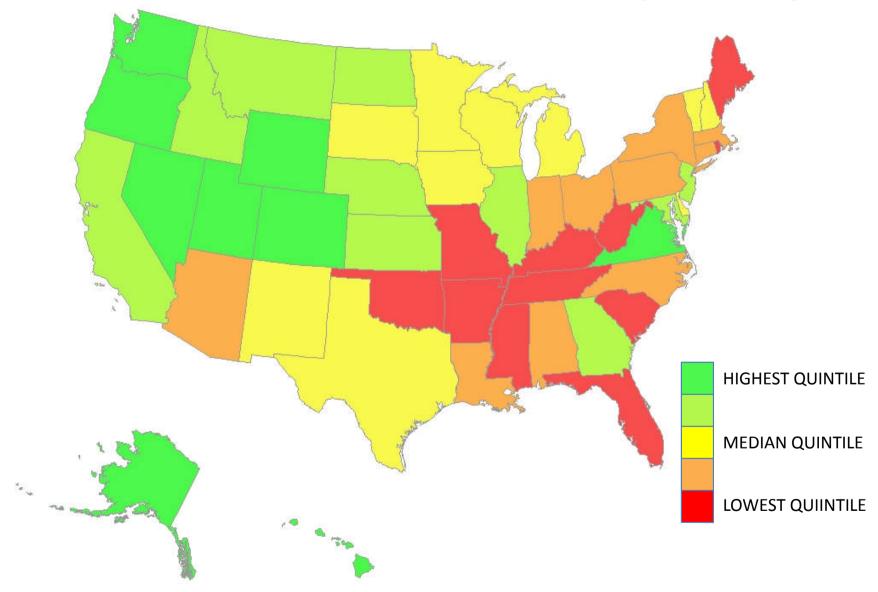


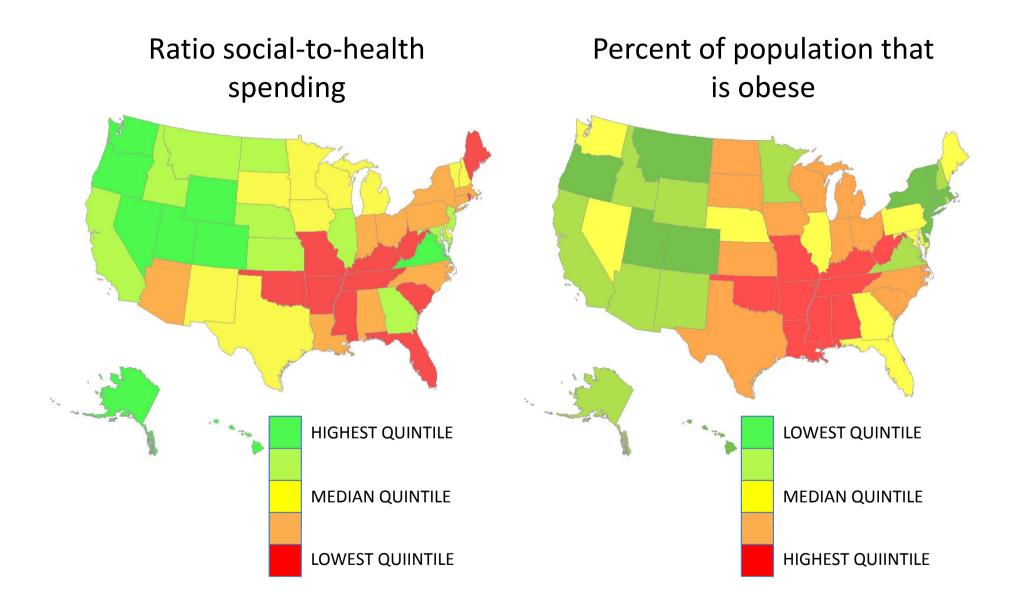
Inadequate attention to and investment in services that address the broader determinants of health is the unnamed culprit behind why the United States spends so much on health care but continues to lag behind in health outcomes.

#### Can the same be said within US?

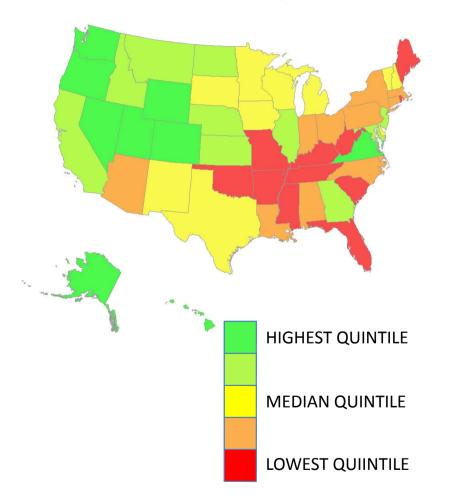
State spending in 2009	Mean %GSP	Range	MA
Health service spending	18.2%	13.0% - 26.6%	19.25%
Social service spending	11.0%	7.8% - 15.5%	12.86%

#### Ratio of social-to-health care spending\*

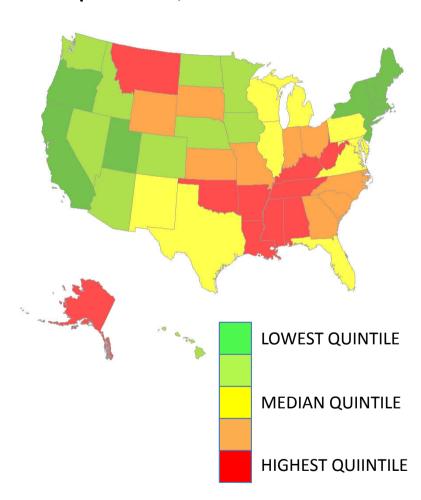




### Ratio social-to-health spending



### Post neonatal mortality rate per 100,000 live births

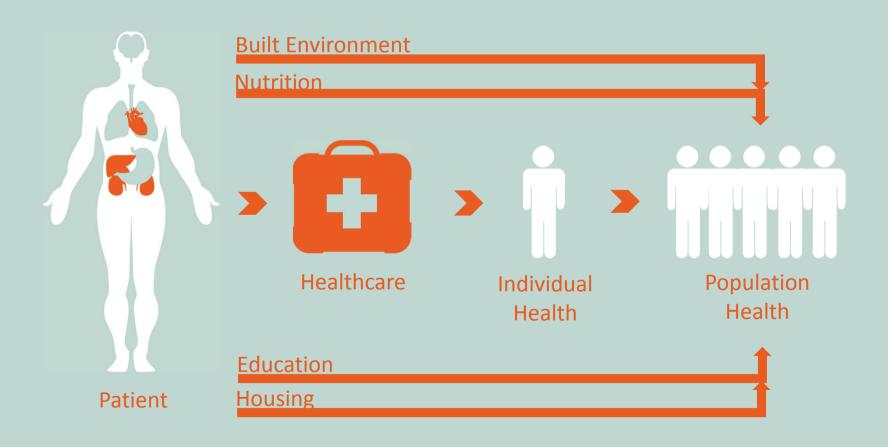




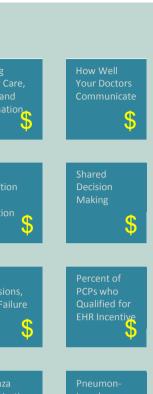


Affordable Care Act (2010)

#### The Promise of Population Health











#### **ACO** Measures & Incentives

**Adult Weight** 

Screened in 🕧 Last 2 years

Low Density

in poor control

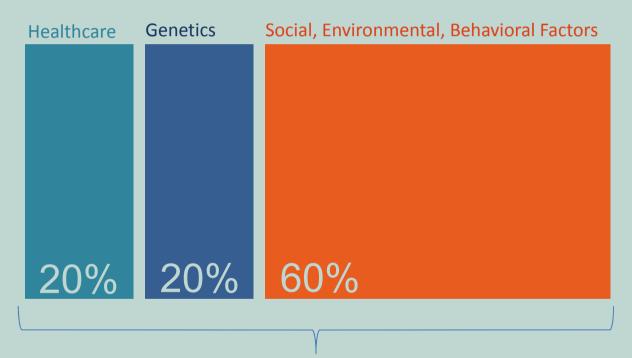
whose BP <

antithromboti

Beta blocker

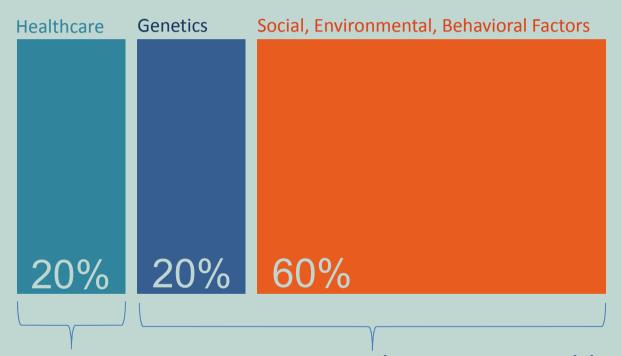
for lowering Cholesterol

#### What Happened to This Model?



Initial Vision of What ACO Would Be Responsible For

#### What Happened to This Model?



What We Paid ACOs to Be Responsible For

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!