“First, Do No Harm”
Tackling Waste in Health Care

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The best care in the world is somewhere, it’s just not everywhere.

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Co-founder, president emeritus and senior fellow at the Institute for Healthcare Improvement and former administrator of the Centers for Medicare & Medicaid Services

BEGIN WITH THE ENDING IN MIND.
• We are doing too much unnecessary stuff to patients.
• We are harming people in multiple ways.
• It doesn’t matter that the harm is not intentional.
• It won’t stop until we address it directly.
• Health care purchasers must work together to “demand” change.
• This will take courage and persistence.

A “culture of more” . . . it’s not just one thing
• Physician training and practice culture
• Culture preference for technological solutions
• Fee-for-service payment, pressure to “produce” widgets
• Defensive medicine (“thoroughness” and fear of medical malpractice)
• Aggressive marketing by developers of tests, drugs, procedures
• Lack of health literacy and patients’ minimal understanding of health care, benefits and risks
• Very little transparency on the price of health care, and almost none upfront
Physical Harm
Healthcare acquired infections
Surgical errors
Medication errors
Excessive radiation
False positives resulting in MORE . . .

Emotional Harm
Worry
Anxiety
Lower productivity
Absenteeism

Financial Harm
Debt
Bankruptcy
Devastating trade-offs: food, medication and other health care, education, housing, employment

Urban Institute: Percentage of people with medical debt in collections (2016)

Nationally:
18% overall
16% white, 21% nonwhite
Some counties over 50%

Source: https://apps.urban.org/features/debt-interactive-map/
Medical tests, treatments and procedures that have been shown to provide little or no benefit to patients in particular clinical scenarios and, in many cases, have the potential to cause harm.

What is the Health Waste Calculator?

- Milliman MedInsight tool
- Software that analyzes claims data to identify wasteful services as defined by national initiatives such as Choosing Wisely® and the U.S. Preventive Services Task Force
- Version of the HWC tool used for this report included 47 measures (there are plans to expand the number of measures in the tool over time).
- Analysis done at claim line level; includes professional and facility
- Situational intelligence creates “degree of waste” (necessary, likely wasteful, wasteful)
Our results from the Health Waste Calculator

- Results based on 2.4 million commercially insured lives in Washington state (Washington Health Alliance data base)
- Utilization reflects actual
- Costs estimated based on Milliman’s Consolidated Health Cost Source Database for Washington
  - Unit prices represent the average cost of the services for each item (commercial sector, Washington state)

High level summary – SERVICES

- 1.52 million services were examined (47 measures)
- 45.7% of examined services were determined to be low value (likely wasteful and wasteful)

High level summary – IMPACTED INDIVIDUALS

- 1,298,862 individuals received services (47 measures)
- 622,341 (47.9%) individuals received low value services (likely wasteful and wasteful)
High Level Summary – SPEND ON LOW VALUE

- An estimated $785 million was spent on services (47 measures)
- $282 million (36%) was spent on low value services (likely wasteful and wasteful)

Targeting key drivers of overuse

- These same 11 measures account for 89% of the estimated spend associated with low value.
- A total of 578,503 individuals received at least one of these 11 services.

Things to focus on in Washington:

<table>
<thead>
<tr>
<th>People Receiving Low Value Services*</th>
<th>Estimated Spend on Low Value Services*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-op lab studies and EKG, chest X-Ray, and PFT before low-risk surgery</td>
<td>100,000</td>
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<tr>
<td>Cardiac Testing</td>
<td></td>
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<tr>
<td>- Annual EKG in low-risk, asymptomatic people</td>
<td>102,600</td>
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<tr>
<td>Cardiac Stress Testing</td>
<td></td>
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<tr>
<td>Unnecessary Screening</td>
<td></td>
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<tr>
<td>- Too frequent cervical cancer screening</td>
<td>205,200</td>
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<tr>
<td>- PSA Screening for prostate cancer</td>
<td></td>
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<tr>
<td>- Vitamin D deficiency screening</td>
<td></td>
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<tr>
<td>Unnecessary Imaging</td>
<td></td>
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<tr>
<td>- For eye disease in asymptomatic people</td>
<td>96,400</td>
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<tr>
<td>- Low back pain, first 6 weeks</td>
<td></td>
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<tr>
<td>- Uncomplicated headache</td>
<td></td>
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<tr>
<td>Antibiotics for URI within 7 days of diagnosis</td>
<td>73,700</td>
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<tr>
<td>Total</td>
<td>577,900</td>
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</tbody>
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*Numbers rounded; includes wasteful and likely wasteful services
Low cost, low value services are a big driver

Remember:
• High deductibles
• Americans w/out savings

Low-value health care is affecting your organization

Unnecessary health care poses a threat to the safety and well-being of your employees—and you are paying more than you need to for quality health care.

What can you do?
Call to Action
5-Point Plan for Healthcare Purchasers

Why do doctors over-treat? (decisions driven by health care provider)
• Defensive medicine, fear of malpractice
• Patient demand
• Lack of information
  – Access to medical records
  – Lack of previous medical history
  – Borderline indications
  – Hassle of coordinating with other doctors (duplication)
• Financial incentives
  – Fee for service (do more, get paid more)
  – Pressure from colleagues or institution (medical group, hospital)
  – Performance evaluation tied to “productivity”

Demand (decisions driven by patient)
• Low health literacy levels across socio-economic groups
• Too much “information” – too little understanding
  – Direct-to-consumer marketing
  – Internet overload, with (sometimes) unreliable information
• Inadequate communication between provider and patient
  – Lack of shared decision-making and patient decision aids
• Very limited transparency about quality and cost, particularly that is relevant to the individual
Get behind this work AND make sure the organization(s) you work with are part of a collective, high priority community-wide effort.

- Ensure organizational leadership “from the top.” HR managers can’t tackle health care costs and overuse alone, without sponsorship and cover from CEOs and CFOs.
- A collective voice is more effective in getting provider attention
  - Only the largest purchasers can shape the health care market, and even they recognize there are limits when they work alone
  - Join a regional health improvement collaborative in your market – be an active participant
  - C-suite participation is essential

Understand the data

- Data can help you understand what kind of care you are buying
  - How are your employees using health care (in aggregate)
  - What are the primary drivers of your health care costs
- But your data by itself isn’t enough
  - For a full picture, you need community-wide results in your market for health care quality, overuse, experience and cost of care
  - How do you compare?
  - Join with others to push for full transparency

The goal is to get people to consider important information BEFORE they agree to tests, procedures or new medications.

- Newsletters
- Employee intranet
- Social media
- Job training
- Summary of benefits
- HR manual
- Open enrollment forms
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<th>Patient-facing (impact demand)</th>
<th>Provider-facing (impact supply)</th>
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<td>• Educational materials that support shared decision-making (&quot;patient decision aids&quot;)</td>
<td>• Coverage policies (medical necessity)</td>
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<td>• Coverage for second opinions</td>
<td>• Provider contracting includes measures of overuse (along with other quality, access and patient experience measures)</td>
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<td>• Transparency for quality and price (OOP) that is relevant to them</td>
<td>• Payment models (e.g. accountable care/total cost of care linked to quality, bundles with warranties)</td>
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<td>• MUST couple this with other strategies (education, transparency)</td>
<td>• Centers of Excellence with incentives</td>
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<td>• Network design</td>
<td>• Provider profiling</td>
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<td>• Prior authorization</td>
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Thank you!
Find our results on the Community Checkup website:
www.wacommunitycheckup.org

For more information:
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