

Health Reform: Moving Toward a Sustainable Healthcare System

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Health Reform Remains in Flux

The Patient Protection and Affordable Care Act was signed into law in March of last year. The law was, in fact, very much a first draft.

More than half of the States have sued, arguing that a key part of the ACA act are unconstitutional.

On December 13th, Judge Henry Hudson (Virginia) ruled that individuals may not be compelled to purchase a product (health insurance).

On January 19th the House voted to repeal the ACA in its entirety.

On January 27th, Orrin Hatch introduced legislation in the Senate to repeal the individual mandate and employer mandate in the ACA bill.

On January 31st, Judge Roger Vinson in Florida ruled similarly to Judge Hudson, but added that the lack of a severability clause in the bill means "the whole act is declared void."

“[Unless something dramatic is done] Medicare and Medicaid will place an impossible burden on society, particularly on those currently under 35 years of age.”

The Heritage Foundation, 2011

“Medicare spending is unsustainable and will bankrupt the United States. Immediate and dramatic controls on spending are required to have any chance of averting catastrophe.”

The Center for American Progress, 2011

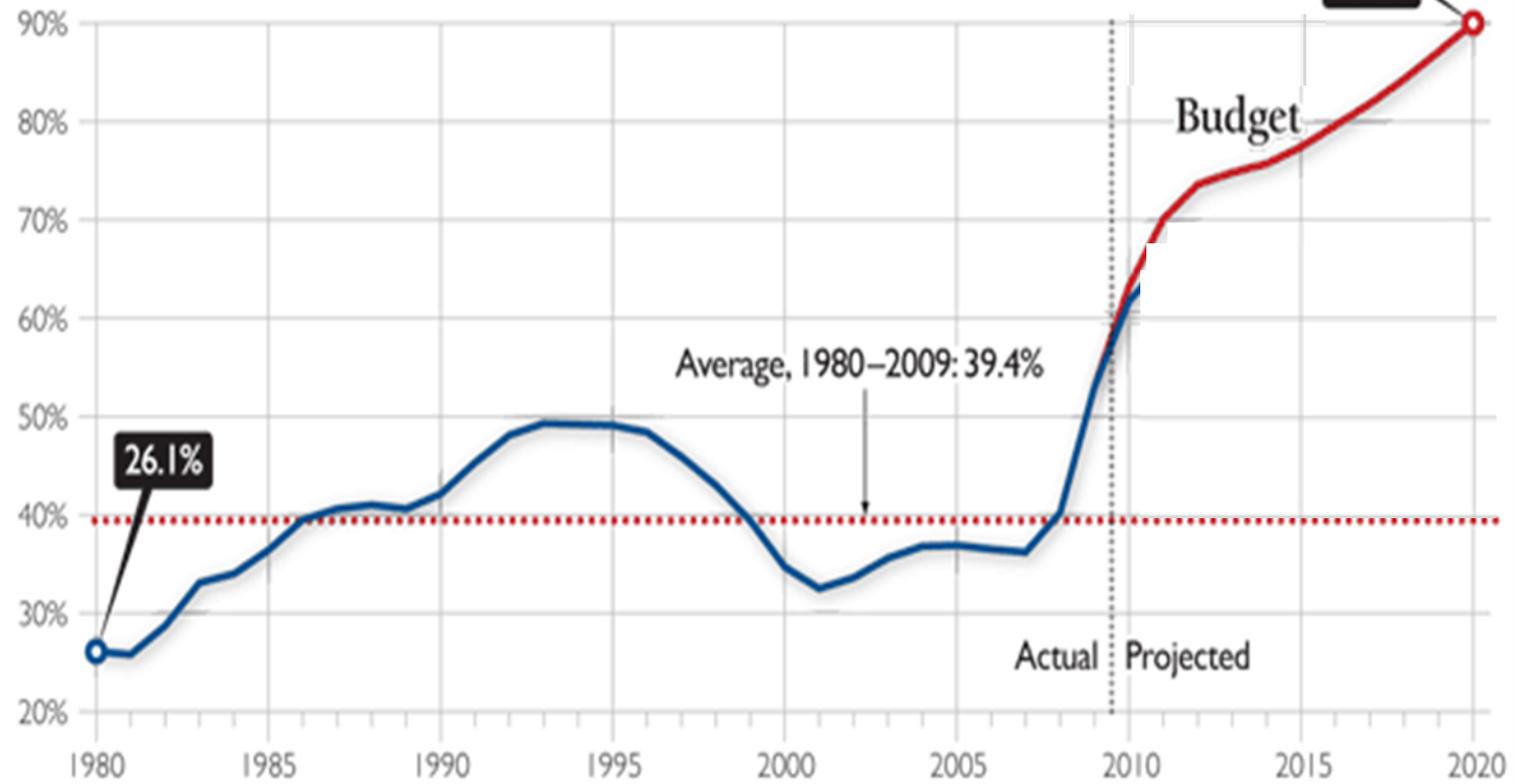
Source: The Heritage Foundation: Slay the Beast and Save Us From Dramatic Debt, January, 2011

Source: The Center for American Progress: Touting the Benefits of Health Reform, January, 2011

“America cannot be great if we go broke.”

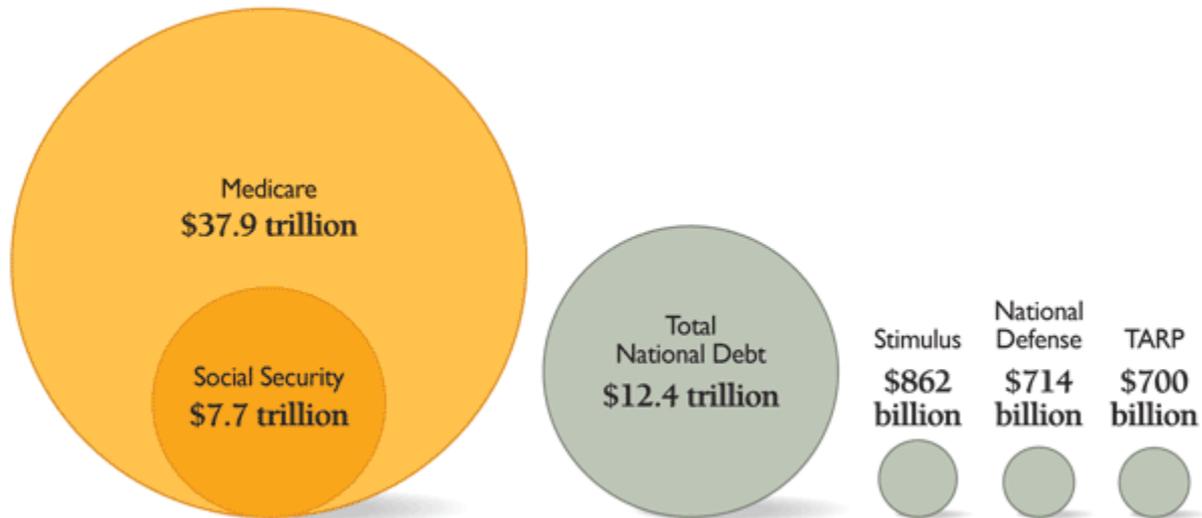
*Source: Simpson-Bowles, “Co-Chairs’ Proposal,” November, 2010
National Commission of Fiscal Responsibility*

DEBT AS A PERCENTAGE OF GDP



Source: Congressional Budget Office and White House Office of Management and Budget.

UNFUNDED OBLIGATIONS



Source: U.S. Department of the Treasury, U.S. Government Accountability Office, and Congressional Budget Office.

S.B. 180: Medicaid Reform

Chief Sponsor: Daniel R. Liljenquist

“This bill:

requires the Department of Health to develop a proposal to modify the Medicaid program in a way that maximizes replacement of the fee-for-service delivery model with one or more risk-based delivery models;”

$$\frac{\text{Cost}}{\text{Person}} = \frac{\text{Episodes}}{\text{Person}} \times \frac{\text{Processes}}{\text{Episode}} \times \frac{\text{Cost}}{\text{Process}}$$

Population
Utilization

Intracase
Utilization

Efficiency

Variation = Opportunity

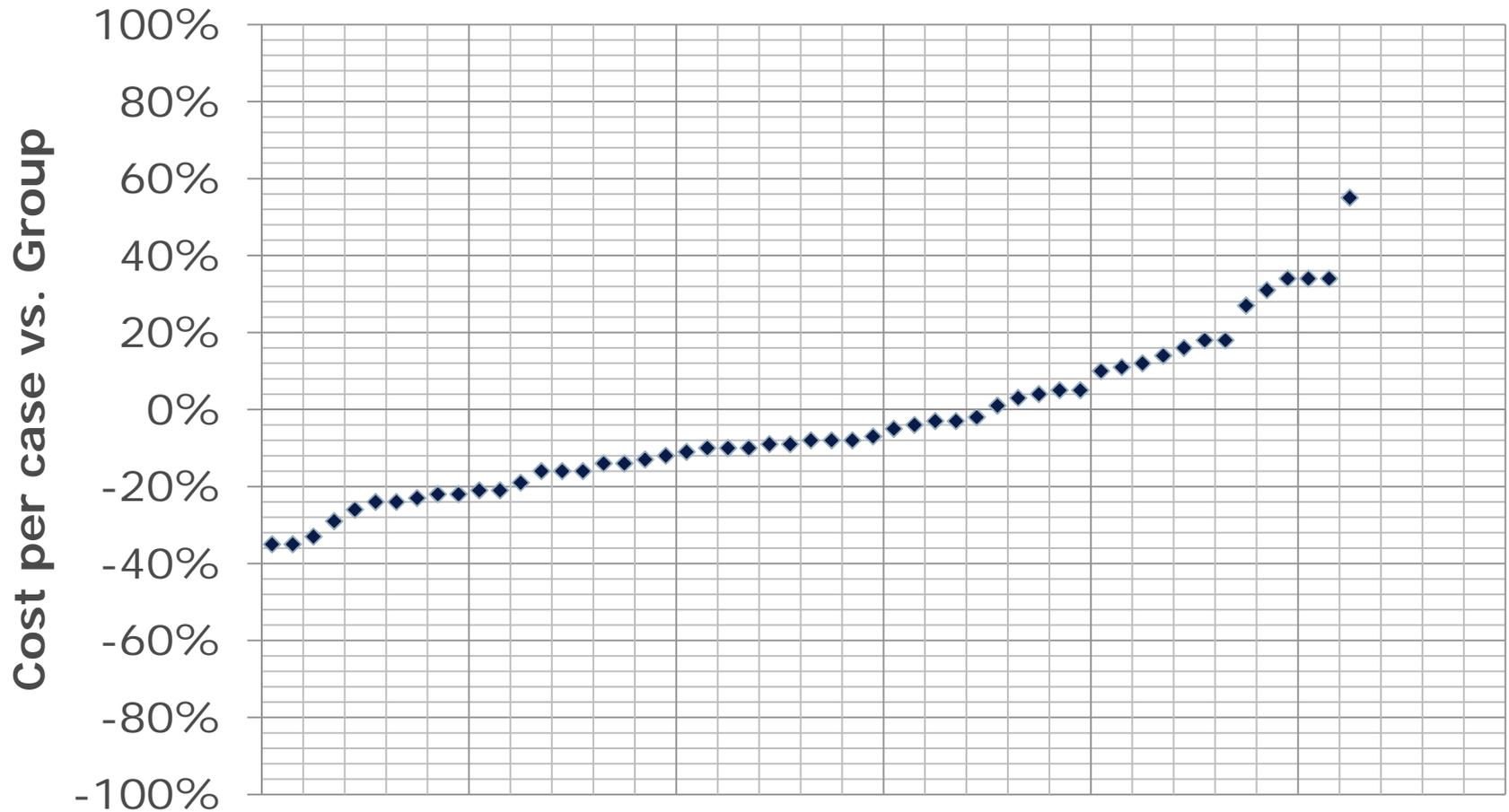
(Generally)

Population
Utilization

Intracase
Utilization

Efficiency

High Reputation Hospitals and Cost Per Case (For Like Cases)



Identifying Efficiency and Intracase Utilization Differences

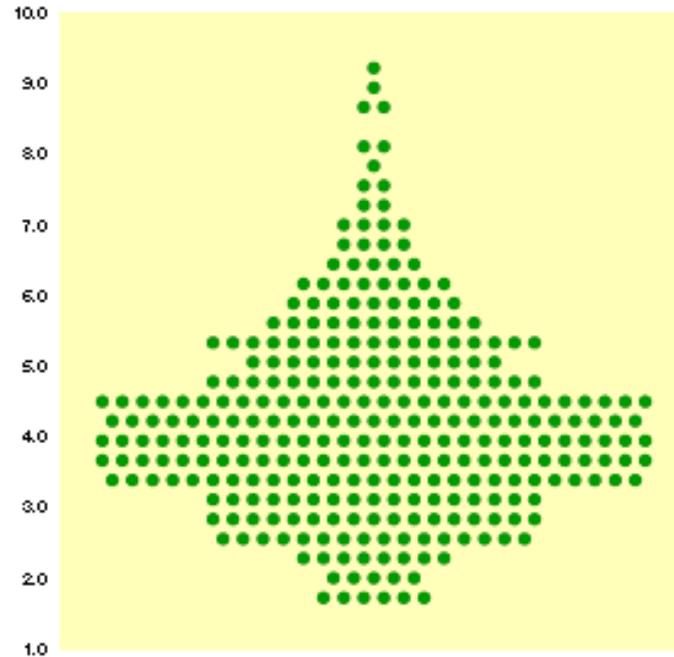
- *Length of Stay*
- *Intensive Care Percentage*
- *Intracase Imaging Use*
- *Laboratory Use*
- *Surgical Use*
- *ER use for Inpatient Care*

Variation – 25th Percentile vs. 75th Percentile

	Population Utilization	Intracase Utilization	Efficiency
National		40%	25%
Regional (Utah*)		25%	15%

**Results based on Utah data. Other regions may have different results, but are probably directionally similar.*

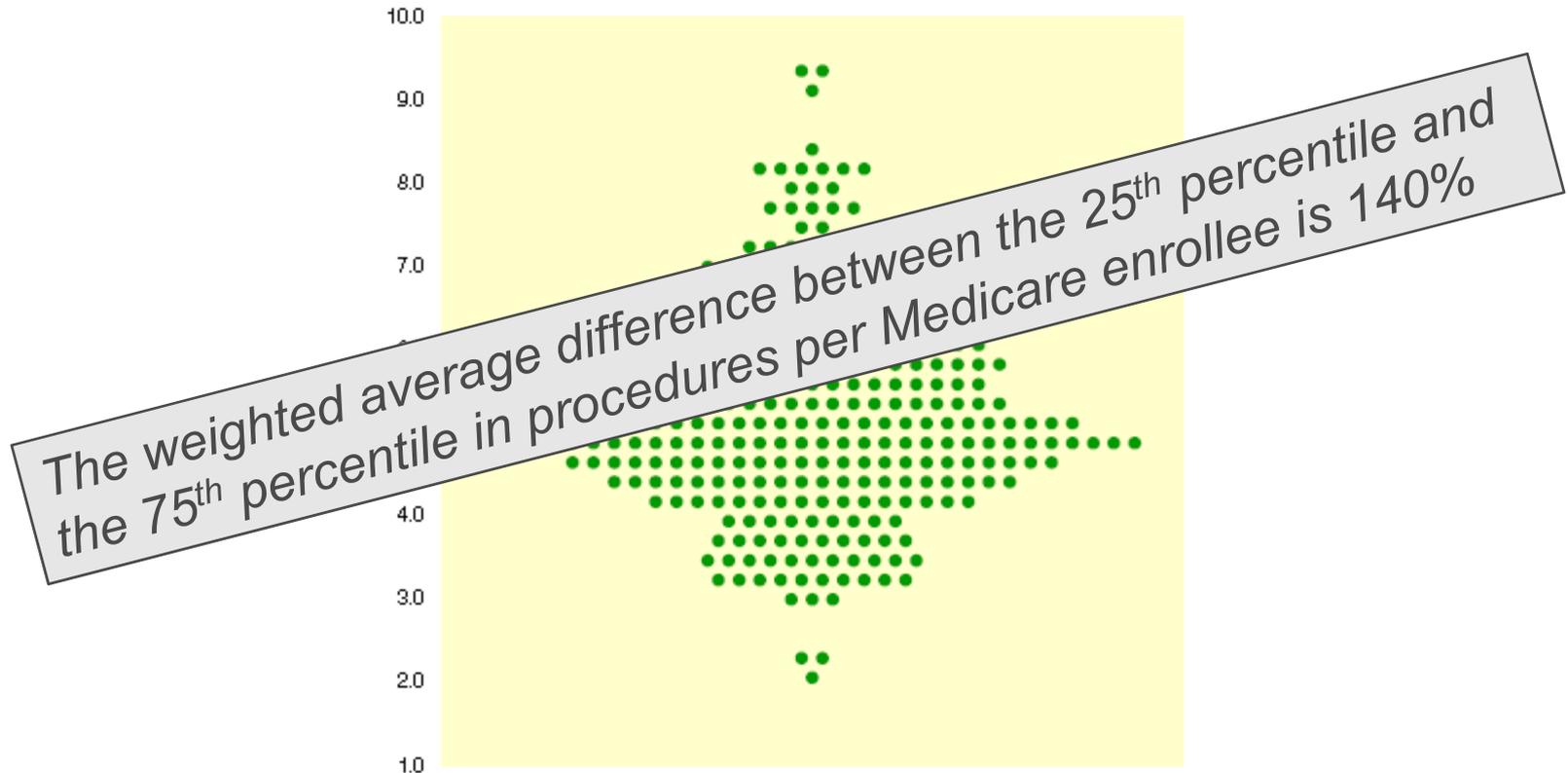
“It’s the Population Utilization”



Spine Surgery Use Rate per 1,000 Medicare Enrollees

Source: *The Dartmouth Atlas of Health Care: Studies of Surgical Variation*

“It’s the Population Utilization... Really”

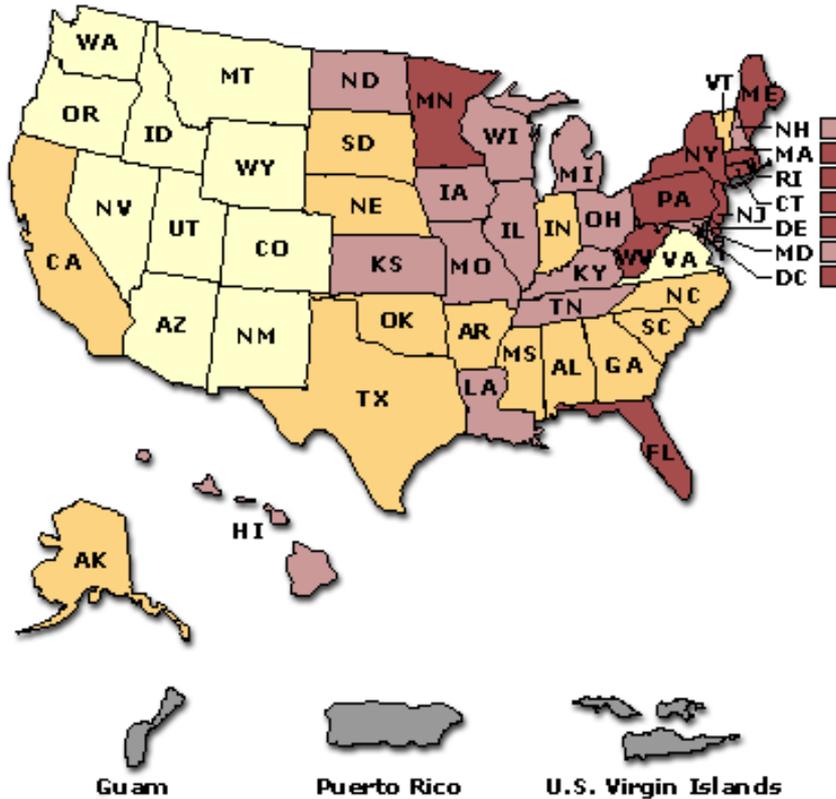


Coronary Artery Bypass Rate per 1,000 Medicare Enrollees

Source: *The Dartmouth Atlas of Health Care: Studies of Surgical Variation*

← Back to web view

Per Capita Personal Health Care Expenditures



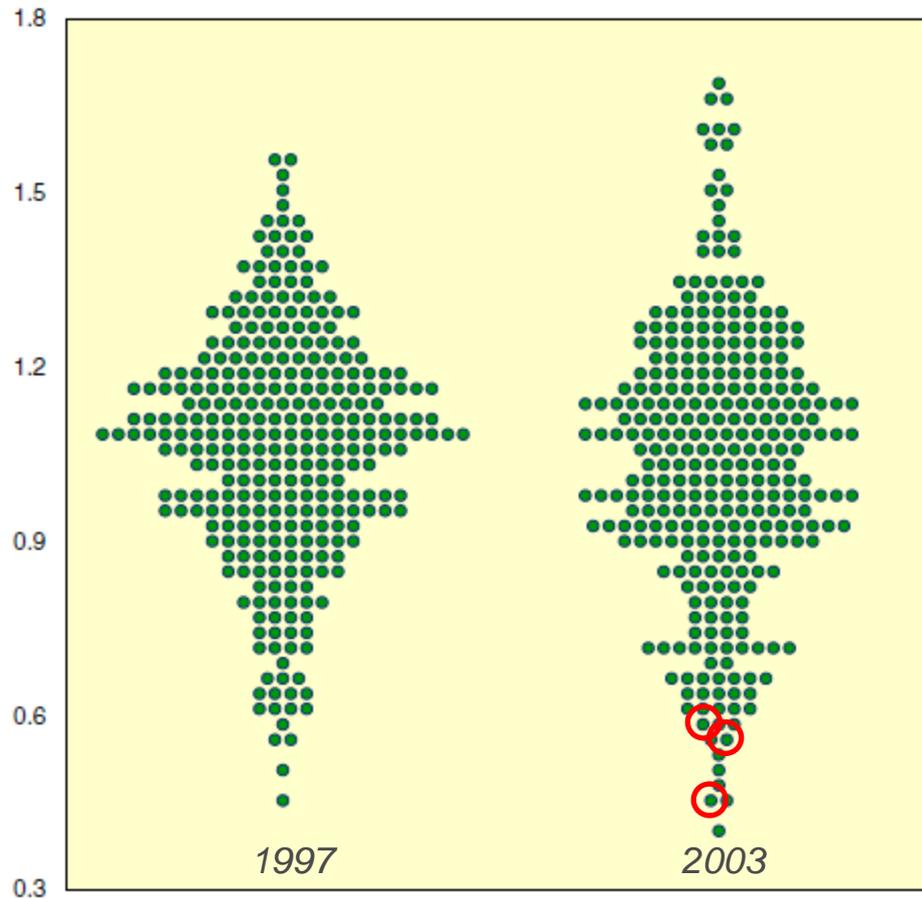
Less than \$3,397
 \$3,397 to \$3,675
 \$3,676 to \$3,881
 More than \$3,881
 No data available/NSD

Rank		Per Capita Total Expenditures
	United States	\$3,759
1	District of Columbia	\$6,656
2	Massachusetts	\$4,810
3	New York	\$4,706
4	Connecticut	\$4,656
5	Rhode Island	\$4,497
6	Delaware	\$4,258
7	New Jersey	\$4,197
8	Pennsylvania	\$4,168
9	Florida	\$4,046
10	West Virginia	\$4,044
11	Maine	\$4,025
12	Minnesota	\$3,986
13	North Dakota	\$3,981
14	Maryland	\$3,848
15	Wisconsin	\$3,845
16	New Hampshire	\$3,840
17	Tennessee	\$3,808
18	Illinois	\$3,801
19	Hawaii	\$3,770
20	Iowa	\$3,765
21	Missouri	\$3,754
22	Ohio	\$3,747
23	Louisiana	\$3,742
24	Kentucky	\$3,711
25	Kansas	\$3,707
26	Michigan	\$3,676
27	Vermont	\$3,654
28	South Dakota	\$3,650
29	Alabama	\$3,630
30	Nebraska	\$3,627
31	Indiana	\$3,566
32	Arkansas	\$3,540
33	North Carolina	\$3,535
34	South Carolina	\$3,529
35	Georgia	\$3,505
36	Mississippi	\$3,474
37	Alaska	\$3,442
38	California	\$3,429
39	Oklahoma	\$3,397
39	Texas	\$3,397
41	Washington	\$3,382
42	Wyoming	\$3,381
43	Oregon	\$3,334
44	Colorado	\$3,314
45	Montana	\$3,314
46	Virginia	\$3,284
47	New Mexico	\$3,209
48	Nevada	\$3,147
49	Arizona	\$3,100
50	Idaho	\$3,035
51	Utah	\$2,731

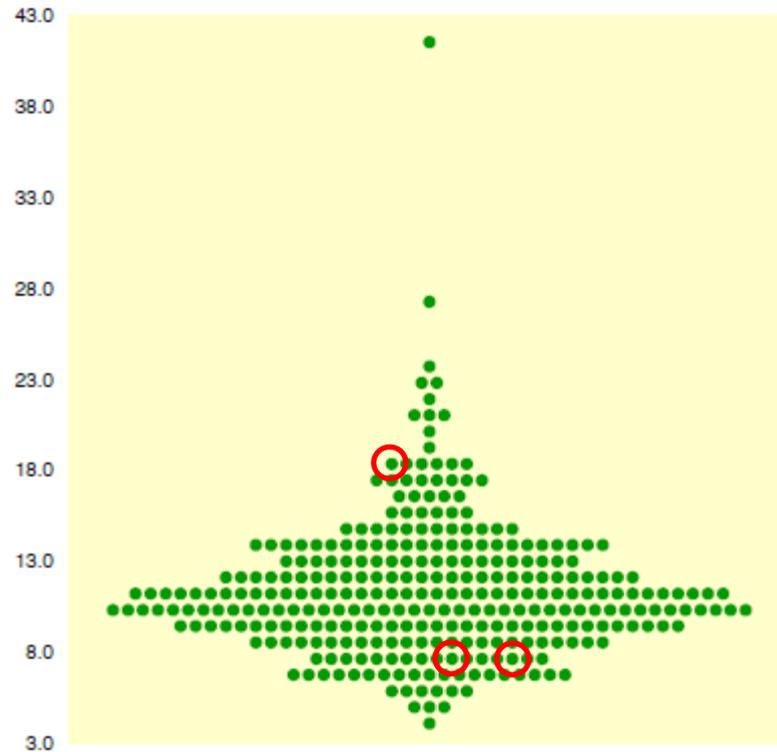
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Abdominal Aortic Aneurysm Repairs per 1,000 Medicare Enrollees

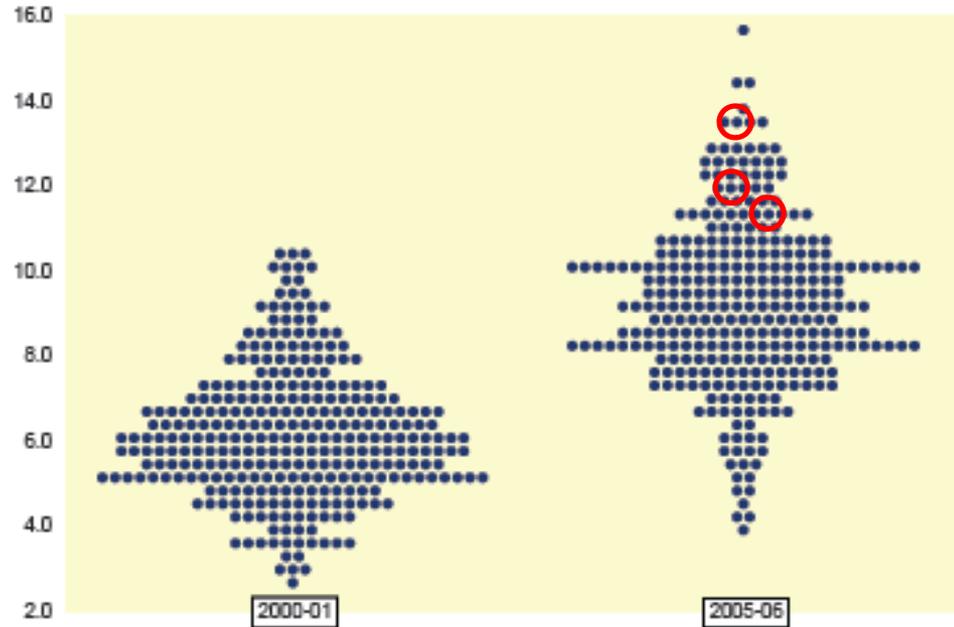


Percutaneous Coronary Interventions per 1,000 Medicare Enrollees



Source: Dartmouth Atlas of Healthcare

Knee Replacements per 1,000 Medicare Enrollees



Source: Dartmouth Atlas of Healthcare

Variation in Hospital Utilization Percent Deviation from Mean Based on County of Residence

Examples of Health-System Related Issues

	Salt Lake	Utah	Davis	Weber
Knee Joint Replacement	-7	0	+18	+8
Inpatient Major Depression / Psychoses	+10	-33	-8	+45
Uterine Procedures (Hysterectomy)	+4	-17	+15	-17
Kidney/Urinary Infections	+22	+1	-31	-14
Dorsal/Lumbar Fusion	+1	+11	-7	+21
Intervertebral Disc Excision	+4	+12	-9	-13
Pancreas Disorder exc. Malignancy	+12	-28	-26	+37
Pulmonary Edema & Respiratory Failure	+21	-32	-60	+14
Hip and Femur Proc. Except Joint Repl.	+2	-5	+21	+7

Variation – 25th Percentile vs. 75th Percentile

	Population Utilization	Intracase Utilization	Efficiency
National	140%	40%	25%
Regional (Utah*)	50%	25%	15%

**Results based on Utah data. Other regions may have different results, but are probably directionally similar.*