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A High Performance Health System for the U.S.: *The Challenge*

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www.cmwf.org

The “Big Picture”



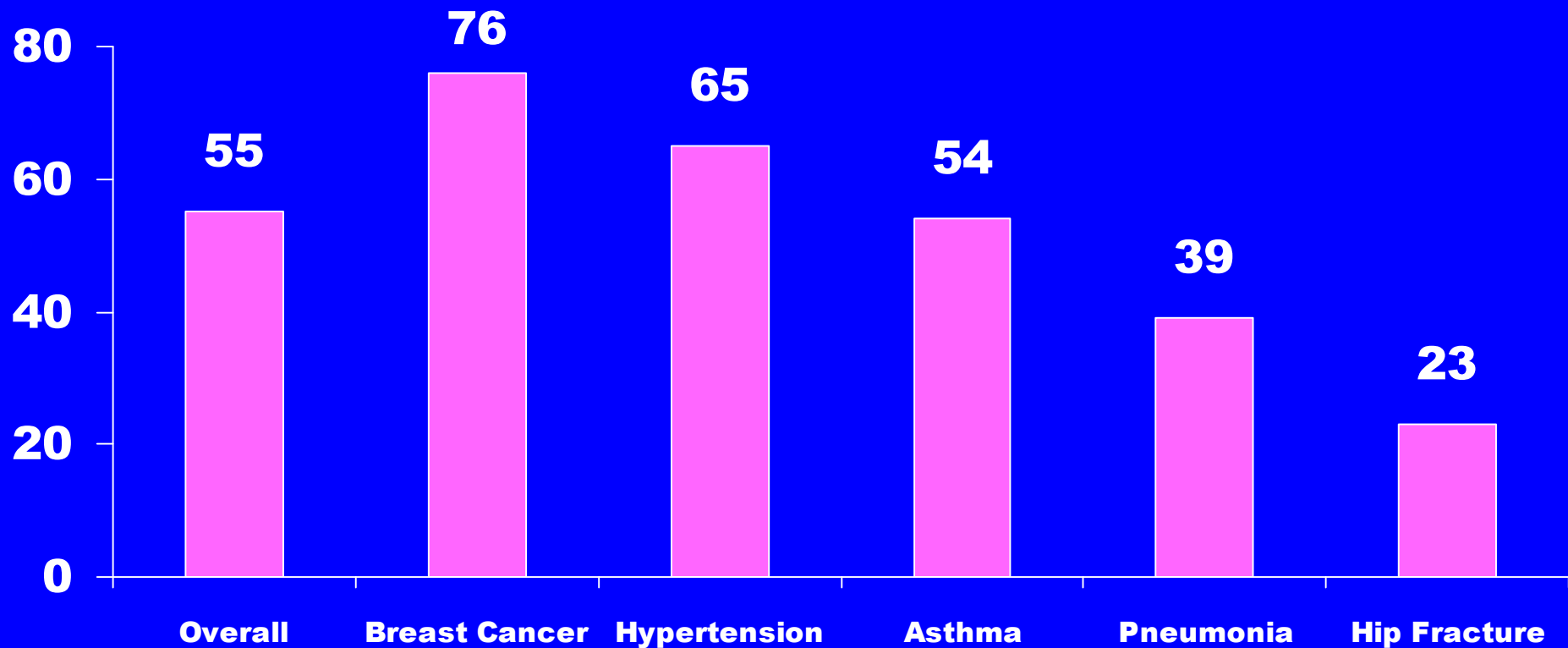
Quality of Care

“The Quality Chasm”



U.S. Adults Receive Half of Recommended Care and Quality Varies Significantly By Medical Condition

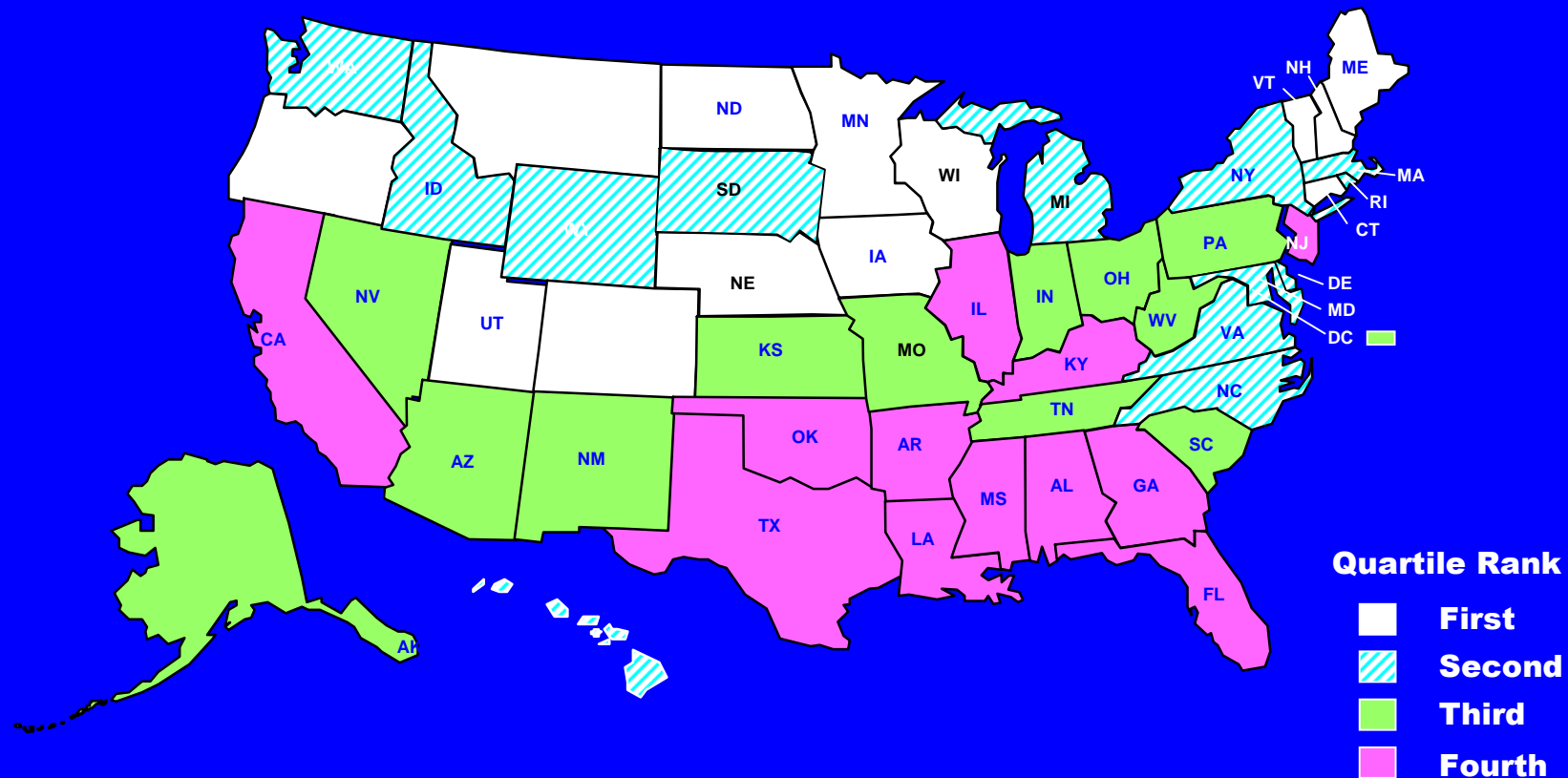
Percent of Recommended Care Received



Source: McGlynn et al., "The Quality of Health Care Delivered to Adults in the United States," *The New England Journal of Medicine* (June 26, 2003): 2635–2645.



Provision of Appropriate Care Performance on Medicare Quality Indicators, 2000–2001



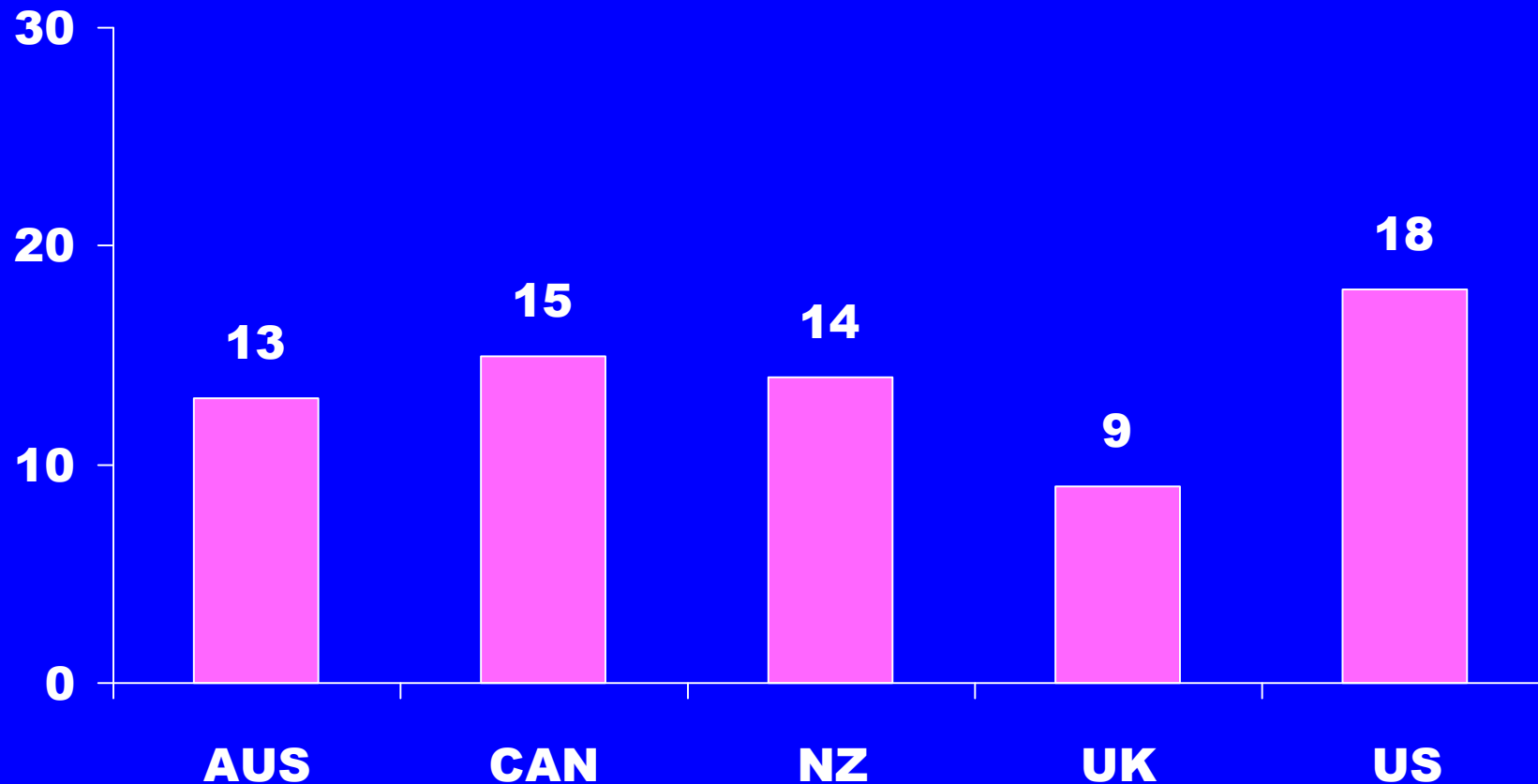
Note: State ranking based on 22 Medicare performance measures.

Source: S.F. Jencks, E.D. Huff, and T. Cuerdon, "Change in the Quality of Care Delivered to Medicare Beneficiaries, 1998–1999 to 2000–2001," *Journal of the American Medical Association* 289, no. 3 (Jan. 15, 2003): 305–312.



Medication or Medical Mistake Caused Serious Health Consequences in Past Two Years

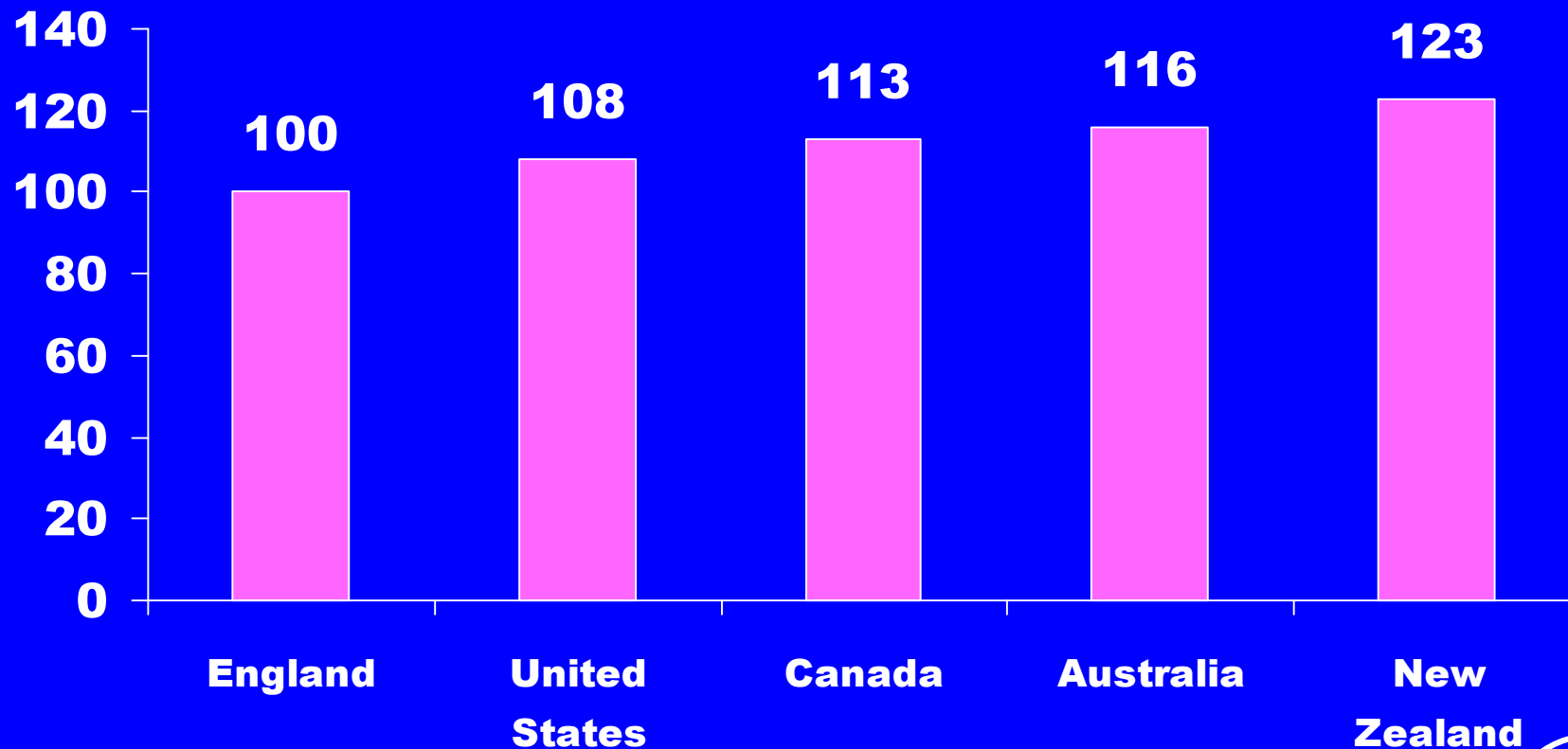
Percent reporting medication or medical mistake that caused serious health consequences in past two years:



Source: The Commonwealth Fund 2002 International Health Policy Survey of Sicker Adults.

Colorectal Cancer 5-year Relative Survival Rate

Standardized Performance on Quality Indicator
100=Worst Result; Higher Score=Better Results



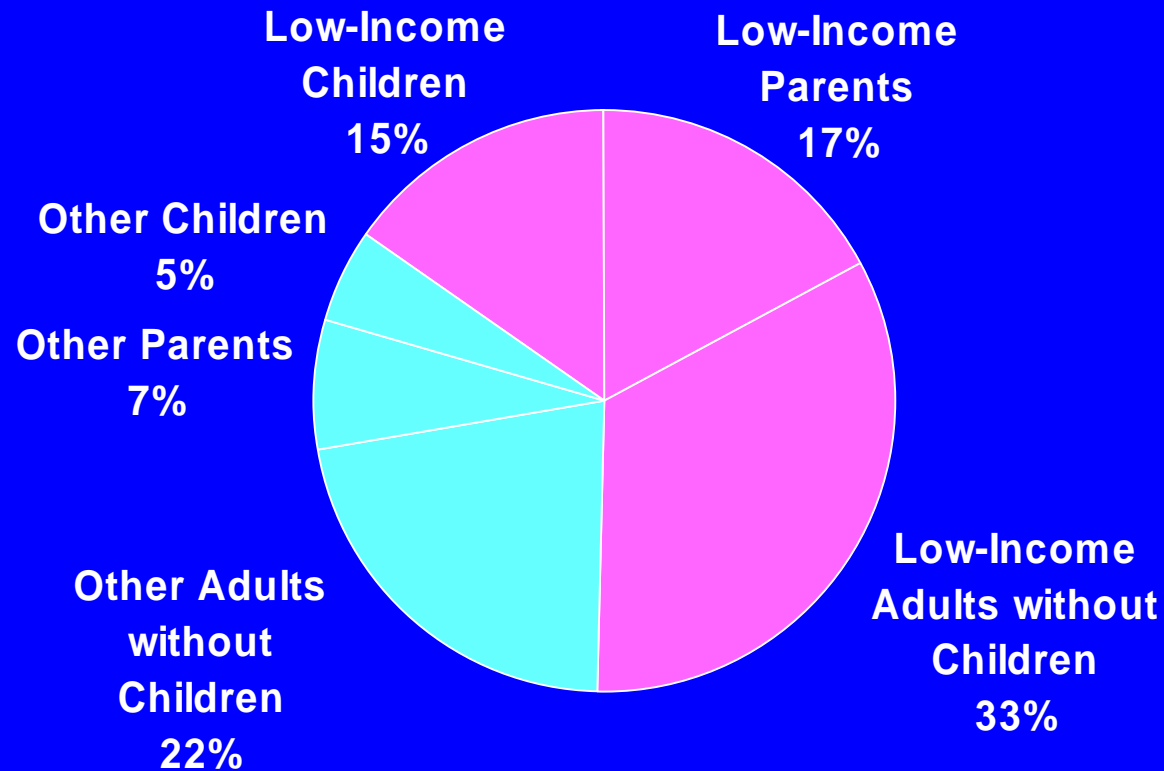
Source: P.S. Hussey, G.F. Anderson, R. Osborn et al., "How Does the Quality of Care Compare in Five Countries?" *Health Affairs* (May/June 2004).



Coverage & Access to Care



The Nonelderly Uninsured, by Age and Income Groups, 2003



Total = 44.7 million

Note: Low-income is defined as below 200% of the federal poverty level (\$29,360 for a family of three in 2003).

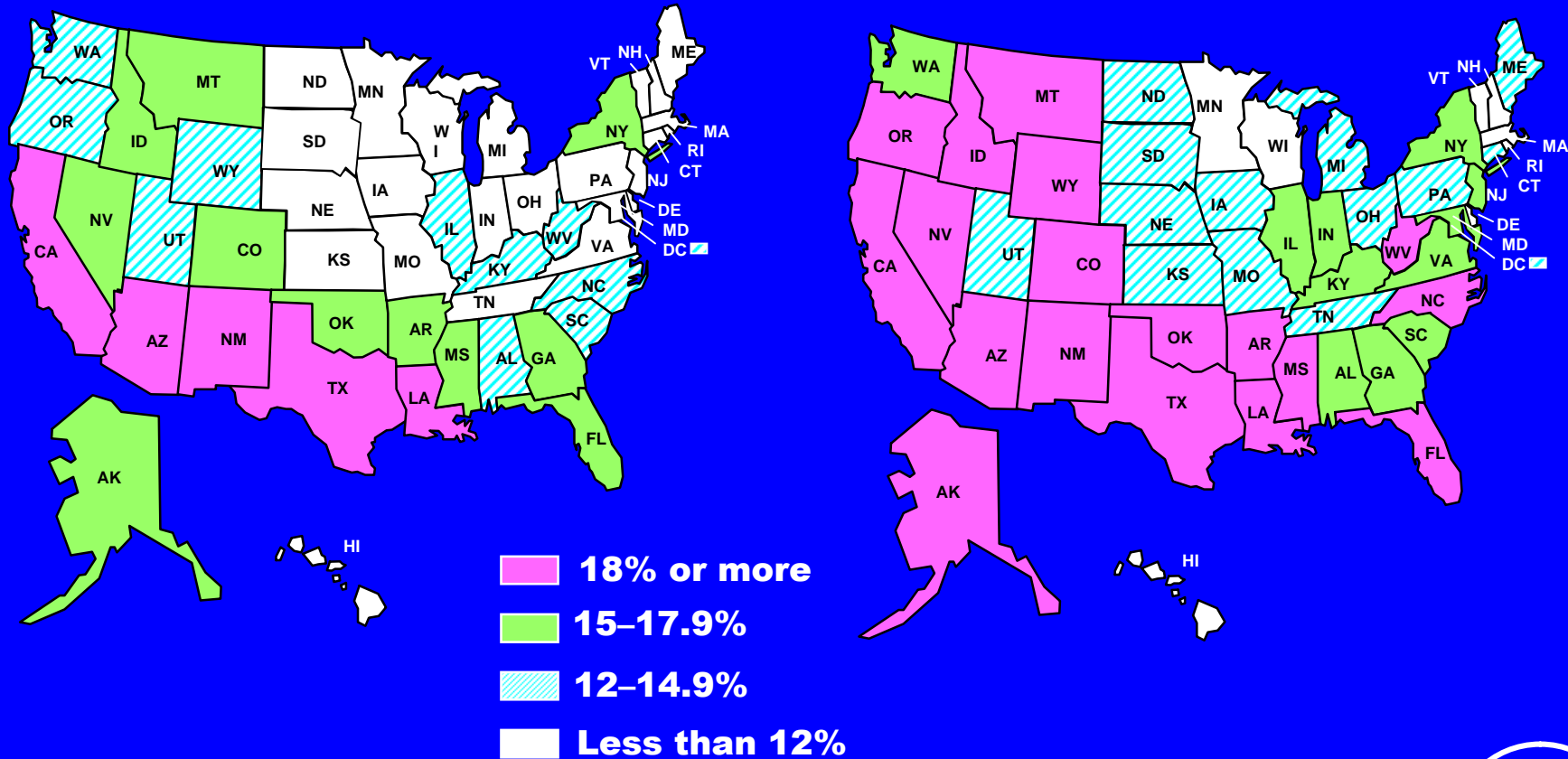
Source: KCMU and Urban Institute analysis of the March 2004 Current Population Survey.



Percent of Non-Elderly Population Uninsured by State

1999-2001

2001-2003

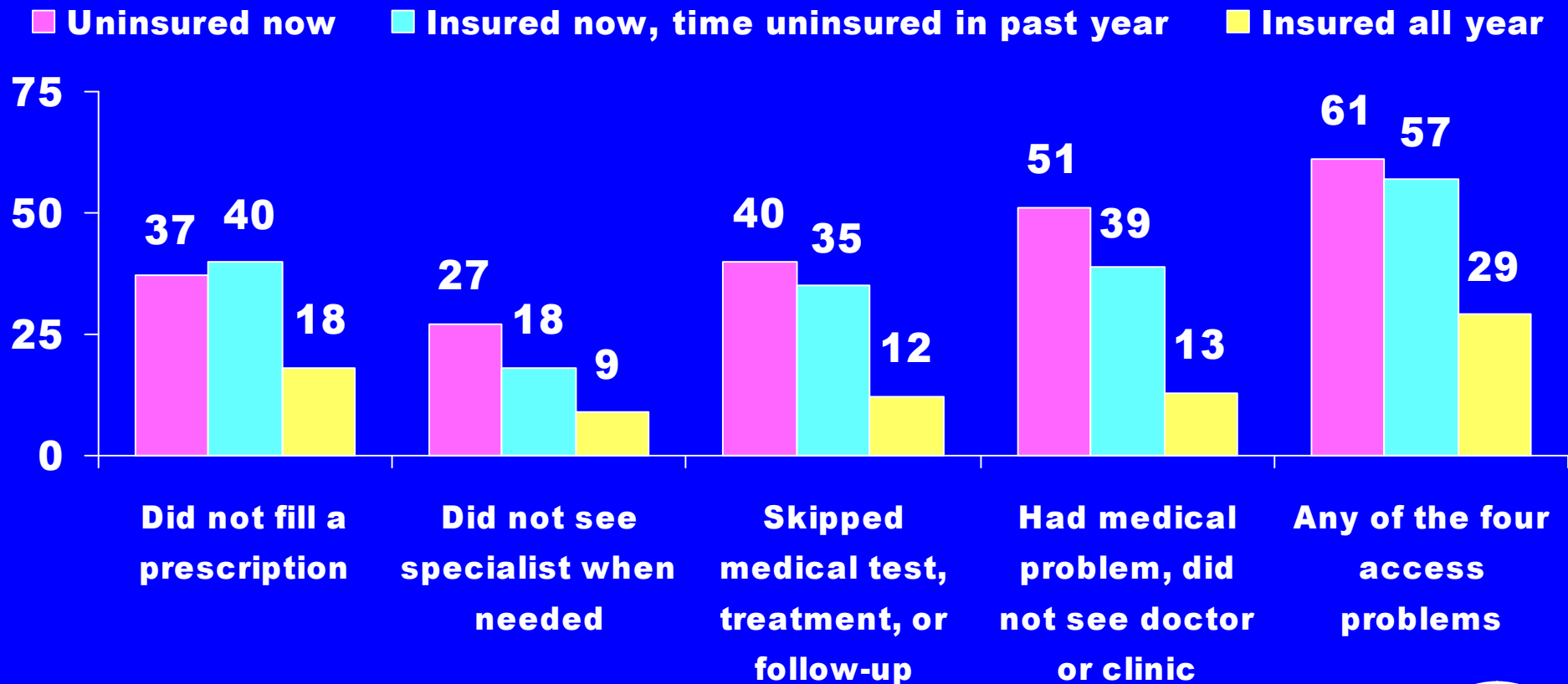


Source: *Health Insurance Coverage in America: 2003 Data Update Highlights*, KCMU/Urban Institute, September 27, 2004. Uninsured rates are two year averages, 2001-2003.



Lacking Health Insurance for Any Period Threatens Access to Care

Percent of adults ages 19–64 reporting the following problems because of cost:

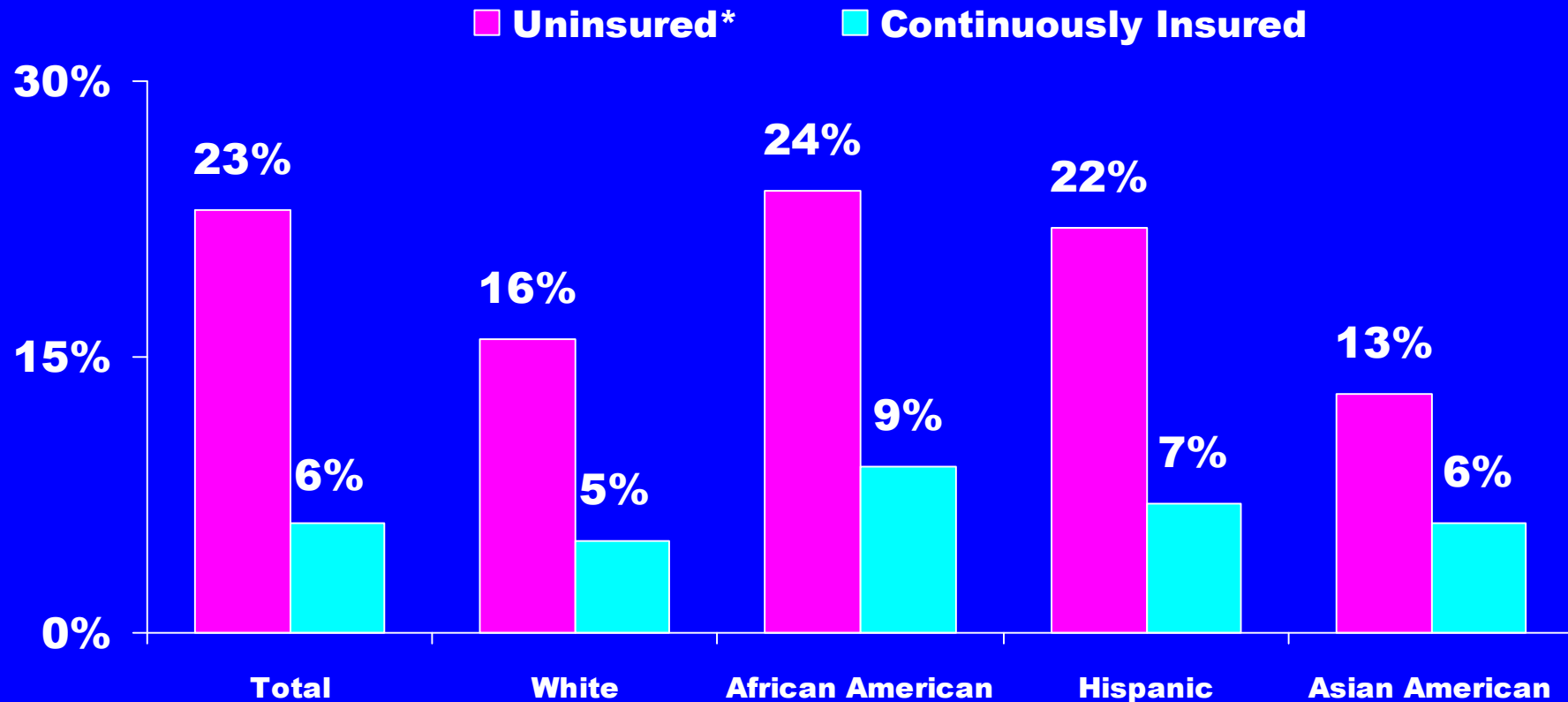


Source: Sara R. Collins, Michelle M. Doty, Karen Davis et al., *The Affordability Crisis in U.S. Health Care: Findings From The Commonwealth Fund Biennial Health Insurance Survey*, The Commonwealth Fund, March 2004.



Many Uninsured Have No Regular Place of Care & There Are Racial/Ethnic Disparities

Percent of adults 18–64 who used an emergency room as usual source of care, or had no regular place for health care in the past year



* Adults uninsured at any time in past year.

Source: Karen Collins, et al. *Diverse Communities, Common Concerns: Assessing Health Care Quality for Minority Americans*. The Commonwealth Fund, March 2002.

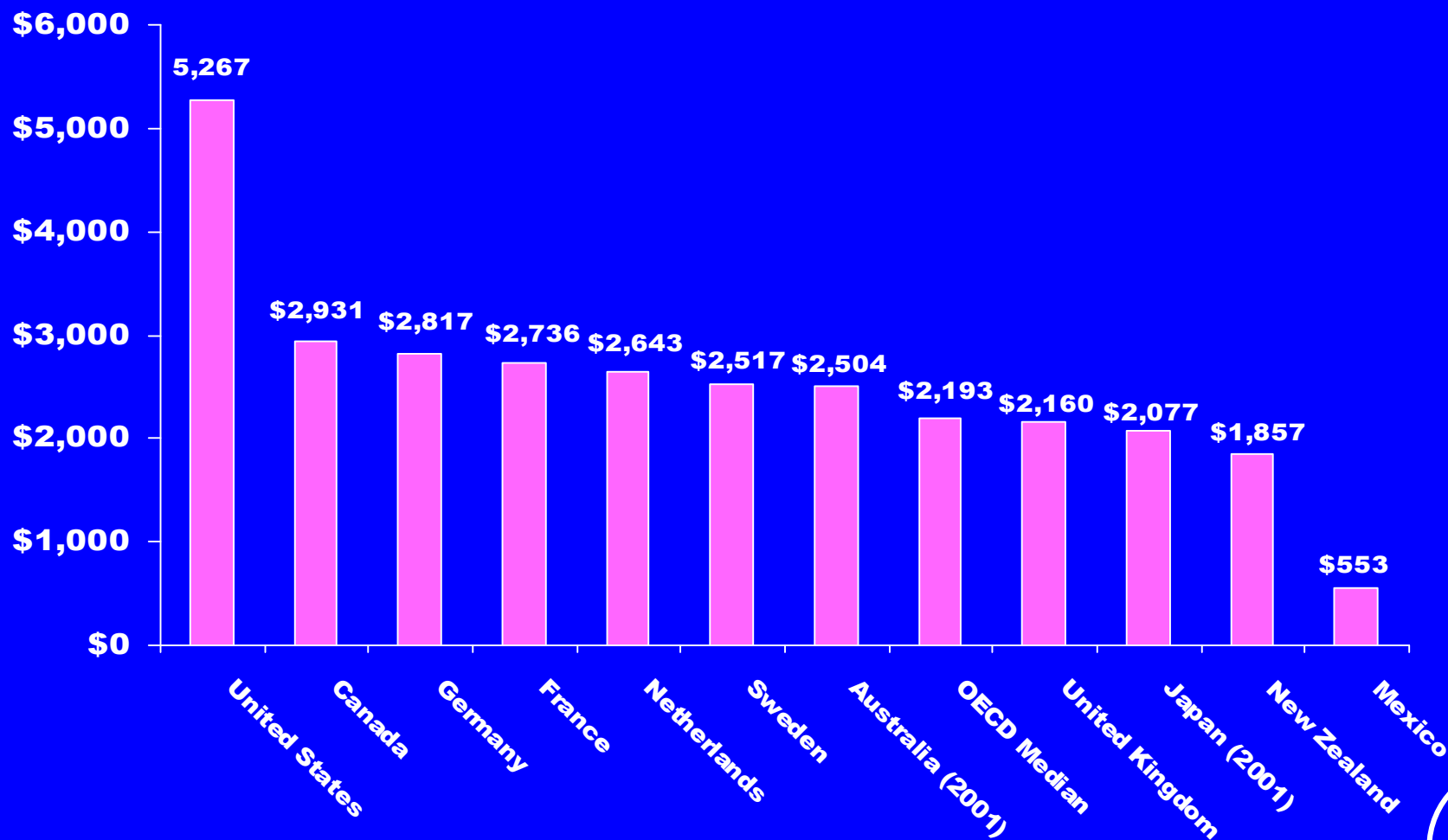


Health Care Expenditures



Health Care Spending Per Capita in 2002

Adjusted for Differences in Cost of Living



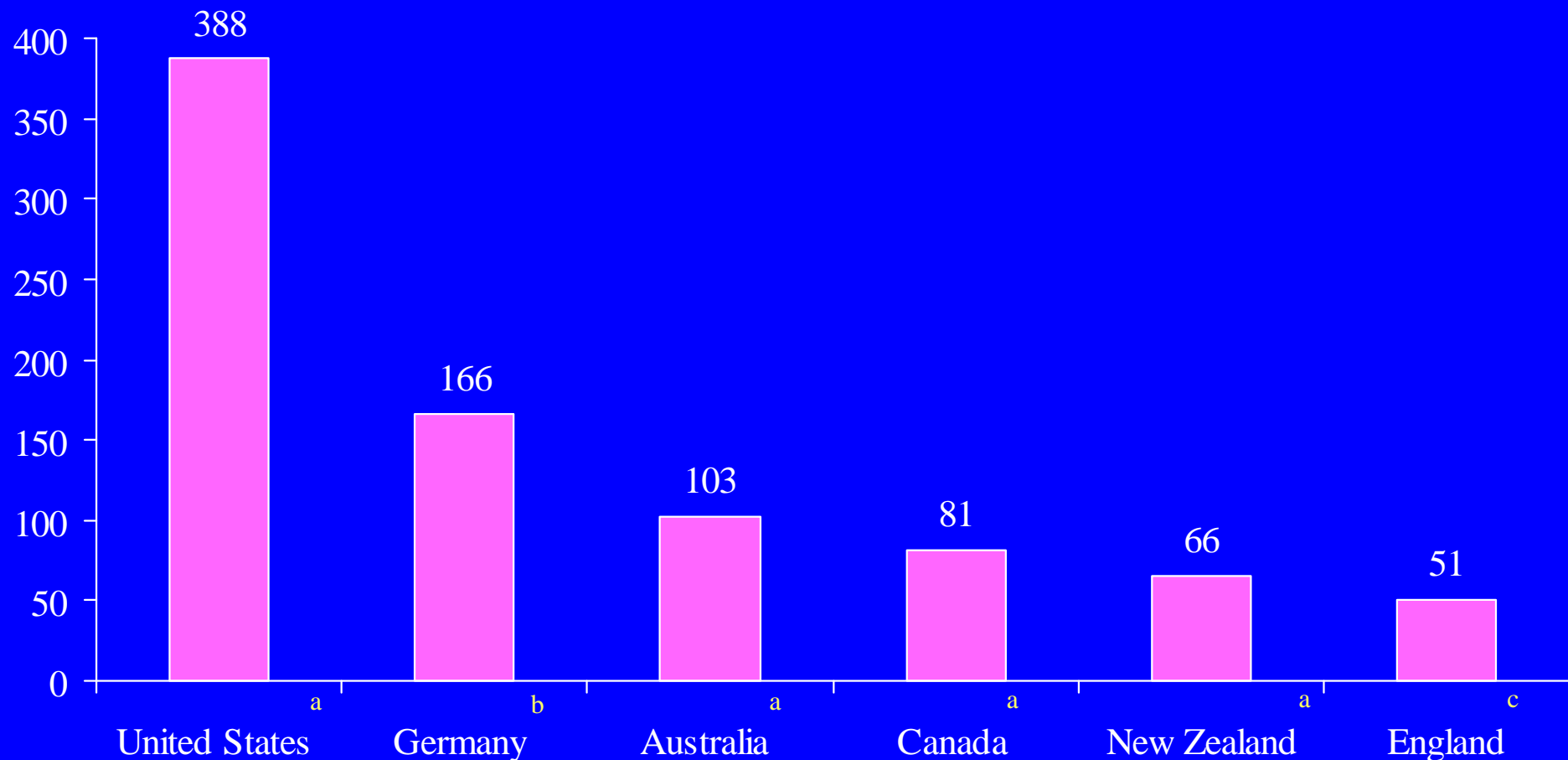
Source: OECD Health Data



Why Are Relative Costs So High?

- **More utilization of expensive specialized procedures**
- **Higher prices per unit (hospital day, physician visit, pharmaceuticals)**
- **Administrative complexity**

Coronary Angioplasty Procedures per 100,000 Population



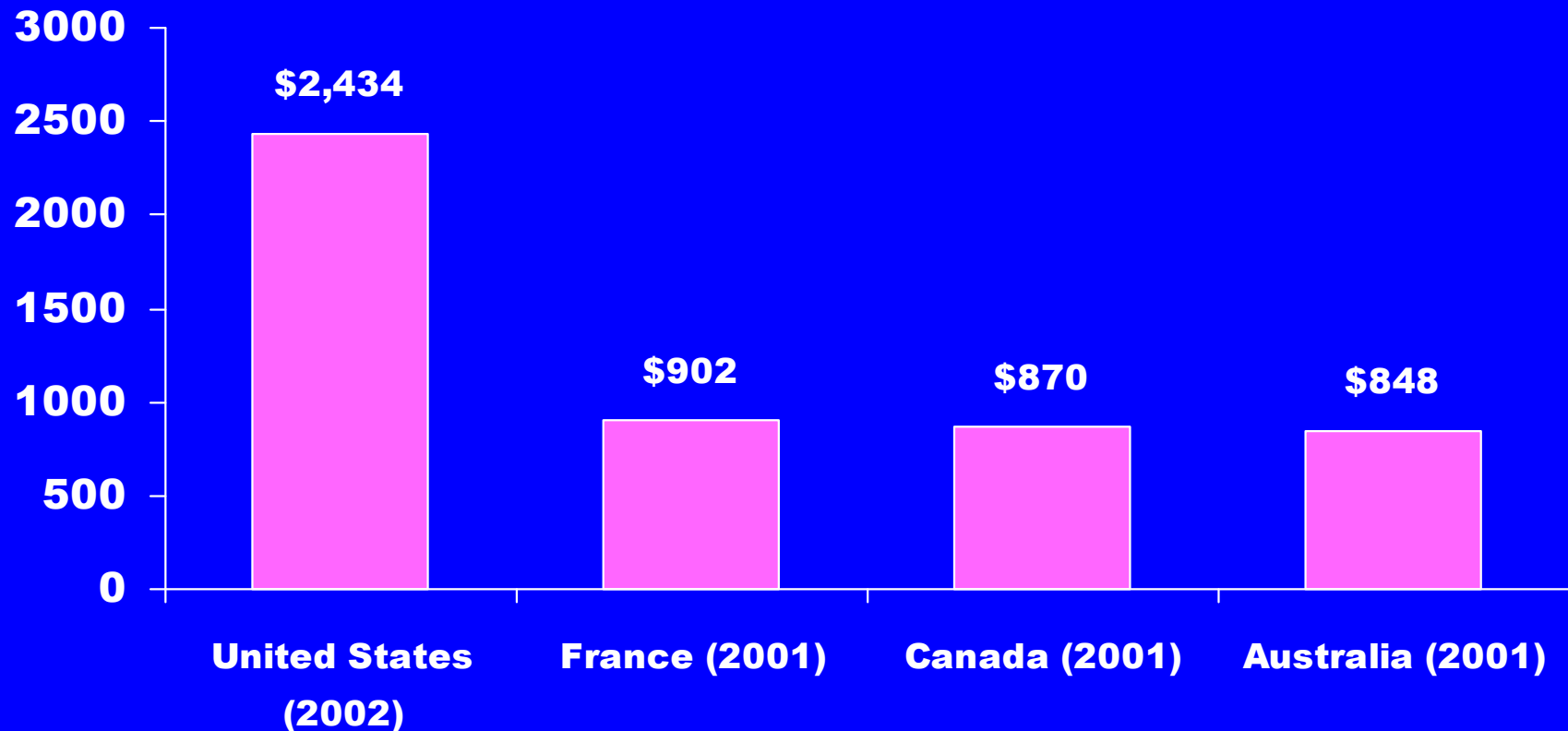
a 1999
b 1997
c 2000

Sources: OECD Health Data 2002; U.K. Department of Health



Hospital Expenditures Per Day

Adjusted for Differences in Cost of Living



Source: OECD Health Data



Per Capita Spending on Physician Services in 2000

Adjusted for Differences in the Cost of Living



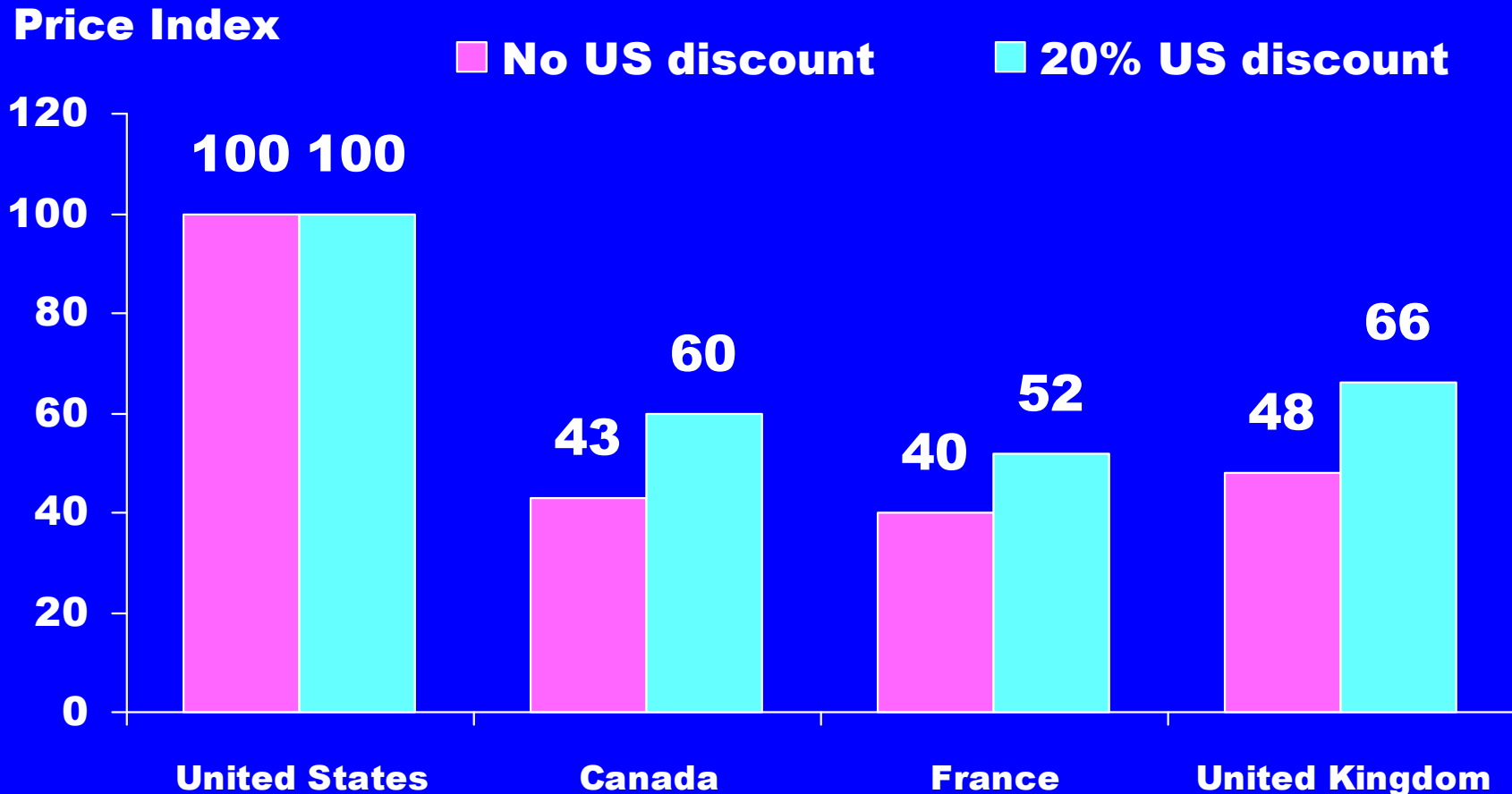
^a 1999

^b 1998

Source: OECD Health Data 2002

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Relative Prices of Thirty Pharmaceuticals in Four Countries, 2003

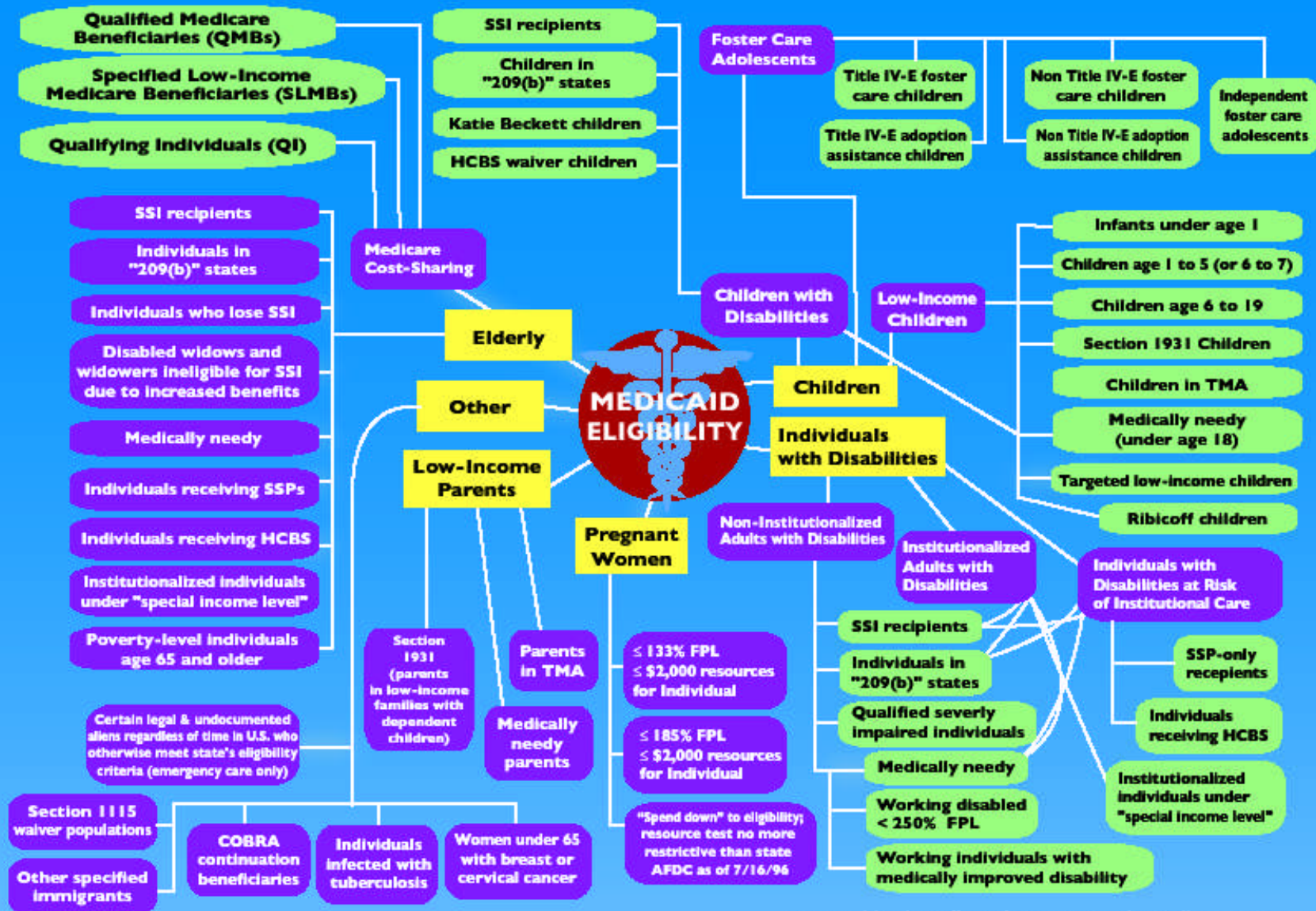


* Analysis of IMS health data

Source: G.F. Anderson, D. Shea, P.S. Hussey et al., "Doughnut Holes and Price Controls, *Health Affairs* web exclusive (July 21, 2004).



There Must Be 50 Ways To Qualify for Medicaid

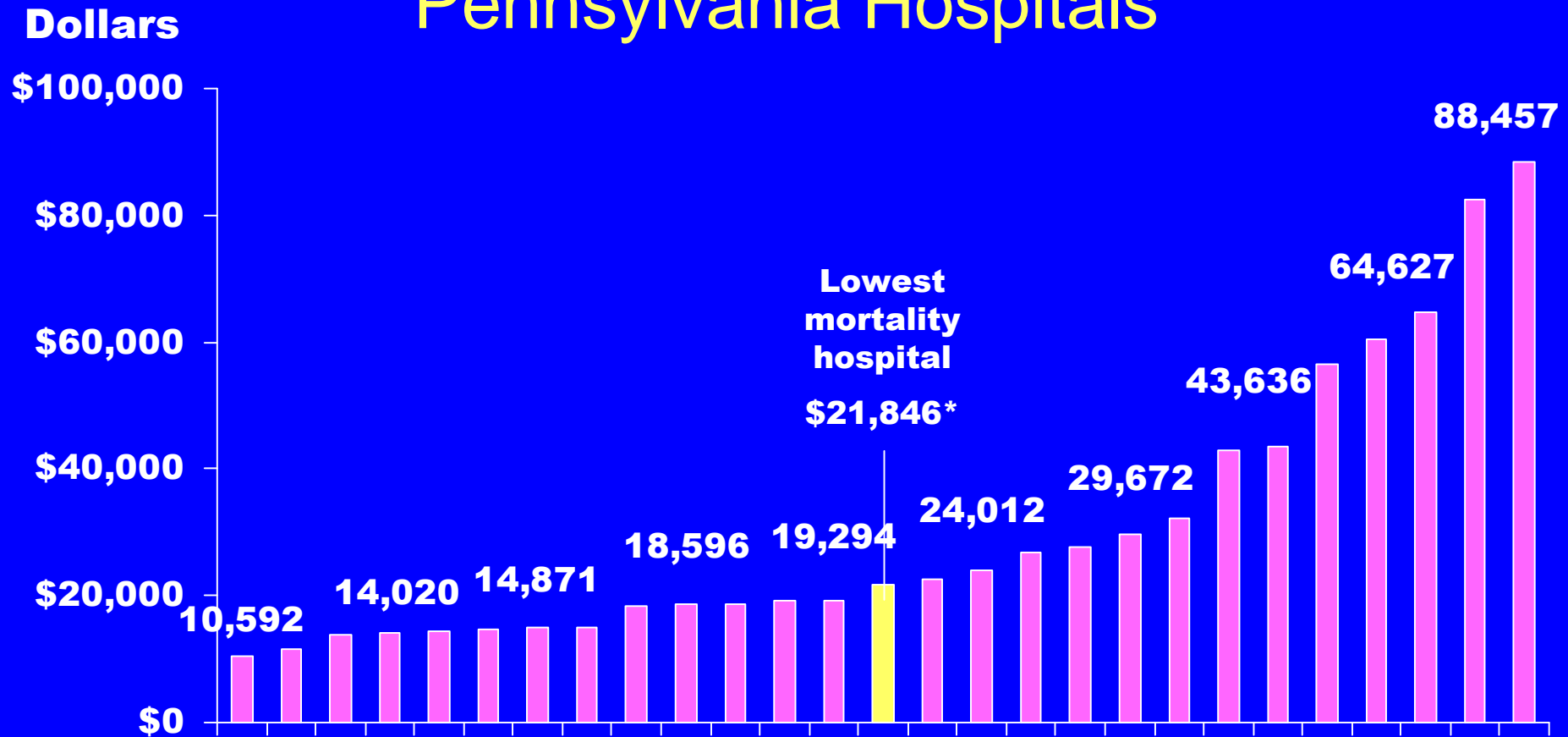


Prepared by the Office of Majority Leader William H. Frist, M.D.

Relationship Between Quality & Cost or “Efficiency”



Hospital Charges for AMI—Medical Management Vary Eight-Fold Across Large Pennsylvania Hospitals



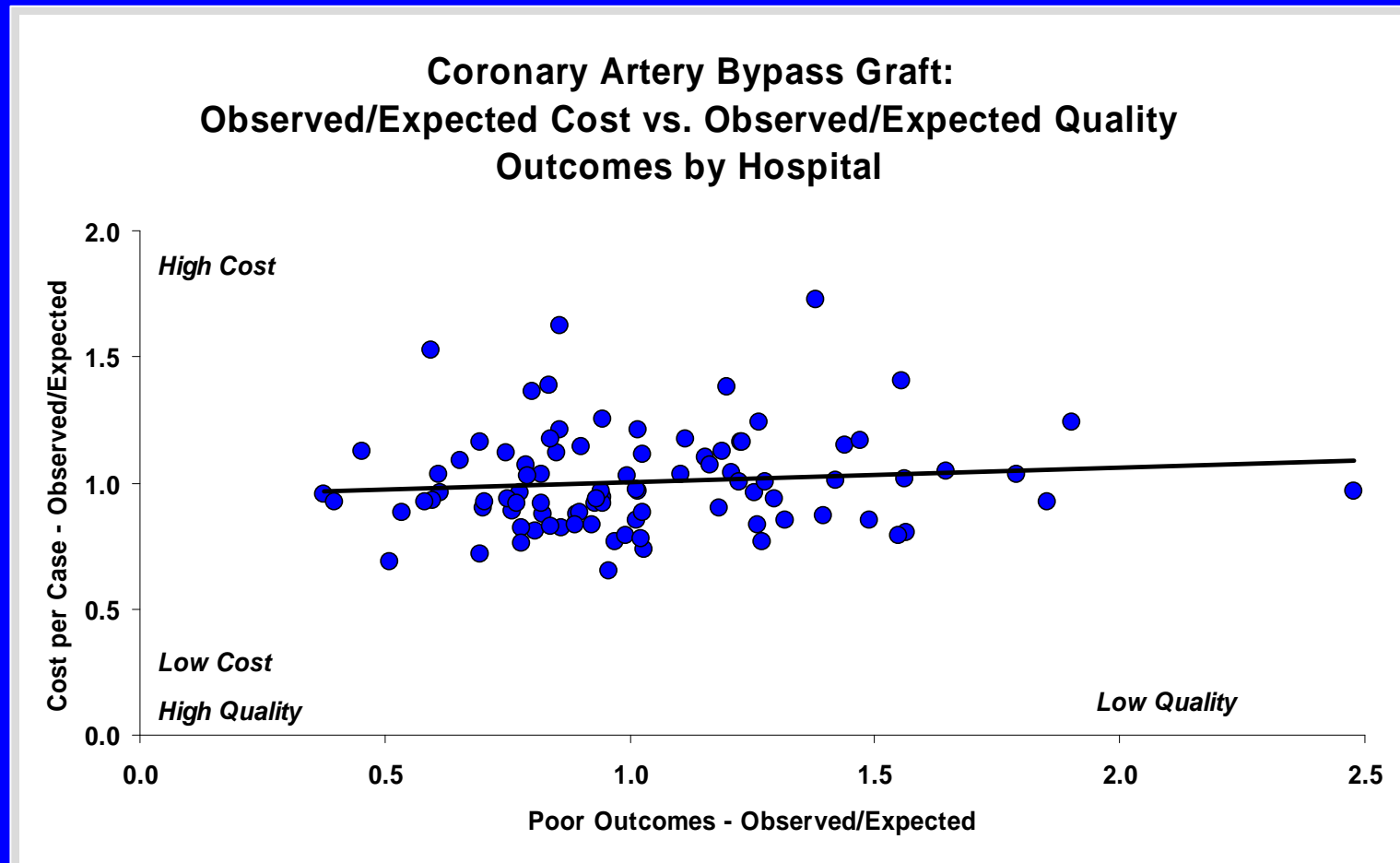
*This hospital demonstrated significantly lower than expected in-hospital mortality rates.

Note: Hospital charge equals patient total charge excluding professional fees; all hospitals shown provided advanced cardiac services (angioplasty/stent procedures), had >100 cases, and <5% of cases transferred to another acute care facility.

Source: Pennsylvania Health Care Cost Containment Council, Hospital Performance Results, Hospital discharges between January 1, 2003 and December 31, 2003, www.phc4.org.



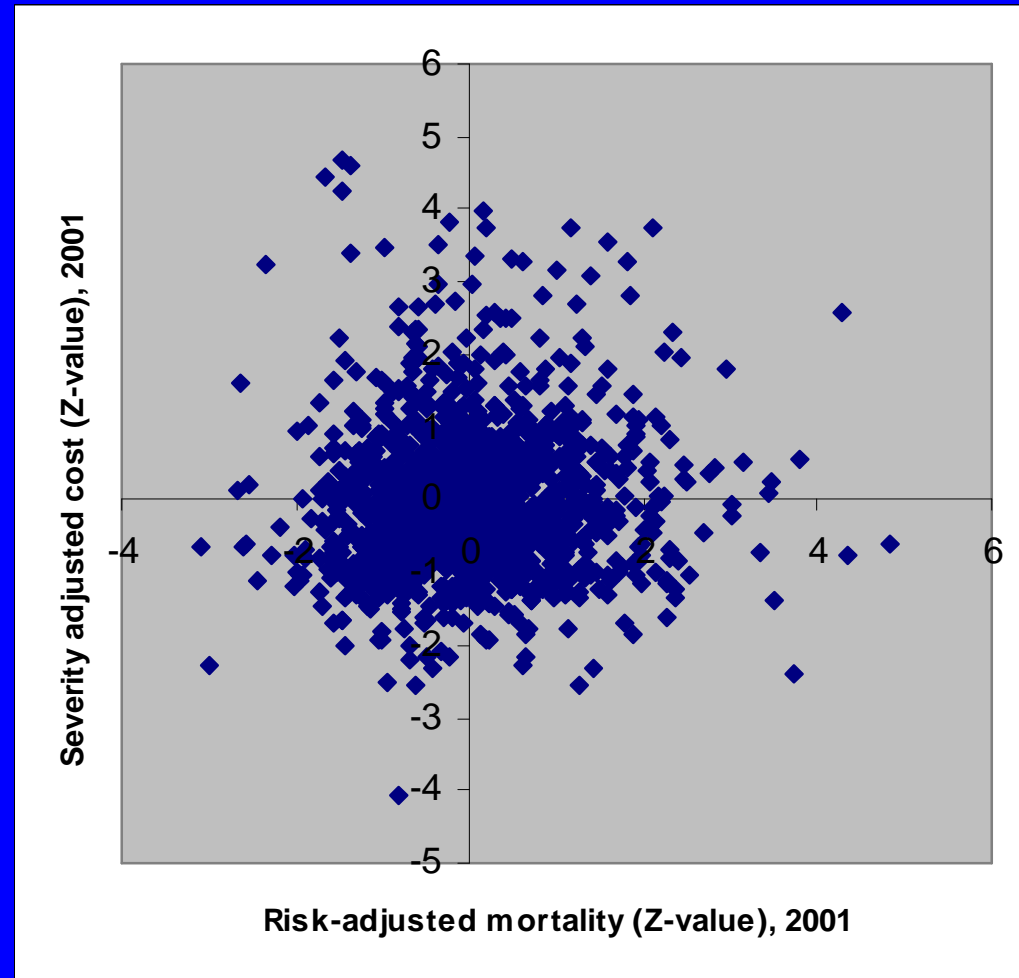
Cost and Quality Vary Widely Across Hospitals



Source: S. Grossbart, Ph.D., Director, Healthcare Informatics, Premier, Inc., "The Business Case for Safety and Quality: What Can Our Databases Tell Us," 5th Annual NPSF Patient Safety Congress, March 15, 2003.

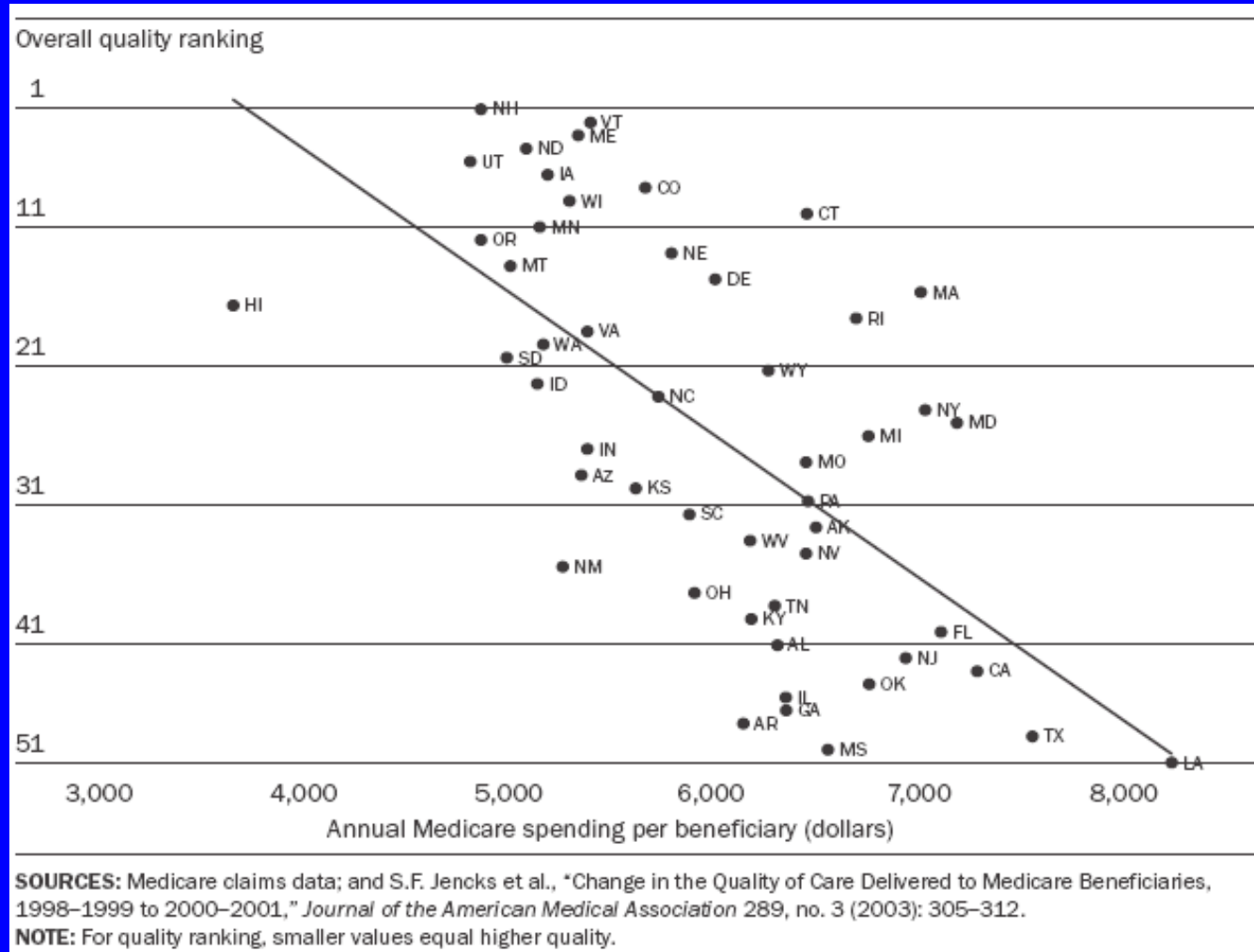


Variation in Hospital Mortality and Cost Per Patient



Note: The data are based on 10 HCUP states, and the mortality is a weighted composite of 10 risk-adjusted inpatient mortality rates. The cost has been adjusted for wage index, case mix, and severity of illness. Source: H. Joanna Jiang, Ph.D.; Center for Delivery, Organization and Markets; Agency for Healthcare Research and Quality

Quality and Medicare Spending Vary Across U.S. States, 2000–2001



Sources: K. Baicker and A. Chandra, "Medicare Spending, The Physician Workforce, and Beneficiaries' Quality of Care," *Health Affairs Web Exclusive*, April 7, 2004.



The \$1.7 Trillion Question:

**How Are We Going to Get
From Where We Are to
Where We Could Be?**

