Keeping Health Care Affordable for Patients and Families

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Rising health costs top the concerns of Americans and dominate the news. Spending on health care consumes a large chunk of the nation's resources and is expected to increase. A recent government report predicts that spending on health care will reach 20 percent of the GDP by 2016.

This is happening at a time when America is graying. The needs of an aging population are growing and more complex. Chronic diseases such as heart disease, diabetes and arthritis are on the rise and significantly add to the nation's health care tab. Roughly 80 percent of all Medicare dollars are spent for about 20 percent of seniors, and nearly half of all Americans live with a chronic condition. Nationally, the vast majority of health resources are spent on a small number of patients.

At the same time, the costs of caring for patients continue to climb. The ingredients that go into caring for patients -- salaries for nurses, physicians and other caregivers, pharmaceuticals, new technology and upgrades to physical plants -- are on the rise. As health spending continues upwards, more Americans find the cost of health insurance out of reach, adding to the ranks of the uninsured. That, in turn, causes costs to go up for everyone else, especially employers. Health insurance premiums continue to climb while health insurers' profits remain robust.

The United States devotes more money to health care per citizen than any other industrialized nation. And many policymakers are questioning why that is, does that provide better quality of care and what can be done to help reign in spending on health services.

At the same time, investment in health care produces real value for patients and families. Patients have benefited from longer, better lives as well as fewer disabilities and less time spent in the hospital. Every dollar spent on health care over the past 20 years has produced health gains valued at up to $3. Advances in medicine and associated gains in health are key drivers of economic growth.

More can and should be done to make care more affordable. With costs of caring on the rise and demand increasing, there is pressure to keep costs affordable.

America's health system is at a crossroads. Keeping health care affordable will involve every segment of the health care system – insurers, hospitals, business, physicians, nurses, employers and individuals. It involves personal responsibility, better stewardship of health resources and innovative ways to transform care for an aging and increasingly

diverse population. As a nation, it is critical to strengthen our system while keeping health care affordable for all.

As the hub of health care in a community, hospitals play a critical role in keeping costs down. Hospitals are working to focus on wellness, better manage chronic disease, speed adoption of information technology, improve how care is delivered to each patient, increase transparency of hospital quality and better understand and reduce variation in care.

Specifically,

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Focus on wellness – There needs to be a greater focus on preventive services and rewarding healthy behaviors. Through weight management and smoking cessation programs, people could remain healthier and employers spend less on health care.

Better manage chronic disease – Eighty percent of spending on health care is linked to chronically ill individuals. Yet the chronically ill receive only half of all recommended care. As a nation, if we don't reverse the trend of chronic disease, we won't have the resources to handle the ever-increasing needs.

Speed adoption of IT – Health care is increasingly fragmented in a field where access to information is critical. We need to speed adoption of health information technology to improve patient care, quality and efficiency and to support the creation of an electronic health record and personal health records for everyone.

Improve how care is delivered to each patient -- Providing the right care at the right time, every time, is critical. Hospitals that achieve top standards in care could reduce patients' time in the hospital and complications.

Increase transparency of quality performance – Sharing information publicly about hospital quality will create more informed consumers to help them better make health decisions.

Better understand and reduce variation in care – Following care guidelines and protocols, clinicians could help reduce readmission rates to hospitals and lessen complications.

Spend limited resources on care, not paperwork – Today's health care system is choked with paper. Health care will be more affordable if we spend more time at the bedside and less on paperwork.

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While every segment of health care plays a role, hospitals are an important part of the solution. Hospitals are addressing the growing cost of health care in a variety of ways.

For example, **North Shore-LIJ Health System in Great Neck, New York**, has an initiative to help keep more than 1,000 older residents safe and healthy and in their homes -- instead of nursing homes -- as long as possible. The program includes organized activities which promote healthy aging, such as screening and education, exercise and volunteer opportunities. Case management of the frail elderly is a cornerstone of the program.

Hospitals in Wake County North Carolina are teaming up with eight area clinics and county agencies to link patients up with more cost-effective care options than the area's hospital emergency departments. The program, called the CapitalCare Collaborative, will also consolidate some patient medical and financial data in one location to help facilitate the coordination of care among participating providers.

C.S. Mott Children's Hospital in Michigan has created The Pediatric Asthma Disease Management Program (PADMP), a clinic-based program designed to assist primary care providers with difficult cases of pediatric asthma. It specifically targets asthmatic children three years and older that have had at least two emergency department visits for asthma and/or one hospitalization. The program's goals are to provide intensive education and case management, thereby decreasing emergency department visits and hospitalizations.

The Michigan Health & Hospital Association's (MHA) Keystone Center for Patient Safety & Quality was created in March 2003 in response to growing concern about patient safety and health care quality. MHA Keystone coordinates partnerships and initiatives that improve patient treatment and safety in intensive care units; reduce the incidence of strokes and ensure that appropriate care is delivered to patients who suffer them; and study health care- associated infections. Since MHA Keystone's inception, Michigan hospitals that have partnered with the center have achieved significant**,** measurable patient safety improvements — saving lives and reducing health care costs.

At **Maimonides Medical Center in New York**, all of the medical staff order medication and lab tests, check lab results and track their patient's treatment utilizing the hospital's computerized medical records system, which reduces paperwork. The MACS system provides medical staff leadership with a real-time glimpse of what is happening within their entire service. The computerized system has made for dramatic improvements in the pharmacy service, cutting the average turnaround time for administering inpatient drugs by almost 66 percent, as well as reducing prescription errors.