



**Oregon Healthcare Financial Management Assoc
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***Bringing Health Home: Oregon's Triple Aim - Better
Health, Better Care, Lower Costs for Everyone***

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The Triple Aim

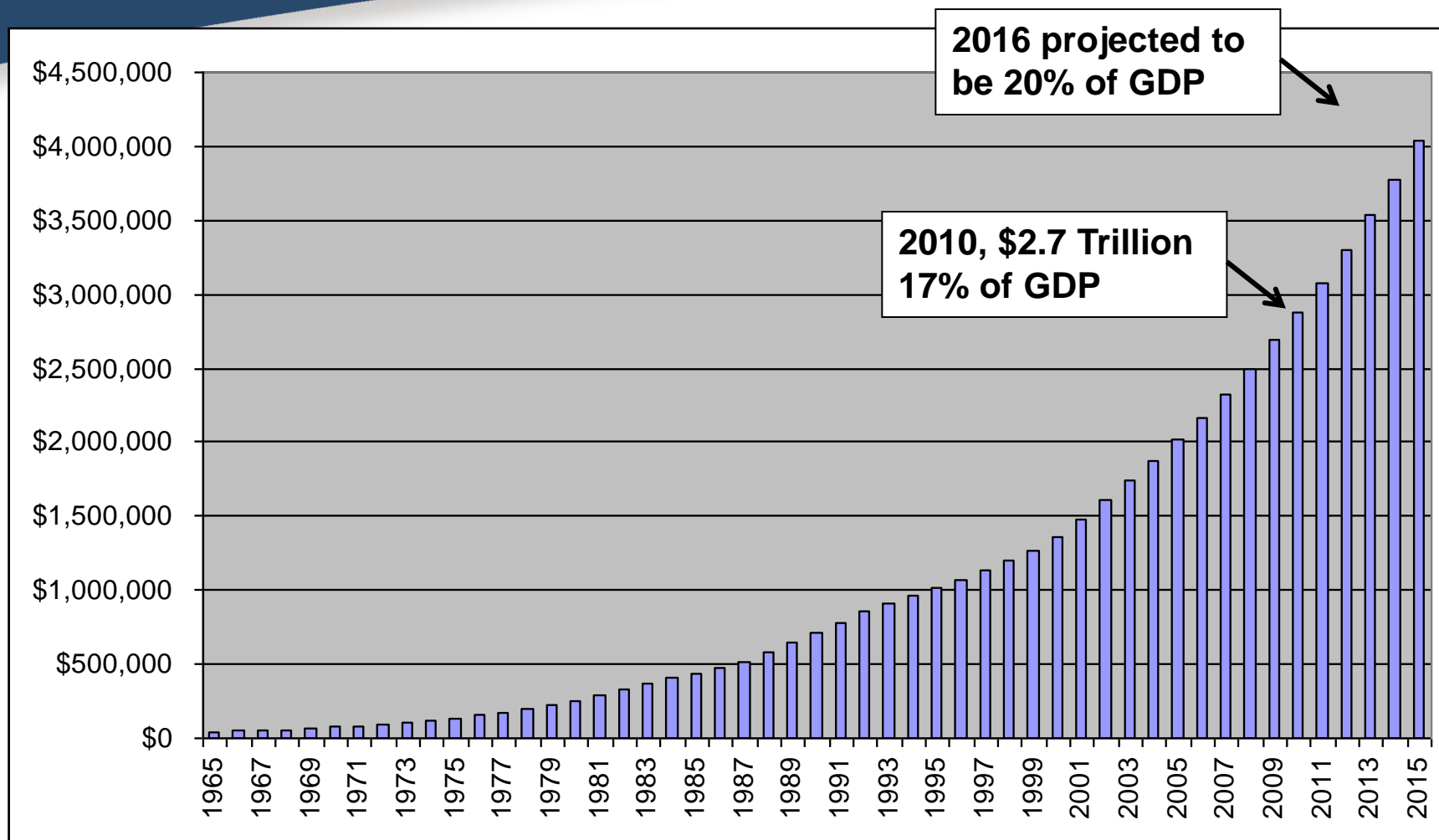
- 1. Improve quality – individual and population**
- 2. Improve patient experience**
- 3. Reduce total costs of care**

Achieving the Triple Aim

1. **Current Outcomes: Aggregate Health Harm**
2. **The Challenge: Role Definition**

Hypothesis: A key primary challenge in achieving the Triple Aim is the duplication of resources driven by competition among providers and health systems making the rational distribution of services across a community very difficult.

National Health Expenditures (\$ Millions)



Centers for Medicare and Medicaid Services



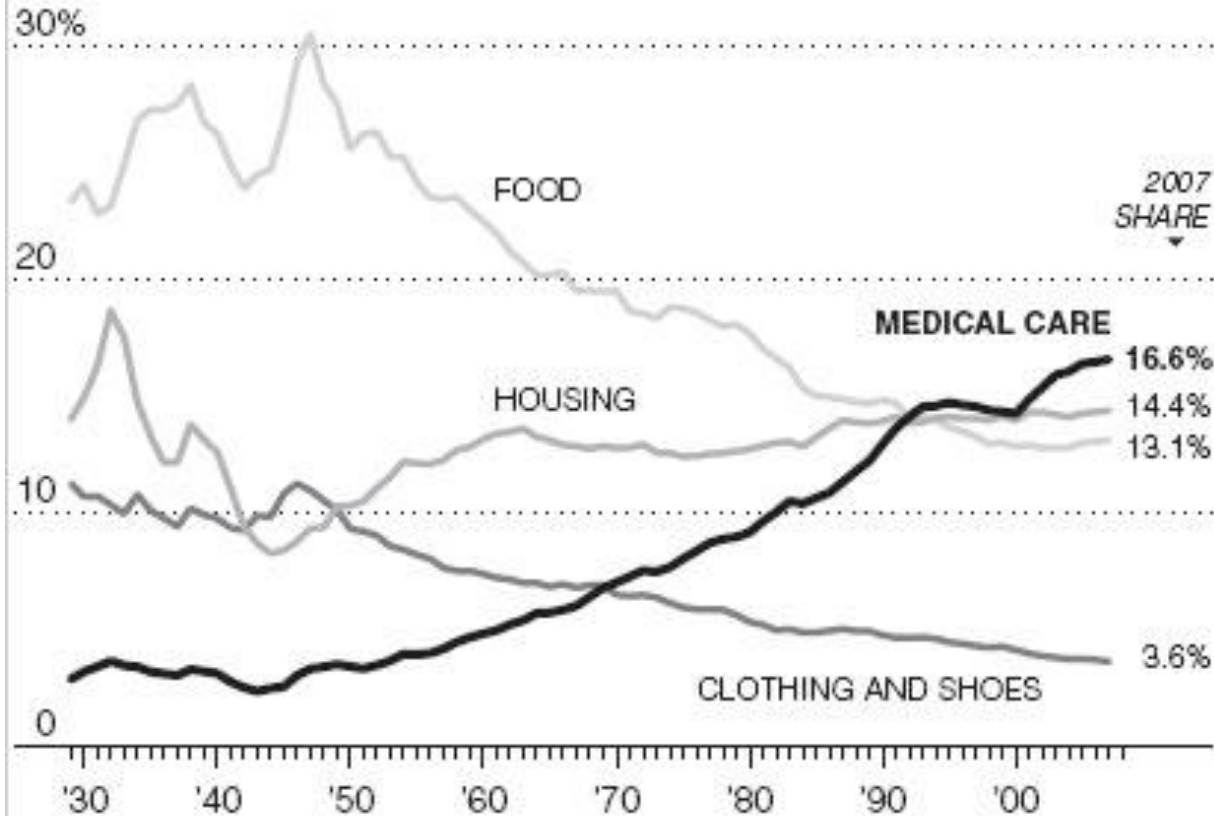
Potential Harms from Healthcare

- **Direct Harm: Harm of Commission**
 - Physical harm
 - Emotional harm
- **Indirect Harm: Harm of Omission**
 - **Opportunity Cost: adverse effects of health care expenditures on other investments**
 - **Spillover Effect: adverse effects of uninsured on health of the community**

The Mounting Burden for Health Care

Spending on health care, which takes up more of consumers' income than housing, food or clothing, has risen significantly since 2000. As the economy slows and medical costs continue to rise, millions of people may be unable to afford care.

SHARE OF DISPOSABLE PERSONAL INCOME SPENT ON:



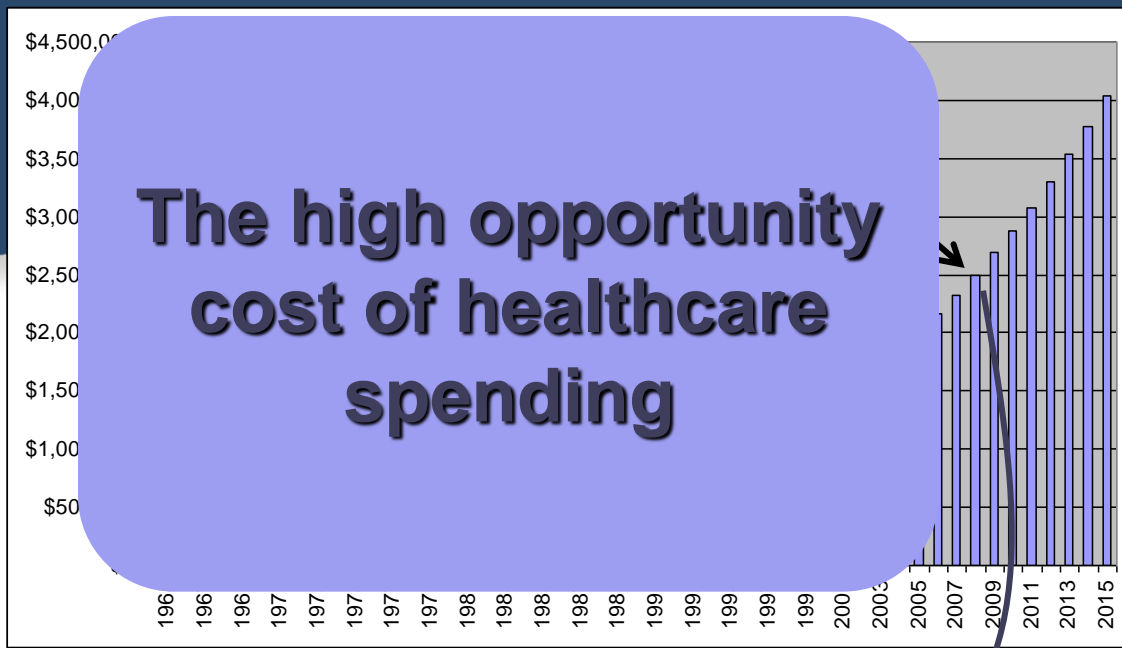
Sources: Bureau of Economic Analysis;
Deloitte Center for Health Solutions Analysis

THE NEW YORK TIMES

46% of personal bankruptcies in 2001 were related to healthcare costs

What determines our health?

The high opportunity cost of healthcare spending



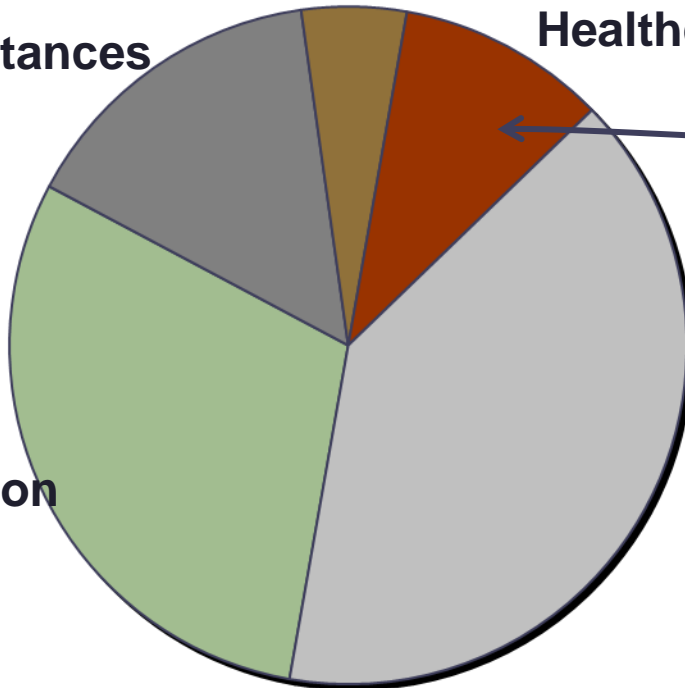
Environmental Exposure 5%

Social Circumstances 15%

Healthcare 10%

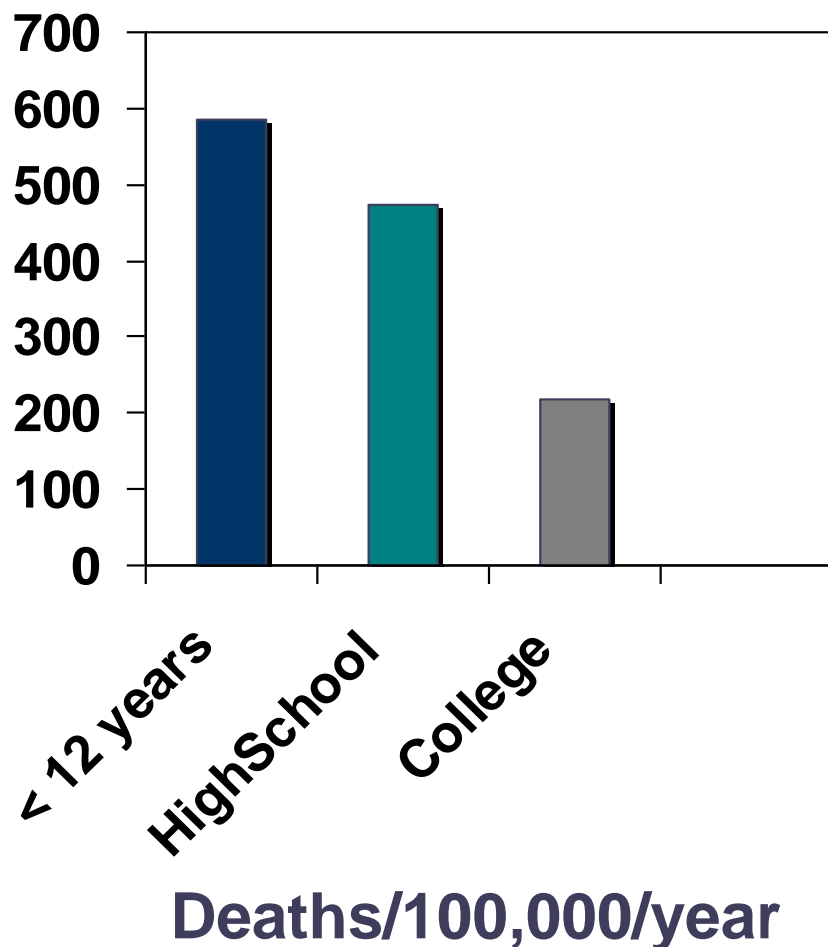
Genetic Predisposition 30%

Behavioral Patterns 40%



Schroeder, NEJM 2007;357:2218

Opportunity Cost: Education



- Mortality rates for Americans ages 25-64 are over twice as high for those who failed to complete high school compared with those attending college
 - Lyert and Arias, National Vital Statistics Reports 49, no. 8, 2001
- For every life saved by biomedical advances, 8 lives would be saved if adults with lesser education experienced the mortality rates of college educated adults
 - Woolf, JAMA 2007;297:523-6

Conclusions: Health Harm?

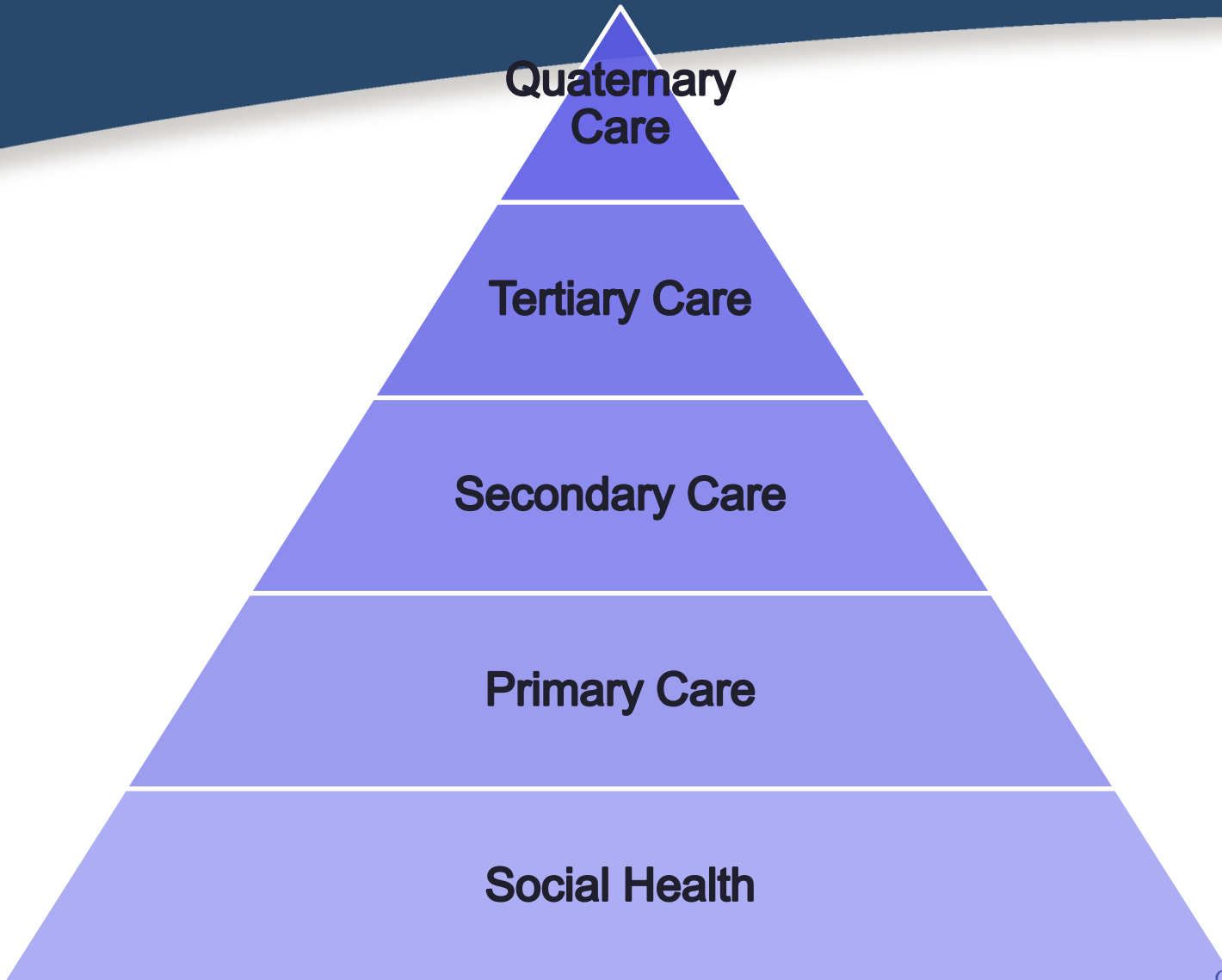
- **A significant amount of healthcare is either unnecessary or of dubious or unproven value.**
- **Even when health care services are effective, non-healthcare social policy (increasing family income, providing better education) may be more effective in improving population health**
- **By spending so much on health care, we are unable to spend on areas where the ROI would be much better both for health and for a variety of desirable things that impact upon our health**

Achieving the Triple Aim

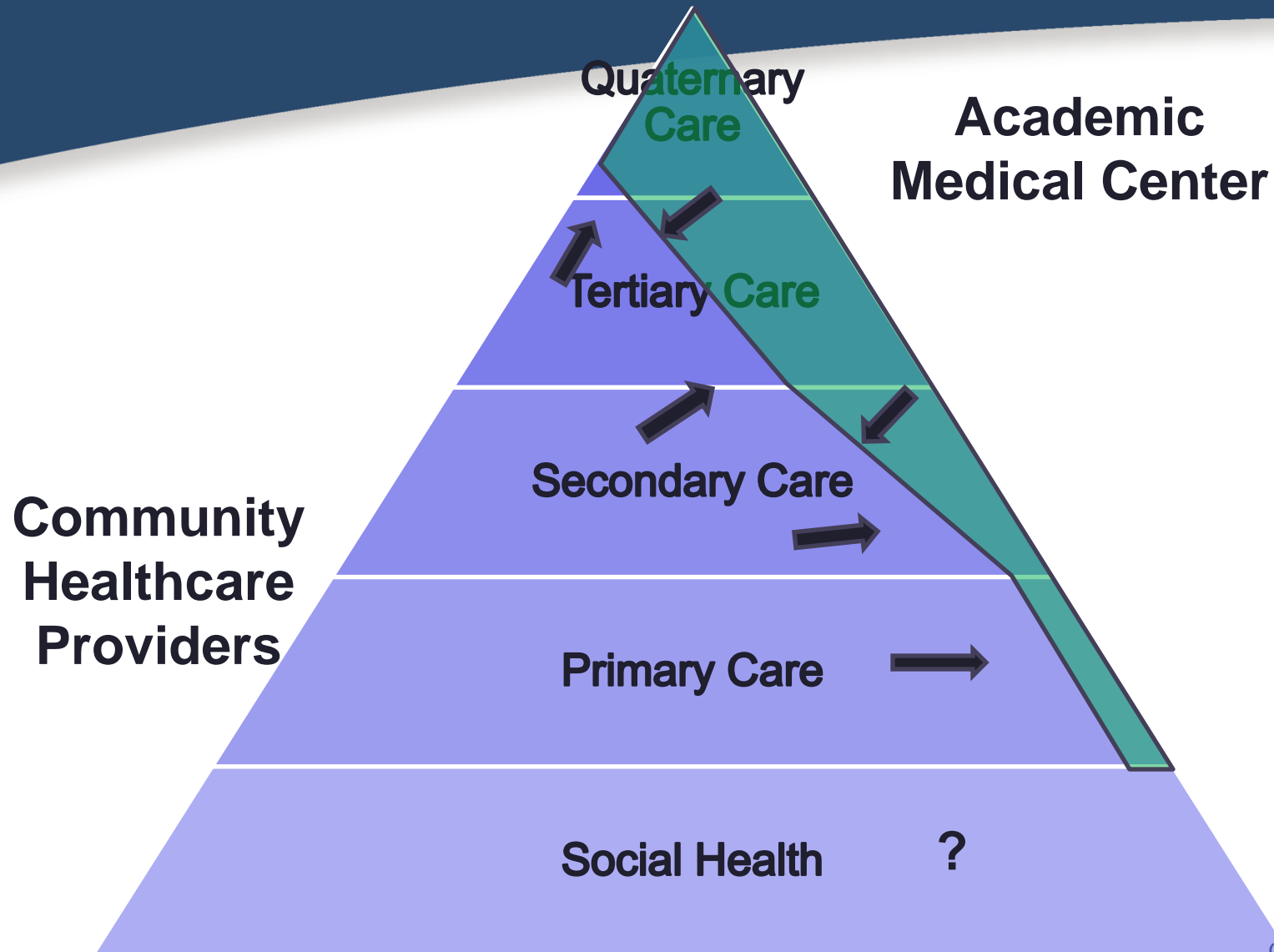
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The Challenge of Role Definition in Healthcare



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New Hospitals and New Advanced Technologies

“It’s phenomenal — the science and technology,” says [name], director of ethics for [health system]. “It will provide more access and a variety of services we weren’t able to provide before.”

In general... more bricks and mortar, more technology (particularly broadly spread out) and more specialty care:

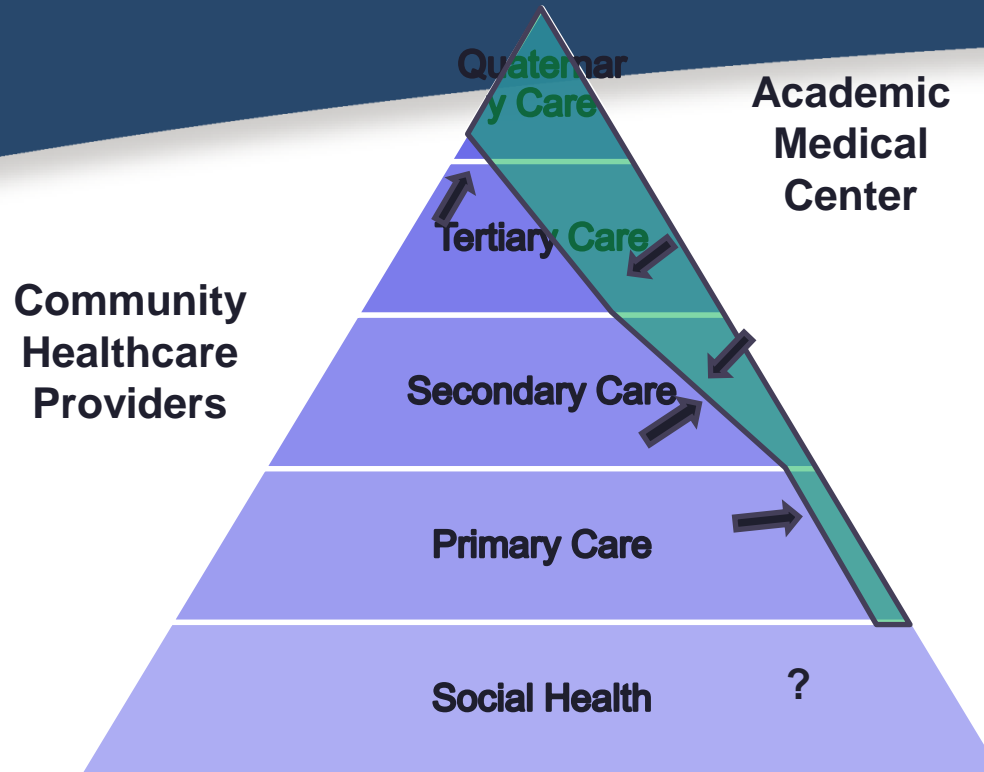
- 1. Increase cost**
 - **Duplicate resources**
 - **Reduce insurance coverage, reduce access**
- 2. Reduce quality**
- 3. Increase disparities**
- 4. Divert resources from the basics – primary care and social health**

No Money, No Mission

translates to ?

- 1. More Money, More Mission**
- 2. Money is the mission**
- 3. My mission is more important than your mission**

The Challenge of Role Definition in Healthcare



1. What are the roles of an Academic Medical Center?
2. What are the roles of a Community Healthcare Provider?
3. Whose responsibility is social health?
4. Who decides these roles and assures adherence?
5. What happens when roles are not clear?