

# “21<sup>st</sup> Century Medicine – A Team Sport.”

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**Austin HIMSS Chapter**  
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Potential Conflict of Interest:

Member, Board of Directors, United Health  
Group



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# U.S. Health Care

- Most expensive in the World by any parameter
- 17.6% of GDP
- 1 ½ - 2 X Other OECD Countries



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# U.S. Health Cost Drivers

- Fee for Service
- Third Party payment system
- Technology
- Chronic illnesses
- Aging population
- Fragmentation of Care
- Defensive medicine??



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# Health Outcomes

- Life Expectancy At Birth  
78.3 years  
36<sup>th</sup> in the world  
Tied with Denmark and Cuba
- Infant Mortality  
Deaths - 6.3/1000 Live Births  
33<sup>rd</sup> in the world
- Under Five Mortality  
Deaths – 7.8/1000 Live Births  
32<sup>nd</sup> in the world

United Nations Population Division



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# Systems Characteristics

- Population Based/Patient Centered
- Continuity of Care 24/7
- Team Care-Multiple Players
- Realigned Incentives
- Outcomes vs. Processes
- Quality Measures
- Technology
- Evidence Based



# Aligning Incentives

- Alternatives to fee-for-service reimbursement
  - Capitation – full or partial
  - Bundled/Episode Payment
  - Gain Sharing and Shared Savings
  - Pay for Performance Incentives
  - Decreased/No Pay for Preventable Events
    - Birth trauma/injury; pre-term inductions, cesareans
    - Hospital Acquired Conditions and Infections
    - Admissions for Ambulatory Sensitive Conditions
    - Readmissions



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# Texas Health Work Force

- Patient care physicians per 100,000 population
  - U.S. 263; Texas 205
- 43rd ranked state
- Primary care physicians per 100,000 population
  - U.S. 100; Texas 79
- 58% of national average for psychiatrists
- Shortage of baccalaureate/advanced practice nurses.
- Shortage of pharmacists, dentists, physician assistants.
- Major shortage of mental health providers.





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# Texas Healthcare Transformation and Quality Improvement Program MEDICAID 1115 WAIVER

- Five-year Texas Waiver expires September 2016.
- \$29 Billion (\$17 B federal funds) over five years.
  - Uncompensated Care: \$17.6 B (\$10.3 B federal).
  - DSRIP: \$11.4 B (\$6.7 B federal).
- Delivery System Reform Incentive Payment (DSRIP) Pool provides earned incentive payments to nearly 1,500 projects that improve access to care and care quality.
- Approximately 400 projects focus on behavioral health.



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# Opportunities

- Health Homes
- Accountable Care Organizations
- Bundling
- Gain Sharing
- Time/Effort Reporting
- Systems Engineering
- Outcomes
- Comparative Effectiveness Research



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# Imperatives for Change

- Delivery Systems
- Reimbursement Methodology
- Moving From Processes to Outcomes
- Paying too much for too little health



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# Health Information Technology

EHR → Essential to Team Care

Population Care → Big Data

Data Analysis

- Care - Personalized
- Cost - Transparency
- Value - Cost/Outcomes



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# Change

- Inevitable!!
- SGR/Medicare
- Consumer Demand
- HIT – Central to Change