Overview of the U.S. Health System

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Outline

1. U.S.-OECD nations cost comparisons
2. Trends in U.S. Healthcare
3. The Federal System in the America
4. 3 sectors of production and guidance
5. HSOs & Ownership
6. Regulation & Evolving Markets
7. Public health, healthcare, population health
Total health expenditure per capita*

Gamm, 2013, OECD Health Data through 2010

*US$ purchasing power parity
Health Expenditures as % of GDP

U.S.

Gamm, 2013, OECD Health Data through 2010
Cost, Quality, and Access: Healthcare in America

American health care system is by far the most expensive in the world
Access – 18 percent uninsured
Quality – Heath status indicators lower than most OECD countries
Preventable deaths and injuries in health care facilities
Trends (1)

• Federal system (control trends historically)
  – Private and state/local government
  – Expanded role of national government – 1960s ff
  – 1965 – Medicare and Medicaid (other dates)
  – 2010 Patient Protection & Affordable Care Act

• Growing political uncertainty since 2010

• Expansion of Health Research Expends
Trends (2)

- Excess hospital beds, shift to outpatient
- Too little primary care and prevention
- Growth of specialists/lack of primary care providers (PCPs)
- Maldistribution of doctors - geographics
- Growing power of medical schools, teaching hospitals, and non-doctors
Trends (3)

- Continued technology acquisition
- Hospital mergers
- Growth in regulation
- Increase in managed care
- Growth in ambulatory & retail centers
- E-health and m-health (disruptive innov)
## “Spectrum of Health Services Delivery”

<table>
<thead>
<tr>
<th>Level of Care</th>
<th>Provider Group (examples)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventive</td>
<td>Well-baby clinic, family planning</td>
</tr>
<tr>
<td>Primary</td>
<td>Physician office, outpatient dept, health center (FQHC), free clinic</td>
</tr>
<tr>
<td>Secondary</td>
<td>Hospital Inpatient care, surgery center</td>
</tr>
<tr>
<td>Tertiary/quaternary</td>
<td>Specialty hospital (sophisticated procedures)</td>
</tr>
<tr>
<td>Restorative</td>
<td>Rehabilitation, home health</td>
</tr>
<tr>
<td>Continuing</td>
<td>Skilled Nursing facilities, assisted living, CCRCs [hospice]</td>
</tr>
</tbody>
</table>
Public Health System

Source (with modification):
http://www.cdc.gov/od/ocphp/nphpsp/PresentationLinks.htm
Why the complexity in the U.S. healthcare system?

U.S. relies on a mix of conflicting strategies & units to pursue access, quality, and efficiency.

• Increased government funding and regulation – national and state – Medicare and Medicaid (and PPACA elements)
• Continued reliance on market and competition
• The non-profit sector continues to play active role
Government and Market Complexity

- Levels of government
- Separation of powers at all levels
- Health care in the market – provider, insurer, supplier industries
- Healthcare fit with market assumptions
Three sectors (examples)

• Generally there are three sectors of production and guidance in a society
  – Private – for profit (small & big business)
  – Private – non-profit (voluntary, charities, clubs)
  – Government (taxing, program delivery, regulation)
Ownership of HSOs

- **Hospitals**
  - Profit seeking (doctor or investor owned)
  - Non-Profit
    - Voluntary – charitable (MOST HOSPITALS)
    - Government owned
      - Veteran’s Administration
      - Military
      - Indian Health Services
Other mostly for-profit

- Health Insurers
- Pharmaceutical companies
- Medical supply manufacturers
- Pharmacists
- Physicians and medical groups
- Nursing homes
- Renal dialysis clinics
Government regulation of HSOs

• State health regulation supported by U.S. Constitution
• Licensure of HSOs
• Licensure of health professionals
• Health Insurance benefits and reserves
• Local environmental and public safety
Other “Government” Regulation

• Medicare – requires accreditation (e.g., Joint Commission) of hospitals for payment.

• Federal and state governments vary in regulation across states – planning, Certificate of Need, rate regulation

• Quality Improvement Organizations (QIOs) – review and promote quality

• Anti-trust regulation,

• Corporate practice of Medicine

• Public health (state) but also national CDC/NIH
Medical Care . . . Public Health

- Medical care
- Health care
- Health service
- Outreach/extending the care continuum
- M-health, e-health
- Population health
- Public health (prevention, promotion, policy)
Public Health (APHA - 2013)

• Public Health is Prevention.
  – Public health is the practice of preventing disease and promoting good health within groups of people, from small communities to entire countries.

• Public Health is Policy Development and Population Health Surveillance.
  – Public health professionals rely on policy and research strategies to understand issues such as infant mortality and chronic disease in particular populations.
Population Health defined:

• Kindig and Stoddart (2003) propose that “population health as a concept of health be defined as “the health outcomes of a group of individuals, including the distribution of such outcomes within the group.”
Population health opportunity -

“...[M]any see attention to population health as a potent opportunity for health care delivery systems, public health agencies, community-based organizations, and many other entities to work together to improve health outcomes in the communities they serve.” (Stoto, 2013)  (You can start at A&M!)
Public Health & Medical Care

Community Health

Informal support

Population/Patients

Disease Management

School-based

Employer-based

Faith-based

Community-based

Medical visit

Patient education

Hand-offs

Care follow-up

(Prev / Promote / Screen)

(Care / Coordination / Prev)
MHA & Population Health

- Epidemiology of disease (& disaster)
- Statistical analysis of interventions
- Demonstrating evidence-based practice
- Assessing, funding individual and community health interventions
- Ensuring a safe environment for employees and patients
Remember!

We are all in this together.
No one will make it out of this world alive.
You can make it better for now, and for all in the future.

(No pressure…but let’s get busy!)