



HEALTHTRUST®

HealthTrust University Virtual Conference – August 5, 2020

Waste in the U.S. Healthcare System

Moderator: John Young, M.D., MBA, CPE, FACHE

Panelists: Jason Braithwaite, PharmD, MS, BCPS

Christopher Ott, M.D., FACEP

Christopher Rehm, M.D.

David Stepansky, M.D.

Moderator & Panelists



Moderator: **John Young**, M.D., MBA, CPE, FACHE

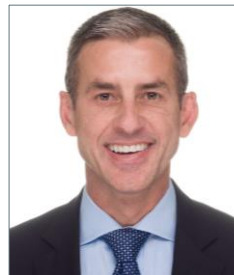
Panelists:



Jason Braithwaite, PharmD, MS, BCPS



Christopher Rehm, M.D.



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David Stepansky, M.D.

Speaker Disclosures

- The presenters have no real or perceived conflicts of interest related to this presentation.
- Note: This program may contain the mention of suppliers, brands, products, services or drugs presented in a case study or comparative format using evidence-based research. Such examples are intended for educational and informational purposes and should not be perceived as an endorsement of any particular supplier, brand, product, service or drug.

Learning Objectives

At the end of this session, participants should be able to:

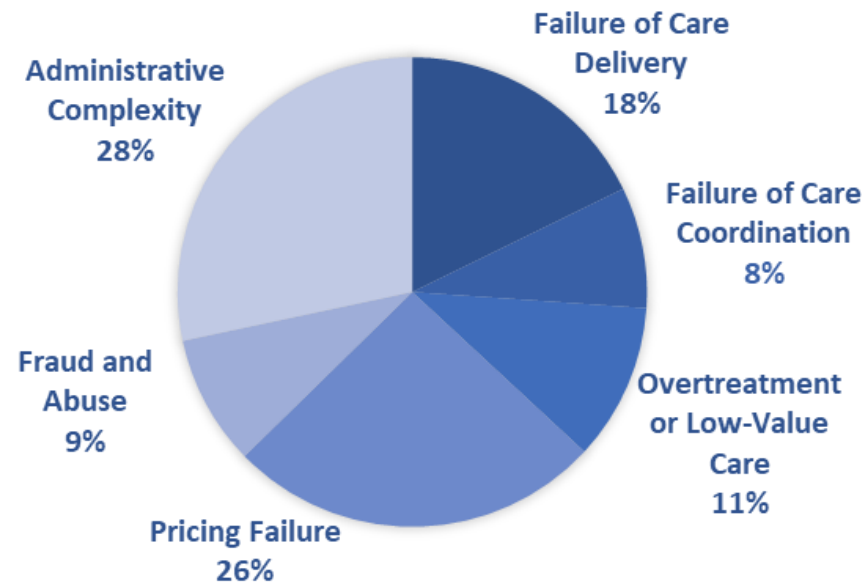
- Identify key areas of overspending which contribute to the significant amount of waste in our healthcare system
- Select from six domains and outline some initial recommendations for waste elimination within your own facility and health system
- Determine if strategies identified by your group purchasing organization could assist in waste reduction initiatives at the facility or IDN level

Six Domains

Institute of Medicine & Berwick & Hackbarth

Significant Opportunity to Reduce Waste and Improve Outcomes

WASTE IN THE US HEALTH CARE SYSTEM¹



- Recent article in JAMA defines 25% (\$935B) of Health Care Costs are waste
- Potential for 30% to be eliminated by intervention

Source: William H. Shrank, MD, MSHS; Teresa L. Rogstad, MPH; Natasha Parekh, MD,MS. *Waste in the U.S. HealthCare System Estimated Costs and Potential for Savings*. JAMA, Special Communication; October 7, 2019.

| Six Domains – Estimated Costs of Waste

Institute of Medicine & Berwick & Hackbarth

- Failure of care delivery
 - \$102.4 billion to \$165.7 billion
- Failure of care coordination
 - \$27.2 billion to \$78.2 billion
- Overtreatment or low-value care
 - \$75.7 billion to \$101.2 billion
- Pricing failure
 - \$230.7 billion to \$240.5 billion
- Fraud & abuse
 - \$58.5 billion to \$83.9 billion
- Administrative complexity
 - \$265.6 billion

Estimates of Savings From Interventions That Address Waste

Domain

- Failure of Care Delivery
 - Interventions to address adverse hospital events & Hospital Acquired Infections
 - Incentives to increase physician efficiency
 - Integration of behavioral & physical health
 - Partnerships for patients campaign
 - Standardized pathways in bundled payment models
 - Prevention initiatives to address diabetes, obesity, smoking & cancer
- Failure of Care Coordination
 - Unnecessary admissions & avoidable complications
 - Readmissions
- Overtreatment or Low-Value Care
 - Low-value medication use
 - Low-value screening, testing or procedures
 - Overuse of end-of-life care

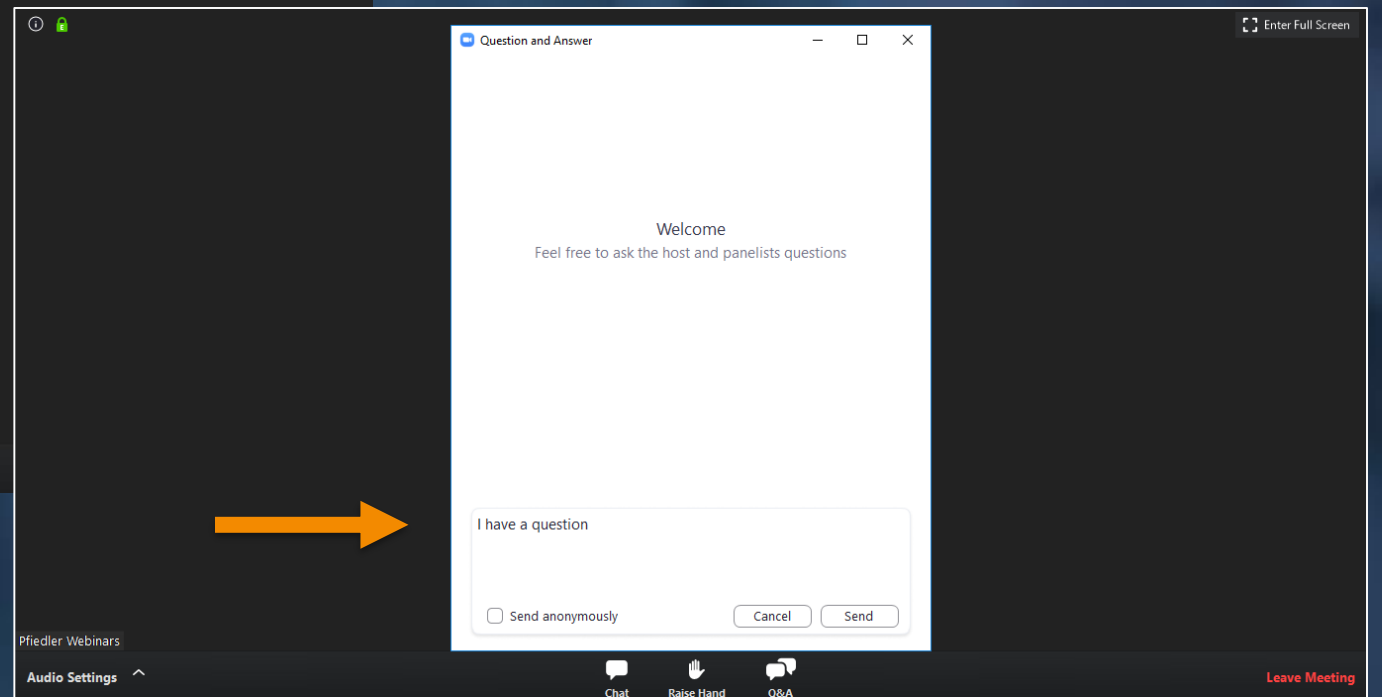
Domain

- Pricing Failure
 - Medication pricing failure
 - Payer-based health services pricing failure
 - Laboratory & ambulatory pricing
- Fraud & Abuse
 - Fraud & Abuse in Medicare
- Administrative Complexity
 - Billing & coding waste
 - Physician time spent reporting on quality measures

Source: William H. Shrank, MD, MSHS; Teresa L. Rogstad, MPH; Natasha Parekh, MD,MS. *Waste in the U.S. HealthCare System Estimated Costs and Potential for Savings*. JAMA, Special Communication; October 7, 2019.

• Questions?

Questions?



Thank you!

John Young, M.D., MBA, FACHE

Jason Braithwaite, PharmD, MS, BCPS

Christopher Ott, M.D., FACEP

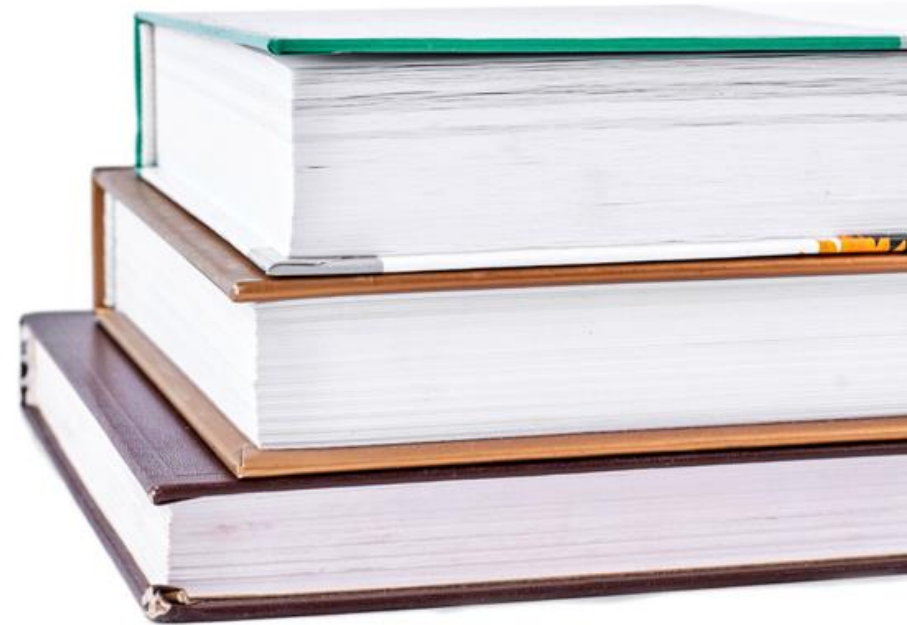
Christopher Rehm, M.D.

David Stepansky, M.D

Assessment Question 1

Which of the following domains identified by the Institute of Medicine contribute to a significant amount of waste and overspending in healthcare in the US?

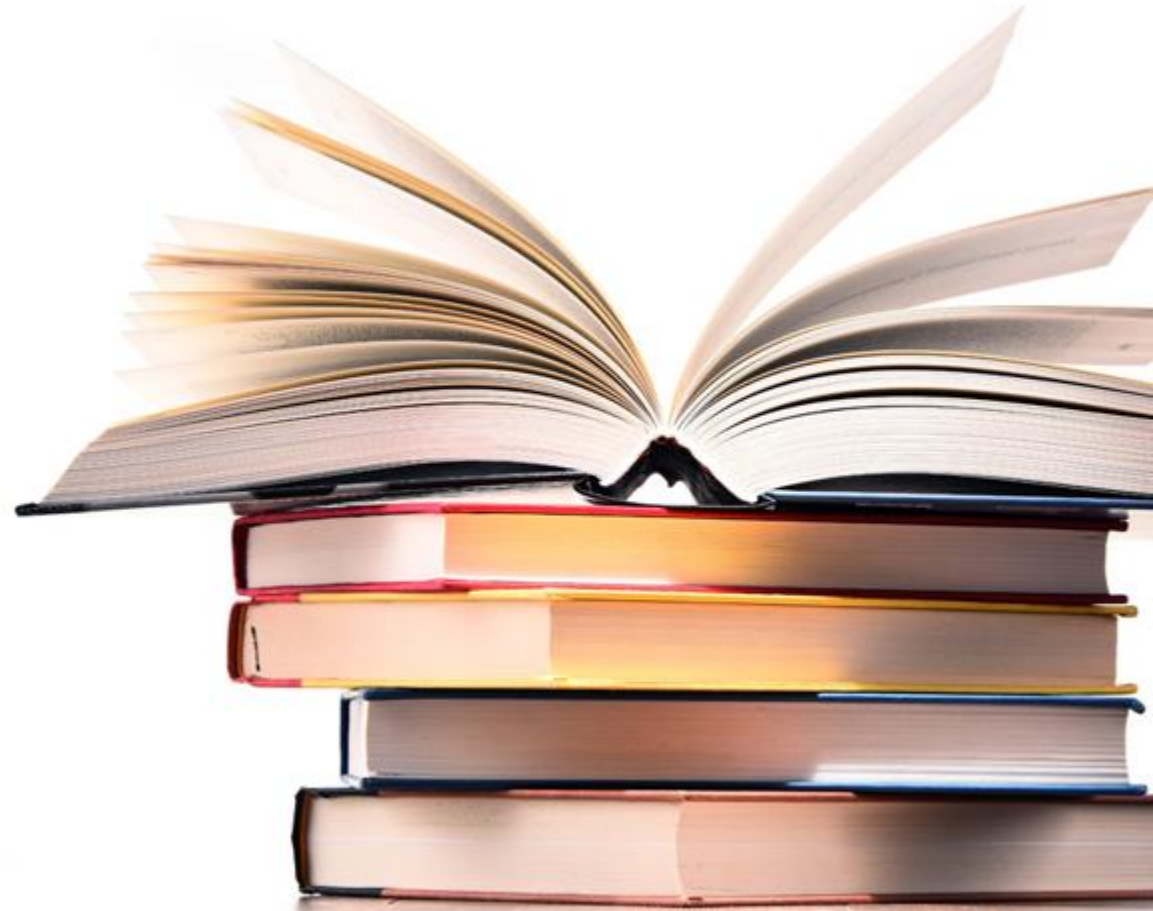
- a. Administrative complexity
- b. Fraud and abuse
- c. Failure of care coordination
- d. All of the above



Assessment Question 1: Response

Which of the following domains identified by the Institute of Medicine contribute to a significant amount of waste and overspending in healthcare in the US?

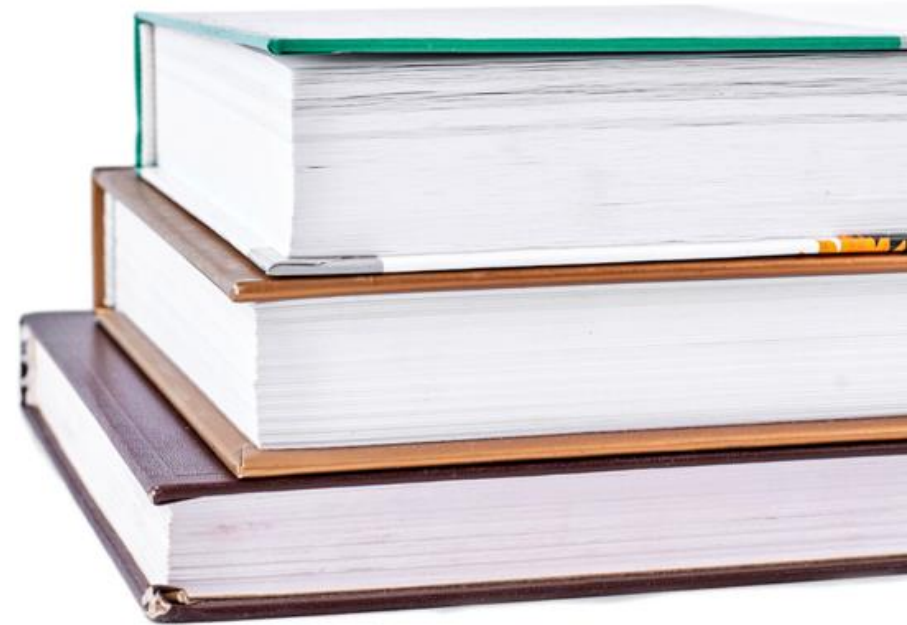
- a. Administrative complexity
- b. Fraud and abuse
- c. Failure of care coordination
- d. All of the above



| Assessment Question 2

Which of the following are recommendations for waste elimination within a facility or health system?

- a. Incentives to increase physician efficiency
- b. Prevention initiatives to address diabetes, obesity, and smoking
- c. Standardized pathways in bundled payment models
- d. All of the above



Assessment Question 2: Response

Which of the following are recommendations for waste elimination within a facility or health system?

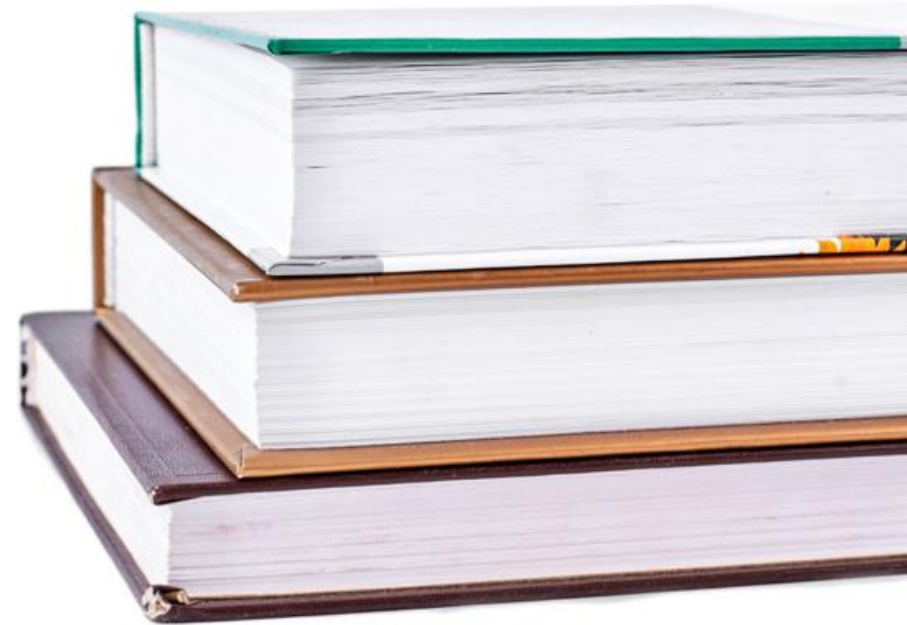
- a. Incentives to increase physician efficiency
- b. Prevention initiatives to address diabetes, obesity, and smoking
- c. Standardized pathways in bundled payment models
- d. All of the above



Assessment Question 3

True or False. Interventions to address adverse hospital events and hospital-acquired infections (HAIs) are examples of strategies that could assist in waste reduction levels at the facility or IDN level.

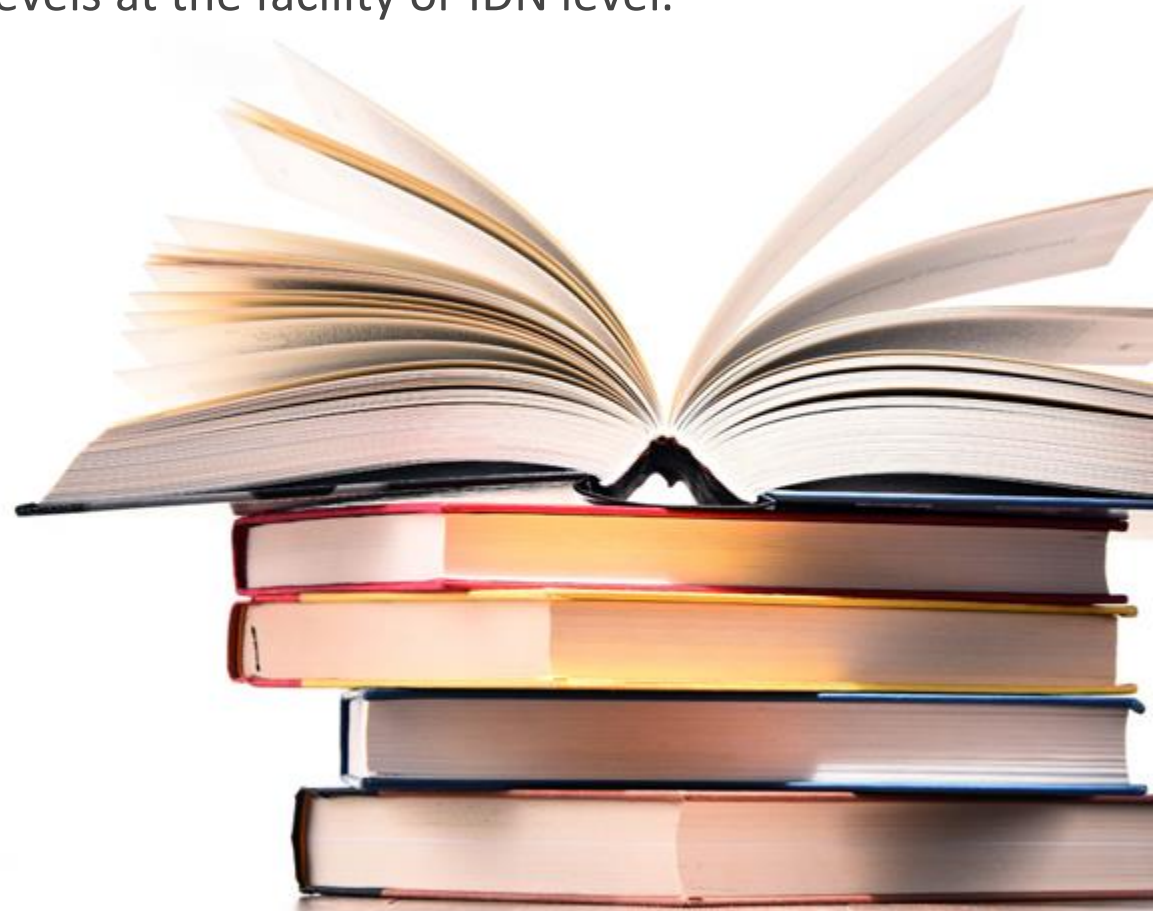
- a. True
- b. False



Assessment Question 3: Response

True or False. Interventions to address adverse hospital events and hospital-acquired infections (HAIs) are examples of strategies that could assist in waste reduction levels at the facility or IDN level.

- a. True
- b. False



References

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