Better is Possible

The American College of Physicians' Vision for the U.S. Health Care System

ACP®
American College of Physicians
Leading Internal Medicine, Improving Lives

Our health care system is broken

American health care is:

- Too expensive
- Leaves too many without coverage
- Spends too much on administration
- Results in inequitable outcomes
- Undervalues primary care
- Undermines the patient-physician relationship
- Enables social and economic circumstances to dictate health, and
- Under-invests in public health.

The U.S. Health Care system is failing millions of Americans. It's time to challenge the status quo.

Process for Developing ACP's New Vision for Health Care:

ACP's Board of Regents asked the Health and Public Policy Committee and Medical Practice and Quality Committee to develop a new vision for the future of health care policy.

ACP examined ways to achieve universal coverage, improve access to care and lower costs, reform payment and delivery systems, and reduce the complexity of our health care system.

ACP considered evidence on the effectiveness of the U.S. and other countries' health care systems.

ACP solicited input from members, committees, Regents, Governors, and Council members; finalized recommendations and submitted them to BOR for approval.

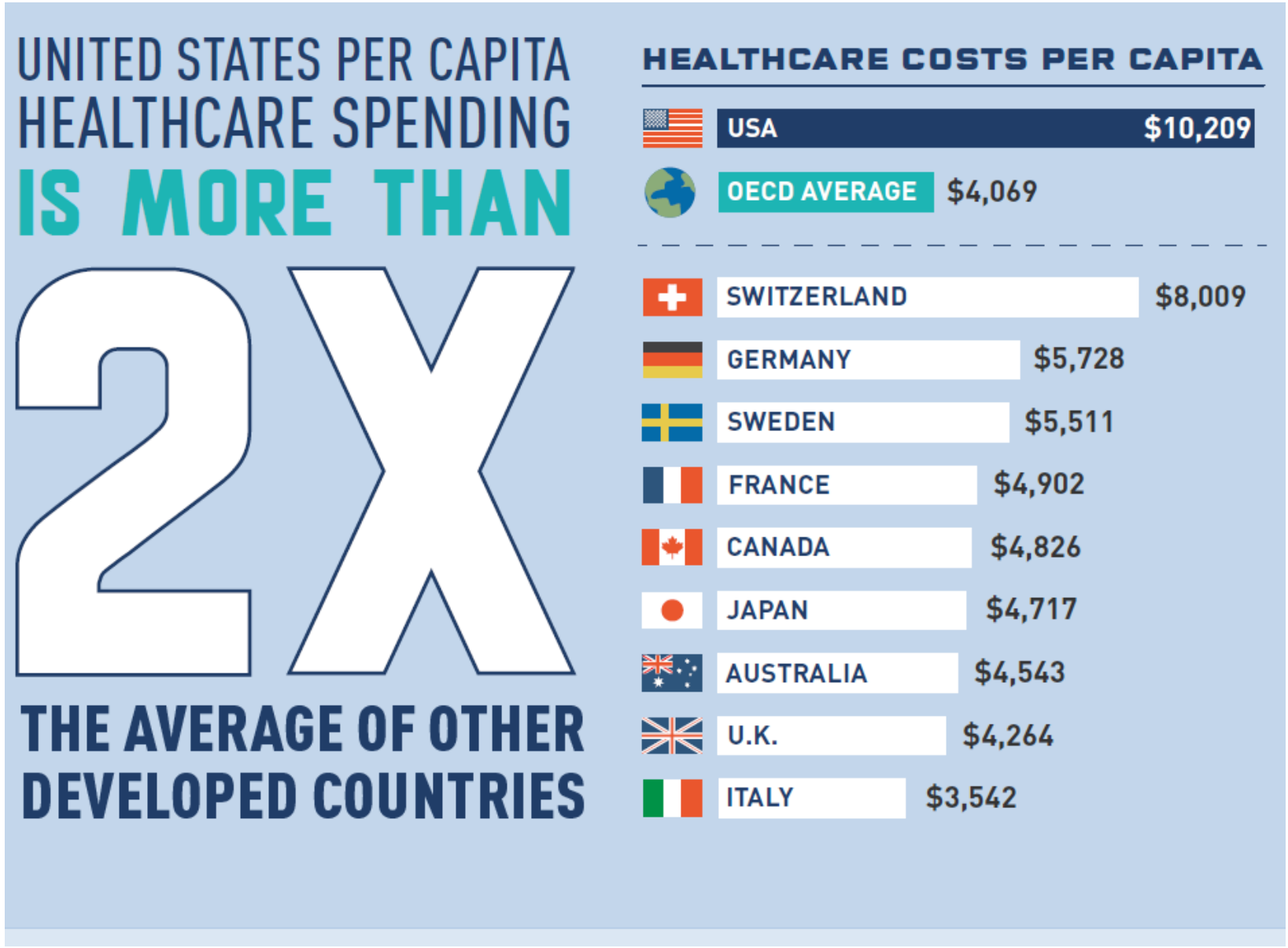
Process for Developing ACP's New Vision for Health Care

- To ensure the new policy papers were comprehensive, all U.S.-based members were invited to share their views through a survey.
- More than 1000 submitted open-ended recommendations on what they'd like to see included; results tabulated and shared with MPQC and HPPC.
- All ACP policy and technical committees received RFIs to provide their input to HPPC and MPQC and a joint meeting of both committees included a review, debate, and finalization of the proposed papers.

What does the evidence show?

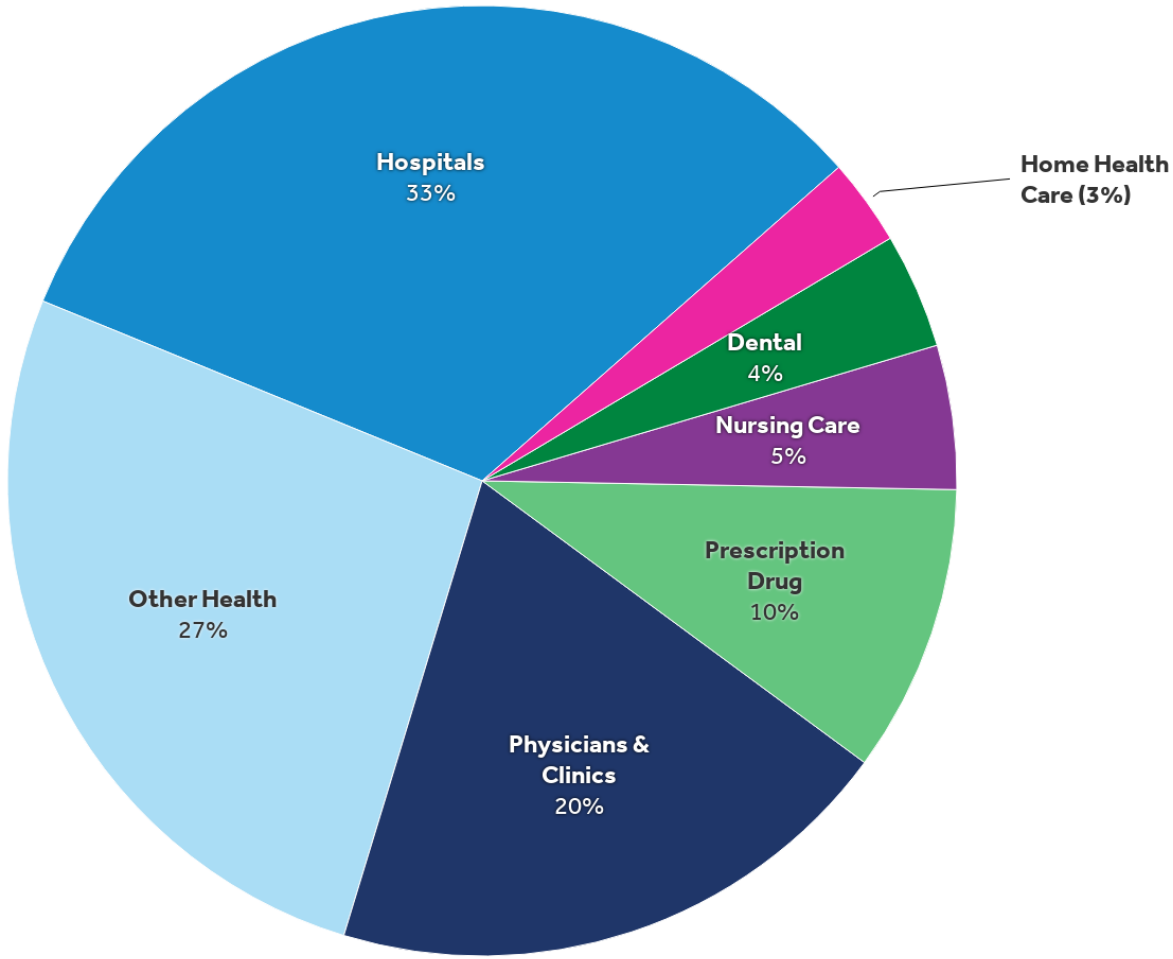
“U.S. health care costs too much; leaves too many behind without affordable coverage; creates incentives that are misaligned with patients' interests; undervalues primary care and public health; spends too much on administration at the expense of patient care; fails to invest and support public health approaches to reduce preventable injuries, deaths, diseases, and suffering; and fosters barriers to care for and discrimination against vulnerable individuals.”

Envisioning a Better U.S. Health Care System for All: A Call to Action by the American College of Physicians



Source: [Peterson Center on Health Care]

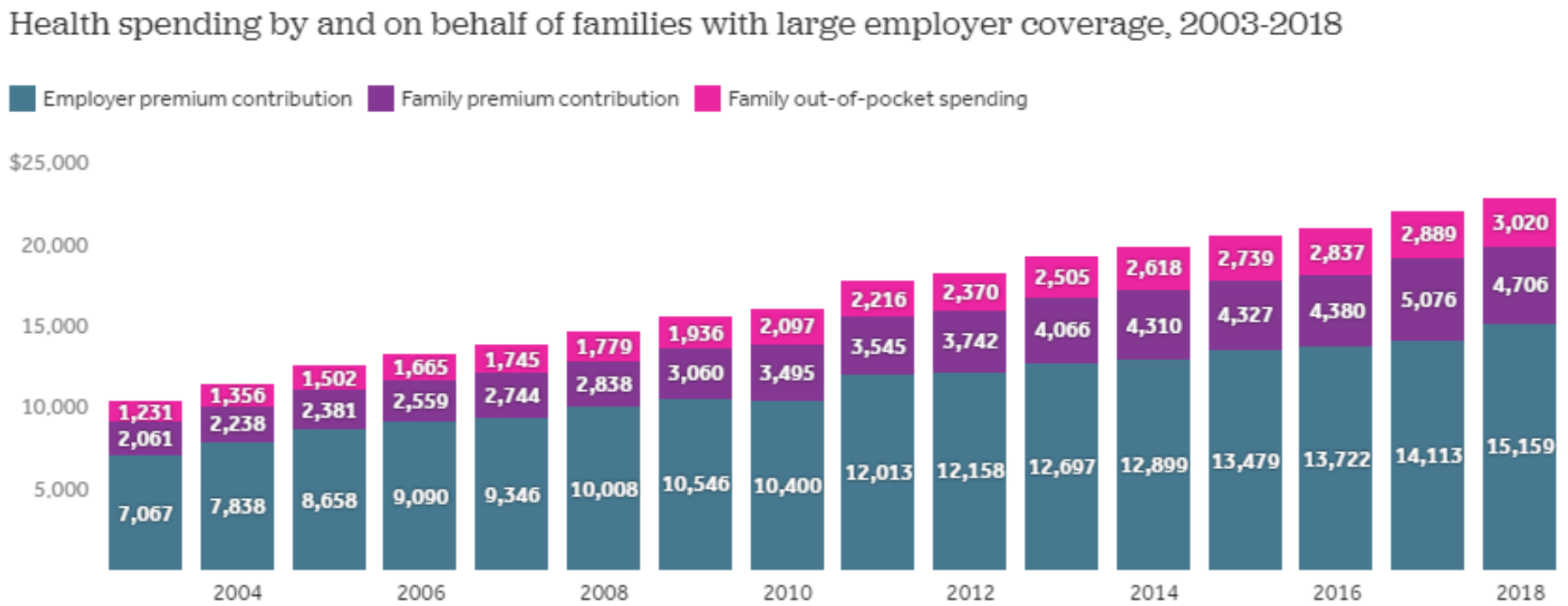
Relative contributions to total national health expenditures, 2017



Source: Kaiser Family Foundation analysis of National Health Expenditure (NHE) data • Get the data • PNG

Peterson-Kaiser
Health System Tracker

Total health spending by and on behalf of a family of four with employer coverage tops $22,000, on average

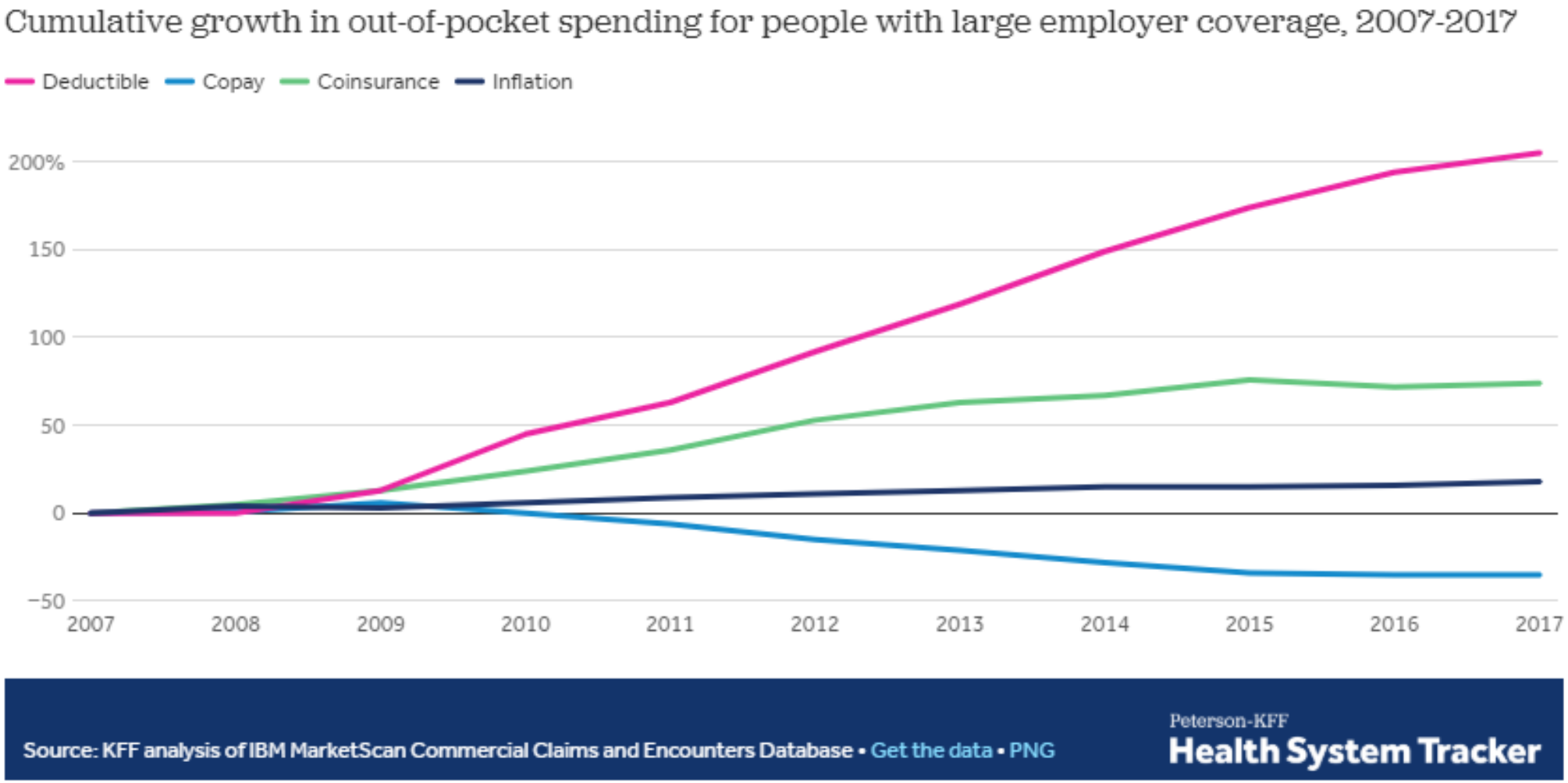


Note: Out-of-pocket costs are inflated from 2017 to 2018 because data are not yet available. Large firms have one thousand or more employees.

Source: KFF analysis of IBM MarketScan Commercial Claims and Encounters Database and KFF Employer Health Benefits Survey, 2018; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017
• Get the data • PNG

Peterson-KFF
Health System Tracker

Deductible payments have grown more than ten times faster than inflation over the last decade



Source: KFF analysis of IBM MarketScan Commercial Claims and Encounters Database • Get the data • PNG

Peterson-KFF
Health System Tracker

Uneven and inequitable outcomes

- While the U.S. health care system excels in some areas, such as decent care process outcomes, it consistently ranks last or near-last in access, administrative efficiency, equity, and health care outcomes.

- Life expectancy has been decreasing in the U.S. since 2014, and ranks last when compared to other high income developed countries at 78.9 years.

- Environmental health hazards, poor nutrition, tobacco use, prescription drug abuse, substance use disorders, firearm violence, and maternal mortality – are reversing progress made over generations of increasing life expectancy.

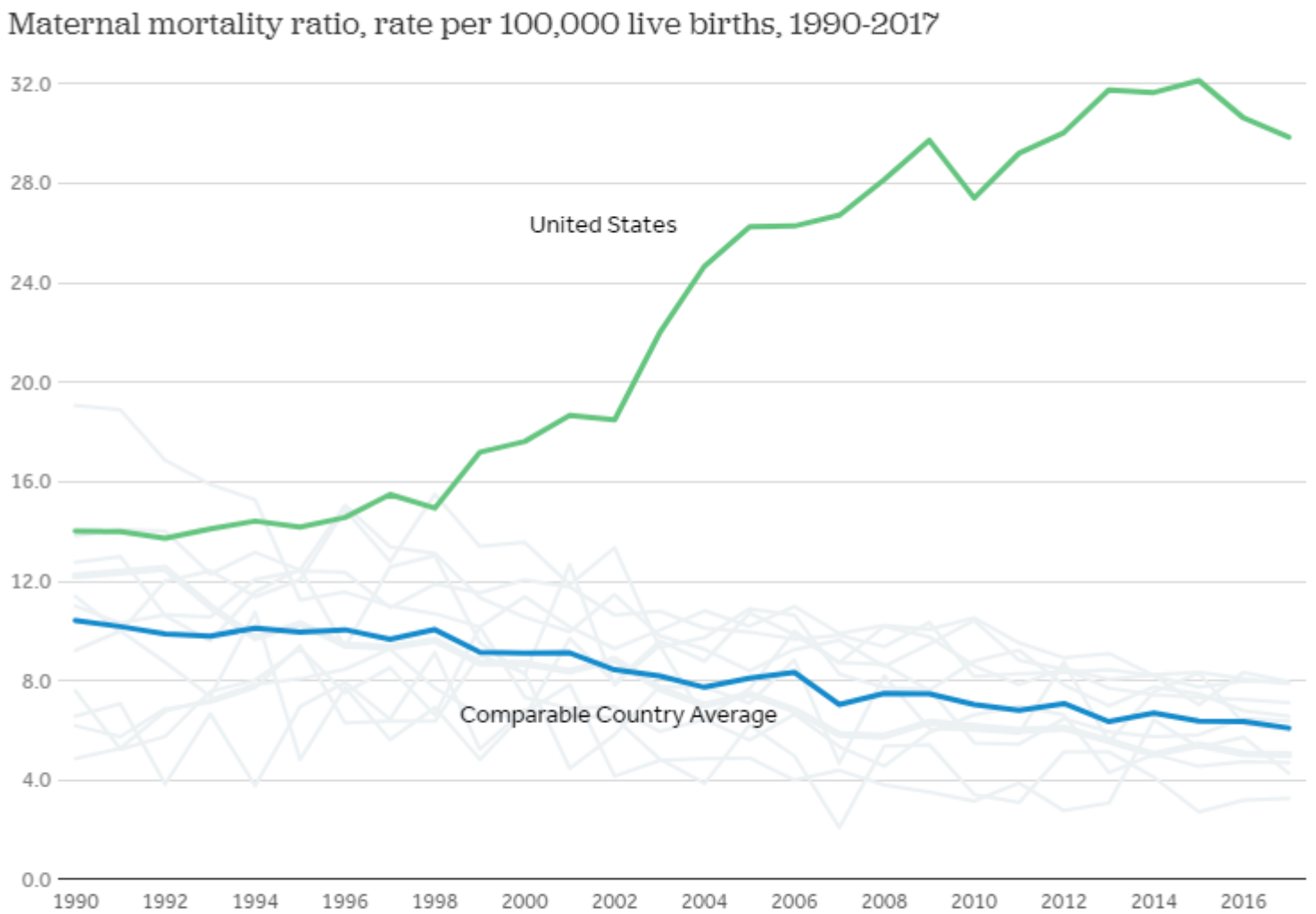
Envisioning a Better U.S. HealthCare System for All: Coverage and Cost of Care

Country comparison:

Source: KFF analysis of OECD data • Get the data • PNG

Peterson-KFF
Health System Tracker

Country comparison:

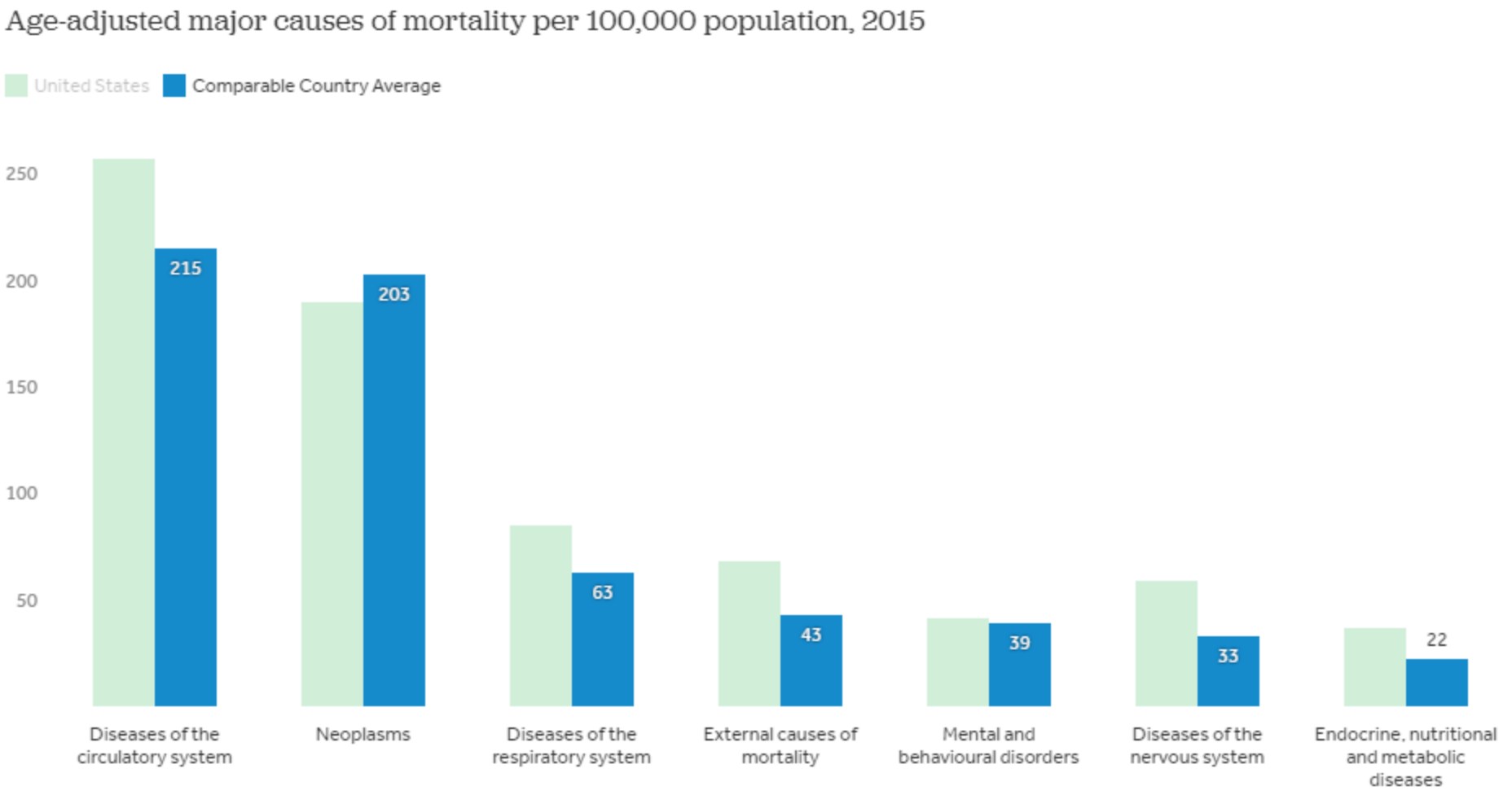


Note: IHME's methods of determining pregnancy-related deaths and the age ranges included differ from other estimates.

Source: Kaiser Family Foundation analysis of data from Institute of Health Metrics and Evaluation, Global Burden of Disease Study 2017 (GBD 2017) Data Downloads.
• Get the data • PNG

Peterson-KFF
Health System Tracker

For most of the leading causes of death, mortality rates are higher in the U.S. than in comparable countries



Note: Data for Canada are from 2013 and France are from 2014

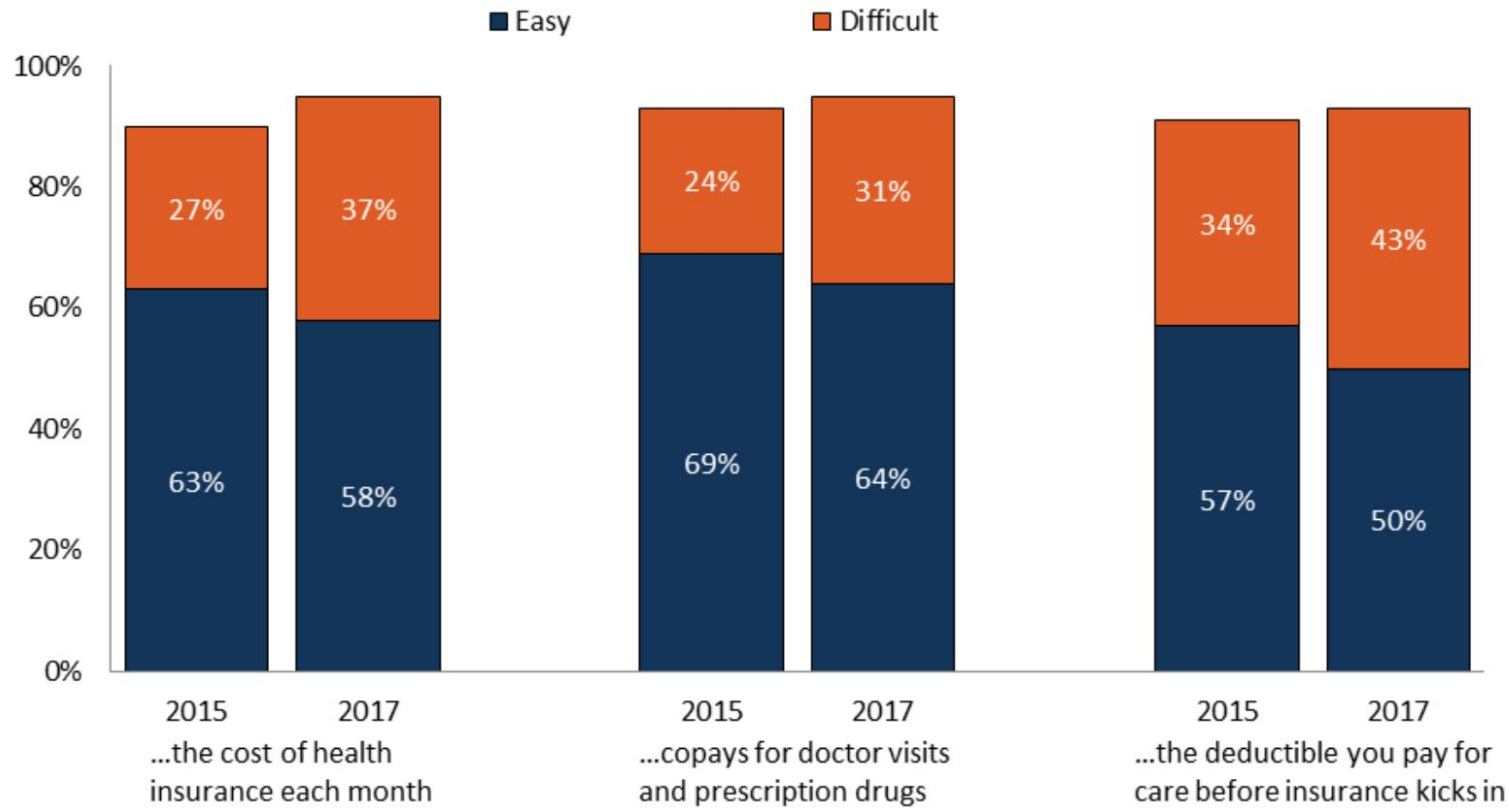
Source: KFF Analysis of OECD Health Statistics (Database) • Get the data • PNG

Peterson-KFF
Health System Tracker

Figure 2

More Insured Americans Now Report Difficulty Affording Health Care

AMONG THE INSURED: In general, how easy or difficult is it for you to afford to pay…



NOTE: Don't have to pay (Vol.) and Don't know/Refused responses not shown.
SOURCE: Kaiser Family Foundation Health Tracking Polls

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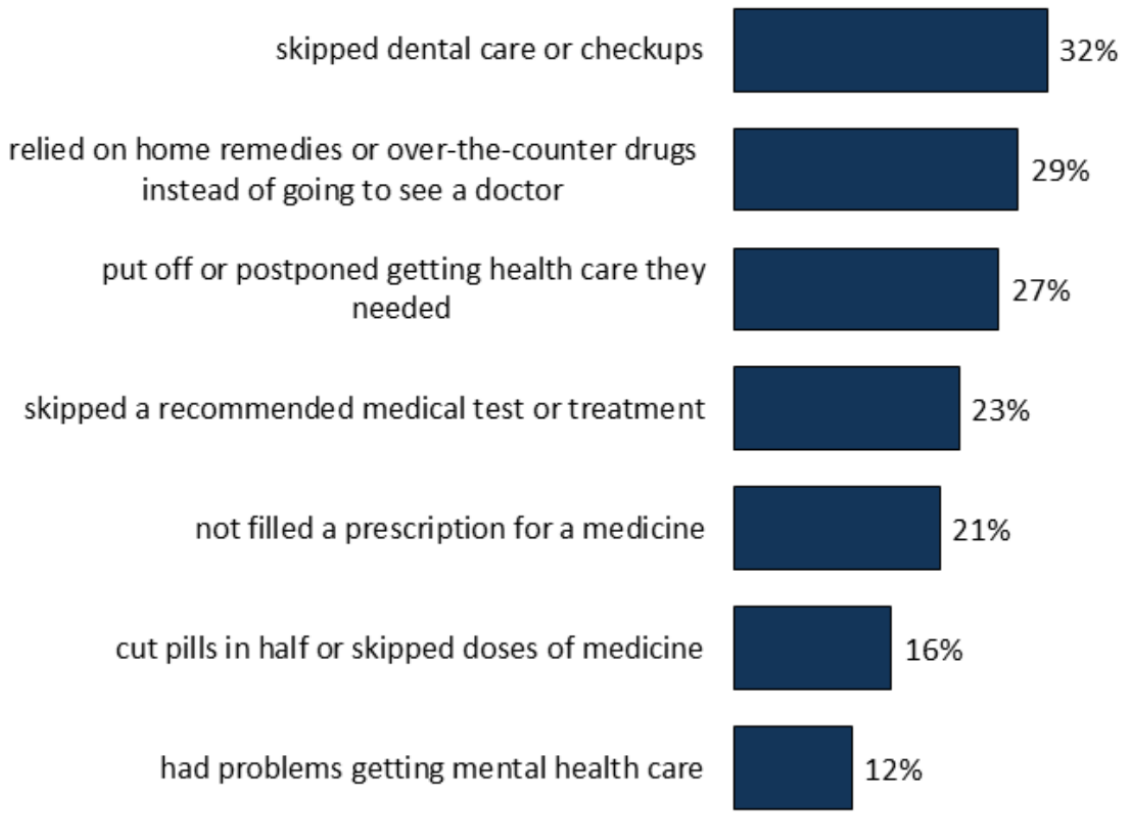
Figure 2: More Insured Americans Now Report Difficulty Affording Health Care

Some Americans Report Putting Off or Postponing Care Due to Costs

Percent who say, in the past 12 months, they or a family member living in their household has done each of the following due to cost:



SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted December 13-19, 2016)

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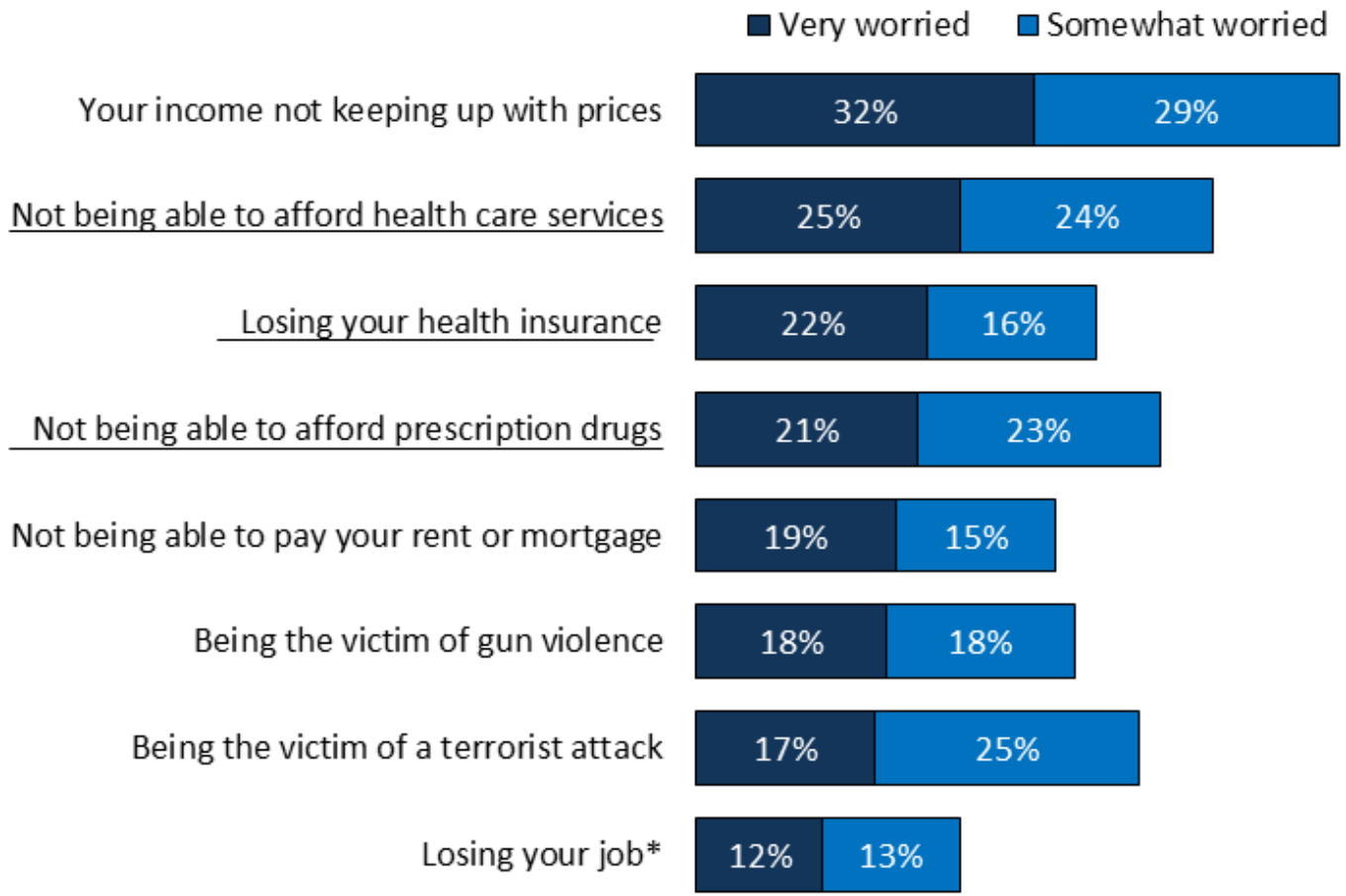
Figure 6

Cost Concerns, Including Health Care Costs, Top List of Worries

Percent who say they are worried about each of the following:



NOTE: "Losing your health insurance" was asked among those who were insured and "Losing your job" was asked among those who were employed. Question wording abbreviated. See topline for full question wording.
SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted December 13-19, 2016)

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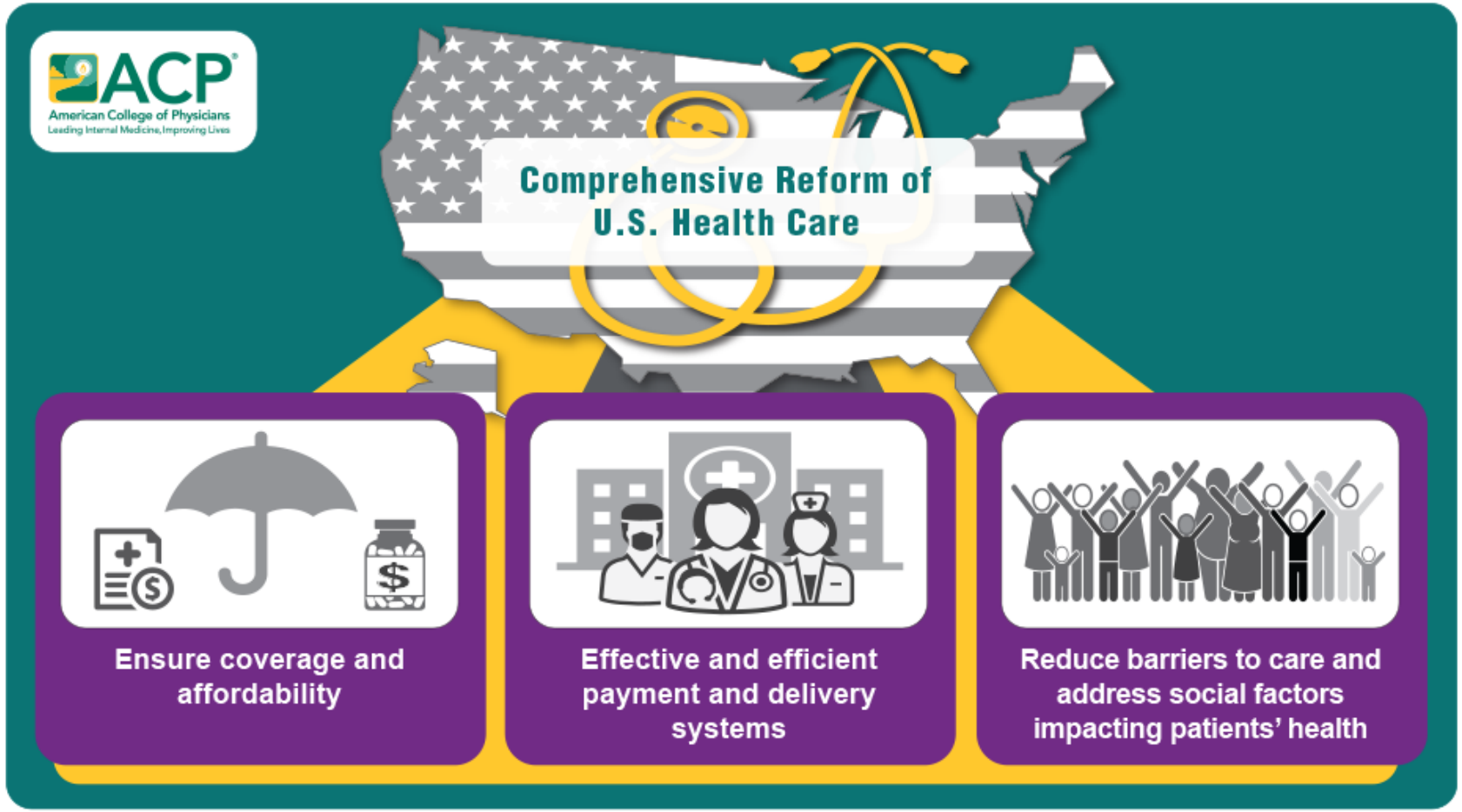
What is the American College of Physicians' (ACP) Vision for a Better US Health Care System for All?



Annals of Internal Medicine

Doherty R, Cooney TG, Mire RD, et al; Health and Public Policy Committee and Medical Practice and Quality Committee of the American College of Physicians. Envisioning a better U.S. health care system for all: a call to action by the American College of Physicians. Ann Intern Med. 21 January 2020. doi:10.7326/M19-2411 http://annals.org/aim/article/doi/10.7326/M19-2411

ACP envisions a health care system where:

1. Everyone has coverage for and access to the care they need, at a cost they and the country can afford.

2. Social factors that contribute to poor and inequitable health (social determinants) are ameliorated; barriers to care for vulnerable and underserved populations are overcome; and no person is discriminated against based on characteristics of personal identity.

3. Payment and delivery systems put the interests of patients first, by supporting physicians and their care teams in delivering high-value and patient-centered care.

4. Spending is redirected from unnecessary administrative costs to funding health care coverage and research, public health, and interventions to address social determinants of health.

5. Clinicians and hospitals deliver high-value and evidence-based care within available resources, as determined through a process that prioritizes and allocates funding and resources with the engagement of the public and physicians.

ACP envisions a health care system where:

6. Primary care is supported with a greater investment of resources; payment levels between complex cognitive care and procedural care are equitable; and payment systems support the value of internal medicine specialists.

7. Financial incentives are aligned to achieve better patient outcomes, lower costs, and reduce inequities in health care.

8. Patients and physicians are freed of inefficient administrative and billing tasks, documentation requirements are simplified, payments and charges are more transparent and predictable, and delivery systems are redesigned to make it easier for patients to navigate and receive needed care.

9. Value-based payment programs incentivize collaboration among clinical care team–based members and use only appropriately attributed, evidence-based, and patient-centered measures.

10. Health information technologies enhance the patient–physician relationship, facilitate communication across the care continuum, and support improvements in patient care.

Better is Possible: Coverage and Cost of Care

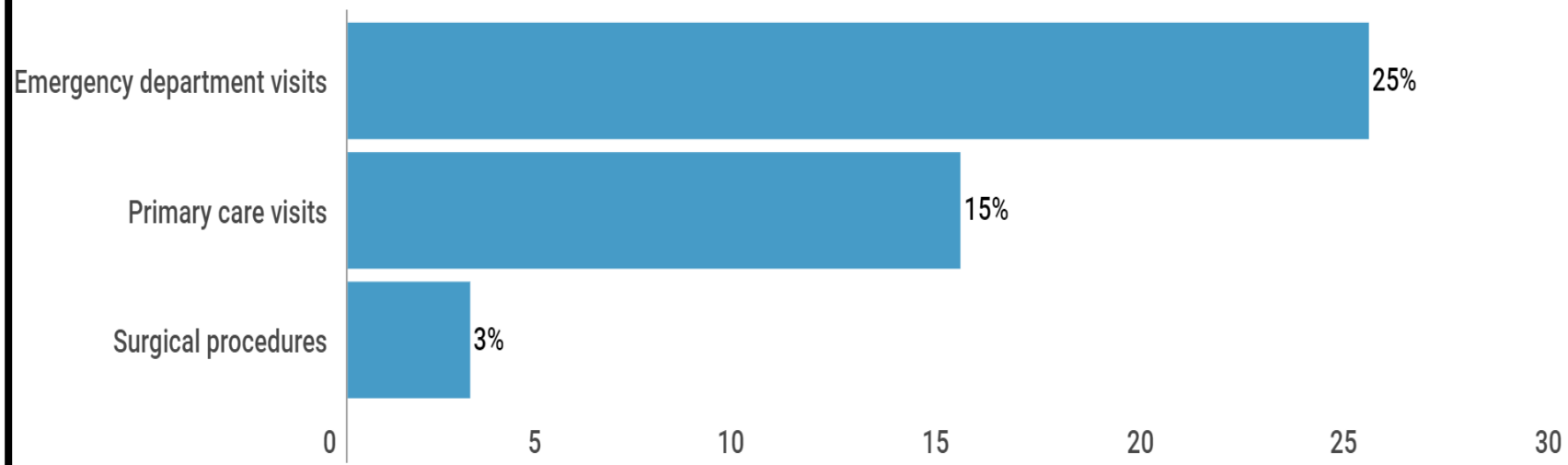
- ACP recommends transitioning to a system of **universal coverage with lower administrative costs** through either a **single payer system, or a public choice option to be offered along with regulated private insurance.**
  - Required [essential] benefits should be established through a process that includes physician and patient engagement.
  - All persons should be enrolled in a plan that covers essential benefits.
  - Patient cost-sharing that creates barriers to evidence-based, high value and essential care should be eliminated, and for patients with certain defined chronic and catastrophic illnesses. If cost-sharing is required for some services, it should be income-adjusted.
- Both approaches could result in substantial administrative savings and reduced burdens on physicians and patients.

80%

of billing-related costs are a result of our multi-payer US health system

Jiwani, Aliya, et al. "Billing and insurance-related administrative costs in United States' health care: synthesis of micro-costing evidence." *BMC Health Services Research.* 2014.

Percent of total revenue spent on billing-related costs



Tseng, Phillip, et al. "Administrative costs associated with physician billing and insurance-related activities at an academic health care system." *JAMA.* 2018.

Table 4. Health Administrative Costs in the United States and Canada, 2017*

Category of Expenditure	U.S. Spending	Spending per Capita		Projected Savings If U.S. Administrative Costs Were Reduced to Canadian Levels
		United States	Canada	
Insurance overhead and government administration of health programs	274.5	844	146	227.026
Hospital administration	303.5	933	196	239.780
Nursing home administration	44.4	137	96	13.153
Home care administration	38.5	118	27	29.835
Physicians' costs for interacting with payers	151.2	465	87 (129)†	118.354† (95.268)†‡
Total	812.0	2497	551 (593)†	628.148 (605.062)†‡

* Values are in U.S. dollars (billions).
† Adjusted for differences in the number of physicians per capita.
‡ Assumes payment of Canadian physicians and office staff at U.S. rates.

Health Care Administrative Costs in the United States and Canada, 2017 David U. Himmelstein, MD; Terry Campbell, MHA; and Steffie Woolhandler, MD, MPH. Ann Intern Med. doi:10.7326/M19-2818

Table 5. Time Spent Interacting With Payers by Personnel in Physicians' Offices and Dollar Value of That Time in the United States and Canada, 2017*

Personnel	United States		Canada	
	Hours per Week, *n*	Annual Value, *US $*	Hours per Week, *n*	Annual Value, *US $*
Physicians	3.4	57 147	2.2	16 126
Nursing staff	20.6	36 256	2.5	4003
Clerical staff	53.1	66 038	15.9	15 629
Administrators	3.14	9861	0.47	1068
Total (all personnel)	80.2	169 302	21.1	36 825

* Estimates of time spent are from reference 15. See the text and the Supplement (available at Annals.org) for methods used to calculate annual values.

Health Care Administrative Costs in the United States and Canada, 2017 David U. Himmelstein, MD; Terry Campbell, MHA; and Steffie Woolhandler, MD, MPH. Ann Intern Med. doi:10.7326/M19-2818

Single payer and public choice models both have advantages and disadvantages but are better than our current system

- Under a **single payer** plan:
  - Everyone would have the same coverage through the public plan.
  - Lower administrative costs, more equitable care.
  - More disruptive: limited or no role for private insurance.

- Under a **public choice** model:
  - Everyone would have coverage, either through public plan or regulated private insurance.
  - Administrative savings as more people enrolled in a public plan but less than single payer.
  - More equitable than current system but less than under single payer.
  - More market regulation required.
  - Less disruptive—individuals and employers could enroll in public plan, or keep private coverage.

- Shortages and longer waits for elective appointments *could* occur if either approach is *underfunded* or *payments are set too low.* But under our current system, millions already do not access to affordable care. **ACP advocates that payments be sufficient to ensure access, and be substantially increased for primary care.**

- ACP examined market-based approaches; **none would achieve our vision where everyone has coverage for and access to the care they need, at a cost they and the country can afford**.

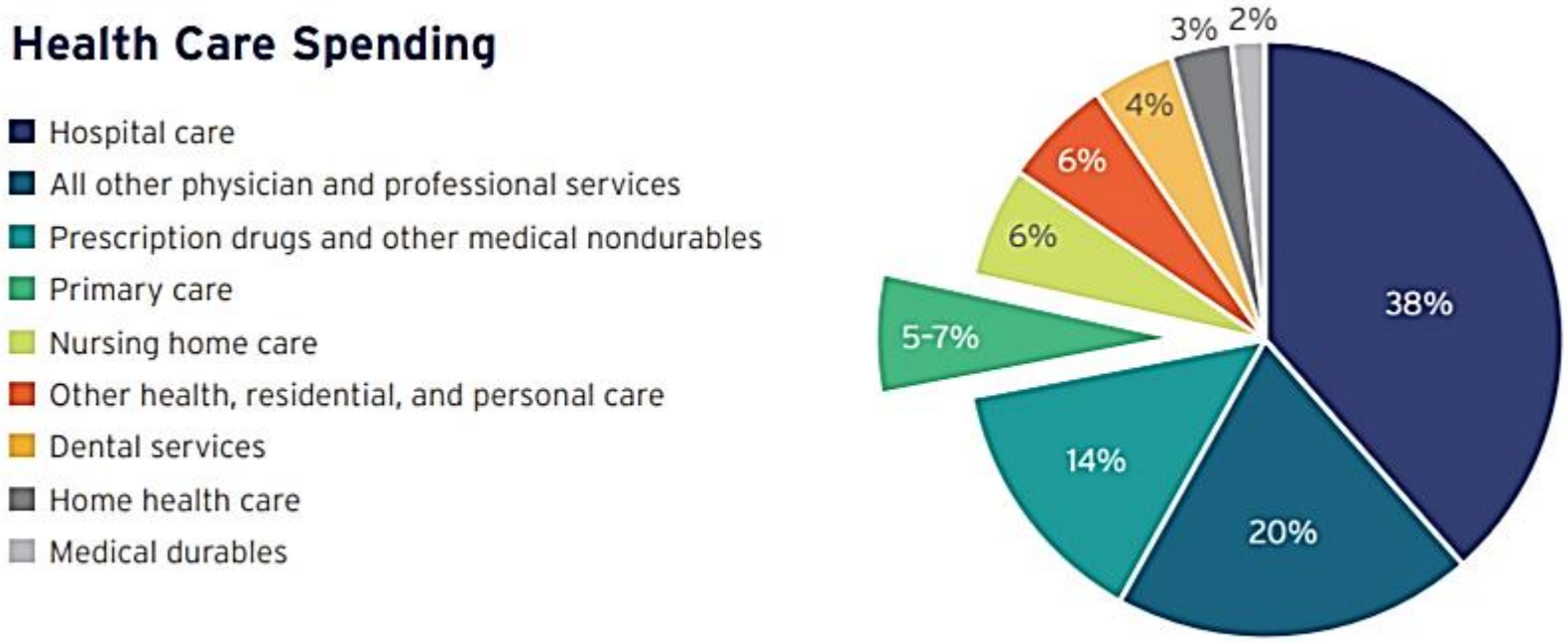
Better is Possible: Coverage and Cost of Care

- ACP proposes that costs be controlled by:
  - Prioritizing spending and resources
  - Lowering excessive prices and price variation
  - Increasing price transparency
  - Increasing adoption of global budgets and all-payer rate setting
  - Reducing administrative costs
  - Promoting high-value care
  - Incorporating cost and comparative effectiveness into guidelines and coverage.
  - Investing more in primary care

U.S. spends relatively little on primary care

FIGURE 1.1

Health Care Spending



Investing in Primary Care: A State Level Analysis, Primary Care Collaborative, 2019

Why is it important to spend more on primary care?

Primary care is essential in the prevention and early detection and treatment of disease, which can help to avoid costlier future care. Only between 6 percent and 8 percent of health care dollars are spent on primary care, but greater use of primary care is associated with decreased health expenditures, higher patient satisfaction, fewer hospitalizations and emergency department visits, and lower mortality.

Recent state-level analyses show an association between investment in primary care and reductions in emergency department visits, total hospitalizations, and hospitalizations for ambulatory care–sensitive conditions. U.S. markets with larger numbers of primary care physicians have lower costs and higher quality of care.

Envisioning a Better U.S. Health Care System for All: Coverage and Cost of Care

Better is Possible: Health Care Delivery and Payment Systems Reform

ACP recognizes there is not a one-size-fits-all approach to reforming delivery and payment systems and a variety of innovative payment and delivery models should be considered, evaluated, and expanded. ACP recommends:

- Increasing payments for primary and cognitive care services
- Redefining the role of performance measures to focus on value to patients
- Eliminating “check-the-box” reporting of measures
- Aligning payment incentives with better outcomes and lower costs
- Eliminating unnecessary or inefficient administrative requirements
- Redesigning health information technology to better meet the needs of clinicians, patients

Better is Possible: Reducing Barriers to Care and Addressing Social Determinants of Health

- ACP calls for ending discrimination and disparities in access and care based on personal characteristics, correcting workforce shortages including the undersupply of primary care physicians, and understanding and ameliorating social determinants of health.
- ACP believes that all persons, without regard to personal characteristics, must have equitable access to high quality health care and not be discriminated against based on such characteristics.
- The paper also calls for increased efforts to address urgent public health threats including injuries and deaths from firearms, environmental hazards and climate change, maternal mortality, substance use disorders, and the health risks associated with nicotine, tobacco use, and electronic nicotine delivery systems.

Better is Possible: Join Us

Dr. Atul Gawande wrote, *"Better is possible. It does not take genius. It takes diligence. It takes moral clarity. It takes ingenuity. And above all, it takes a willingness to try."*

The ACP rejects the view that the status quo is acceptable, or that it is too politically difficult to achieve needed change. By articulating a new vision for health care, ACP is showing a willingness to try to achieve a better U.S. health care system for all. We urge others to join us in **Envisioning a Better U.S. Health Care System for All: A Call to Action by the American College of Physicians.**

- Visit www.annals.org to read ACP's New Vision Papers, or visit www.acponline.org/new-vision for information
- Join ACP in stating that the status quo is acceptable and make your voice heard.
- Help spread the work on social media by using **#ACPVision4HealthCare** to discuss how ACP's policy recommendations can help create real change.