

VIEWPOINT

The Elusive Path to Health Care Sustainability

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Despite the recent slowdown in health care inflation, particularly in Medicare and Medicaid, increases in health care costs threaten to exceed the nation's capacity to pay. Medicare's accountable care, medical home, and bundled payment initiatives, along with parallel private marketplace innovations, could help curb costs over time. However, it is uncertain which models will prove effective, and their effect will be limited until the most successful efforts are identified and scaled nationally. Even if per-capita health spending slows to the same rate as overall economic growth, increasing numbers of aging beneficiaries will alone double Medicare spending in 10 years while increasing private sector prices increase the burden on businesses and families.

This national challenge calls for serious, bipartisan action. But amidst today's polarized policy-making environment, restoring financial sustainability to Medicare, Medicaid, and private health care continues to confound lawmakers, and the path toward a more sustainable, affordable, high-performing health system remains elusive. Still, despite the division and gridlock paralyzing the making of health care policy today, a consensus is emerging among health care experts and stakeholders regarding the next steps the nation must take toward health care sustainability.

A Clearer Path: Growing Policy Consensus

Over the past year, diverse and respected policy centers and stakeholder coalitions have presented plans for reforming the US health care system, including the

Bipartisan Policy Center,¹ Brookings Institution,² The Commonwealth Fund,³ Kaiser Family Foundation,⁴ National Coalition on Health Care,⁵ Partnership for Sustainable Health Care,⁶ and Urban Institute.⁷ There is striking similarity between the recommendations from each of these organizations (Table).

All of the proposals point toward a common outcome: better alignment of health care cost inflation with overall economic growth, while ensuring access to appropriate evidence-based services for all. Further, underlying each proposal's specific recommendations are several commonly held principles for how to reach that outcome. All proposals suggest that payment and delivery systems must be transformed to consistently produce better care coordination and better outcomes at lower costs. All advocate for continuing to promote scientific and clinical innovation, while also fostering accountability between the costs of drugs, devices, and services and their demonstrated effectiveness in terms of outcomes and safety. All indicate that more patient engagement, shared decision making, and transparency around the quality and cost of coverage and care are essential. All forecast that federal system reform improvements will catalyze similar improvements in the private sector. All acknowledge that progress toward greater administrative efficiency is lagging. And all contend that further investment in health information technology will improve system performance, even if, as observed with electronic medical records, such investment does not always reduce costs.

Table. Policy Comparisons

Policy ^a	Organization						
	Bipartisan Policy Center	Brookings Institution	The Commonwealth Fund	Kaiser Family Foundation ^b	National Coalition on Health Care	Partnership for Sustainable Health Care	Urban Institute
Value-based payment reform	✓	✓	✓	✓	✓	✓	✓
Value-based insurance design	✓	✓	✓	✓	✓	✓	✓
Efficient administration and markets							
Administrative/information technology	✓	✓	✓	✓	✓	✓	
Antitrust	✓	✓	✓	✓		✓	
Medical malpractice	✓	✓	✓	✓	✓	✓	
Evidence-based benefits	✓			✓	✓	✓	
Work force	✓	✓	✓		✓	✓	
Broad reforms							
Medicare structural reforms	✓		✓	✓			✓
Taxes	✓	✓		✓			✓
Caps	✓	✓		✓			

^a Value-based payment reform: rewarding quality and better outcomes over volume of unit services. Value-based insurance design: benefit designs incentivizing patient choice of higher-quality treatments, clinicians, and hospitals and choice of healthier lifestyles and adherence to effective treatment. Administrative/information technology: improvements that reduce costs. Antitrust: ensure healthy competition in local health care markets. Medical malpractice: liability policy improvement. Evidence-based benefits:

paying for demonstrated clinical effectiveness. Work force: policies promoting provider efficiencies. Taxes: federal tax exemption changes enhancing insurance competition. Caps: total dollar limits, or targets with overspending consequences.

^b Kaiser Family Foundation's January 2013 report presents an array of policy options without specific recommendations.

Transforming Consensus Into Action

Most significantly, the proposals reveal broad, if not always unanimous, agreement about how to advance the principles they espouse. This agreement offers the basis for crafting the next steps in reform, which include (1) value-based payment reform (all plans promote shifting from fee-for-service reimbursement for clinicians and hospitals to incentives for improved care quality, patient satisfaction, and measured outcomes); (2) value-based insurance design (all proposals promote incentives [lower co-payments and costs] for patients to choose higher-quality clinicians, hospitals, and treatment options and to demonstrate healthier behaviors and better adherence to effective treatment); (3) efficient administration and markets (a clear majority of the plans would promote administrative efficiency and information technology innovation, selective antitrust relief, reduced medical liability costs, investment in evidence-based benefits and research, and workforce innovation); (4) broader reforms (4 of 7 proposals supported structural reforms

to Medicare, such as forming an intermediate option between Medicare and Medicare Advantage and modifications to the tax deductibility of private insurance, intended to promote insurance competition); and (5) overall spending limits (3 of the plans supported spending caps, or spending targets with consequences if exceeded).

Despite its substantial achievements, health care in the United States remains woefully complex and inefficient, and treading the elusive path toward sustainability will not be easy. In addition, there are few data to support many of the recommendations. Yet enlightened changes to federal policy and programs could accelerate progress across all of health care. In the last year, despite substantial differences of perspective, experts and health care stakeholders have found a remarkable degree of consensus on how to move forward. With this new, emerging consensus, the next steps toward a more sustainable health system are becoming clear. If only elected officials can find the political will to take them.

ARTICLE INFORMATION

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