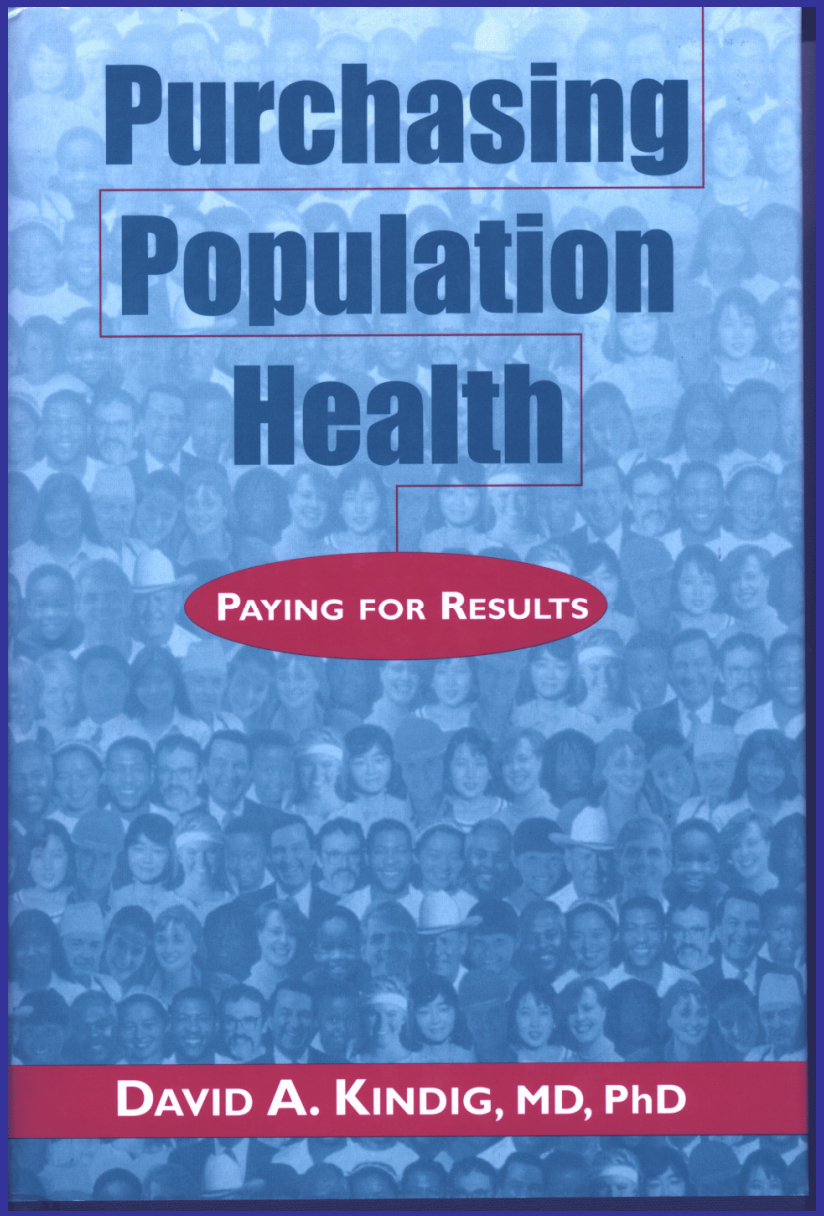
PAYING FOR POPULATION HEALTH IMPROVEMENT

David Kindig MD, PhD

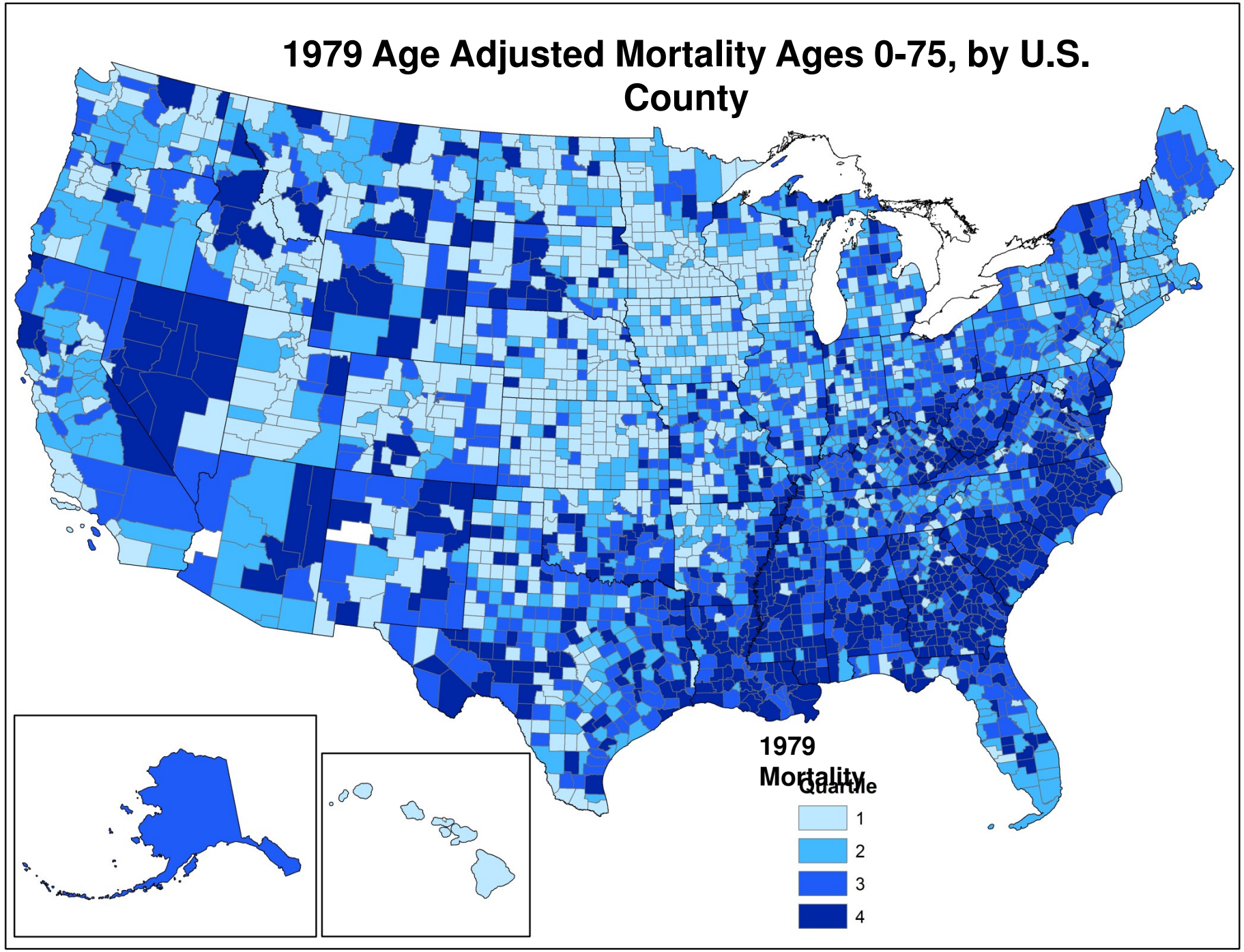
NYSHF Population Health Summit

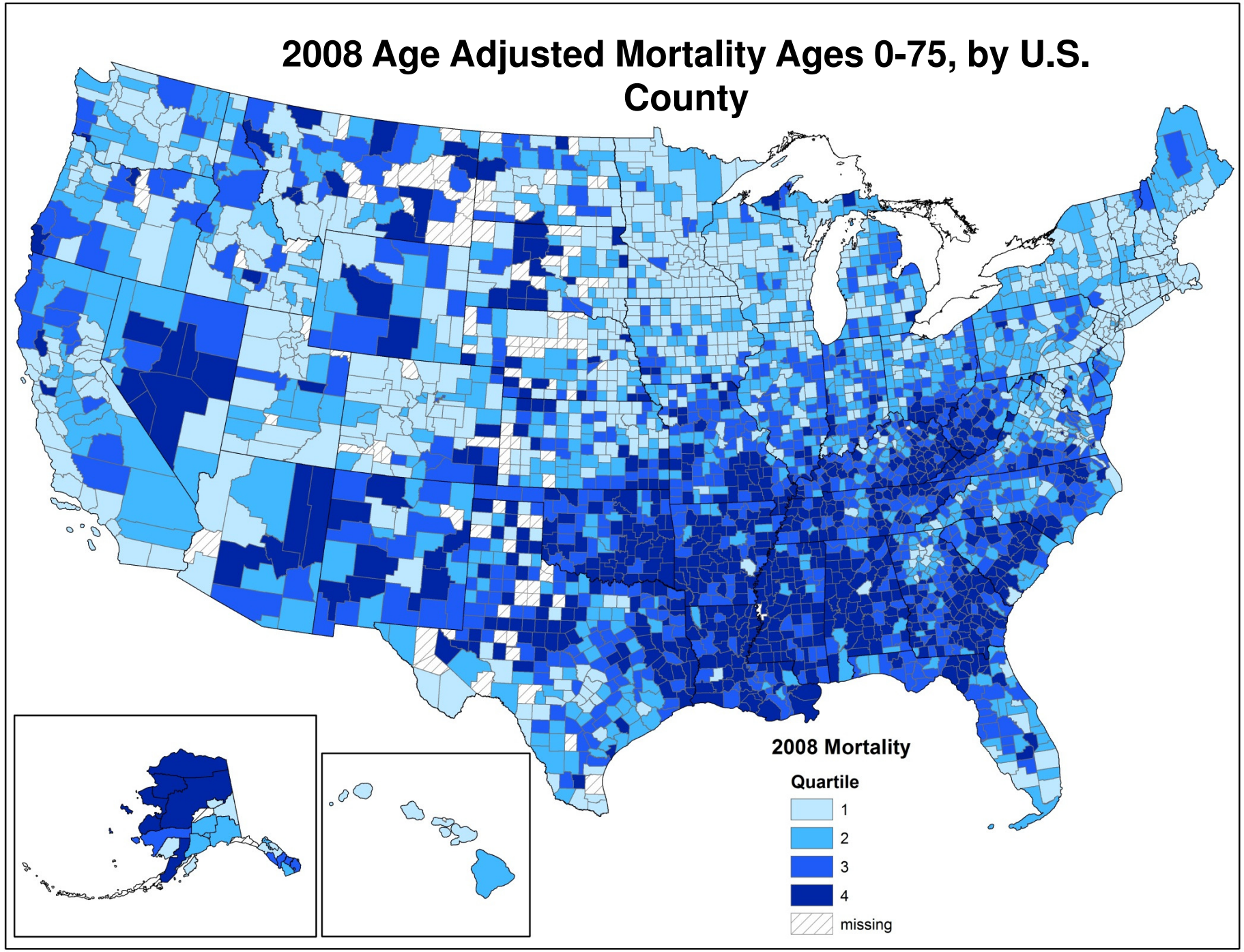
October 28, 2014


Purchasing
Population
Health
Paying for Results
David A. Kindig, MD, PhD

"The fundamental assertion of this book is that population health improvement will not be achieved until appropriate financial incentives are designed for this outcome."

Kindig 1997


1979 Age Adjusted Mortality Ages 0-75, by U.S. County
1979 Mortality
Quartile
1
2
3
4


2008 Age Adjusted Mortality Ages 0-75, by U.S. County
2008 Mortality
Quartile
1
2
3
4
missing

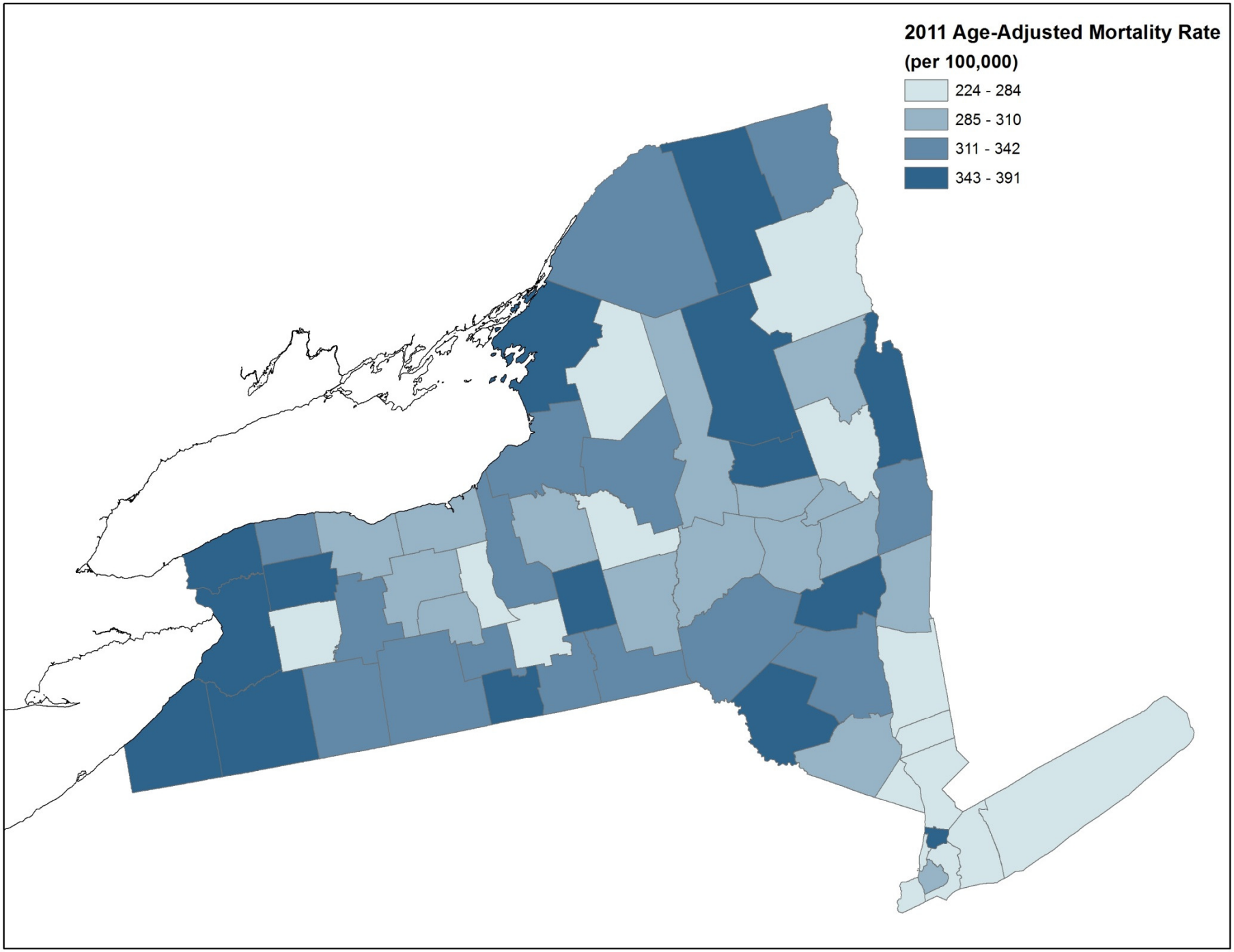
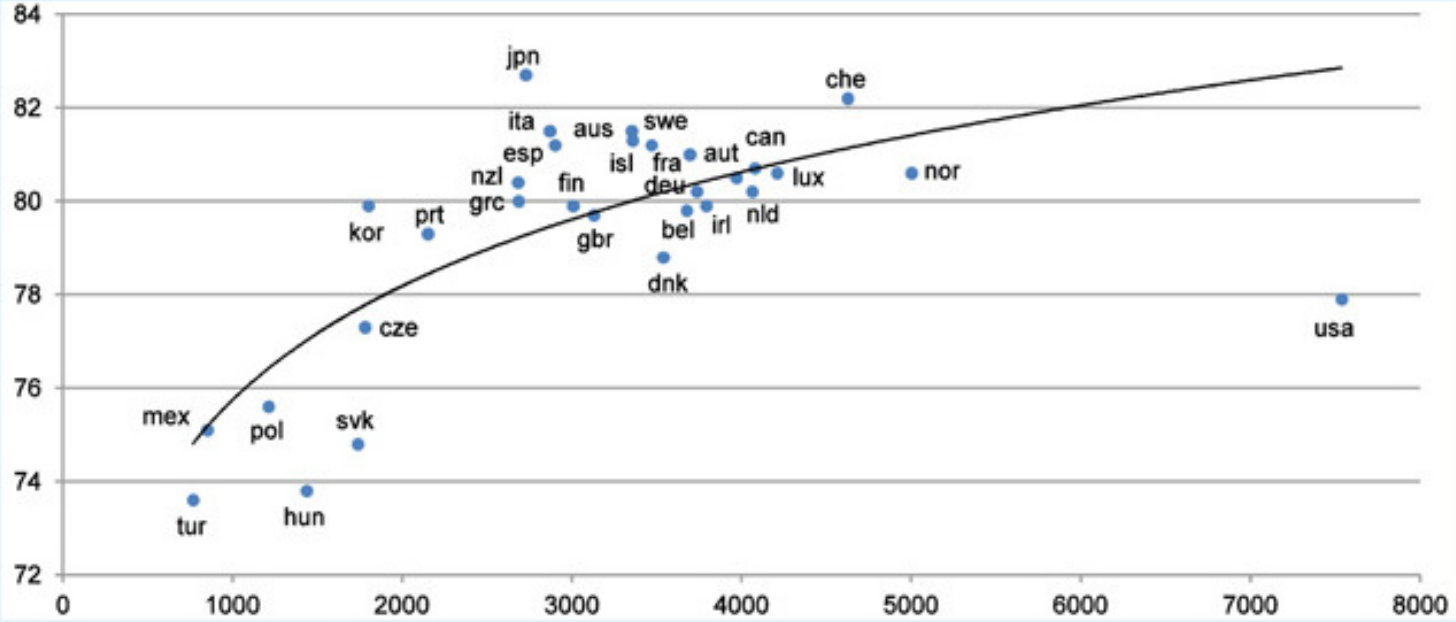

2011 Age-Adjusted Mortality Rate
(per 100,000)
224 - 284
285 - 310
311 - 342
343 - 391

FIGURE: Life Expectancy at Birth (yrs), Health Spending by Country



Total expenditure on health per capita, U.S. $PPP

FIGURE KEY: aus is Australia, aut is Austria, bel is Belgium, can is Canada, che is Switzerland, cze is the Czech Republic, dnk is Denmark, fin is Finland, fra is France, deu is Germany, grc is Greece, hun is Hungary, irl is Ireland, isl is Iceland, ita is Italy, jpn is Japan, kor is Korea, lux is Luxembourg; mex is Mexico, nld is the Netherlands, nzl is New Zealand, nor is Norway, pol is Poland, prt is Portugal, svk is the Slovak Republic, tur is Turkey, esp is Spain, swe is Sweden, gbr is the United Kingdom, and usa is the United States.

SOURCE: Organisation for Economic Co-operation and Development 2010, "Health Care Systems: Getting More Value for Money."

Main points of presentation

1. To improve overall health and reduce or eliminate health disparities, significant reinvested and new resources of many kinds will be required.

2. While philanthropy and public pilot funds are critical for testing new sources and ideas, developing and aligning dependable long-term revenue streams is essential.

3. We can start by reinvesting savings from greater efficiency and reducing waste…….

…..but will need to expand investment in the social determinants from a variety of sources, especially by finding the sweet spots where core missions of other sectors align with health improvement objectives

4. While more evidence is needed regarding the relative cost effectiveness of different investments, we know enough to act now to create a more balanced health investment portfolio

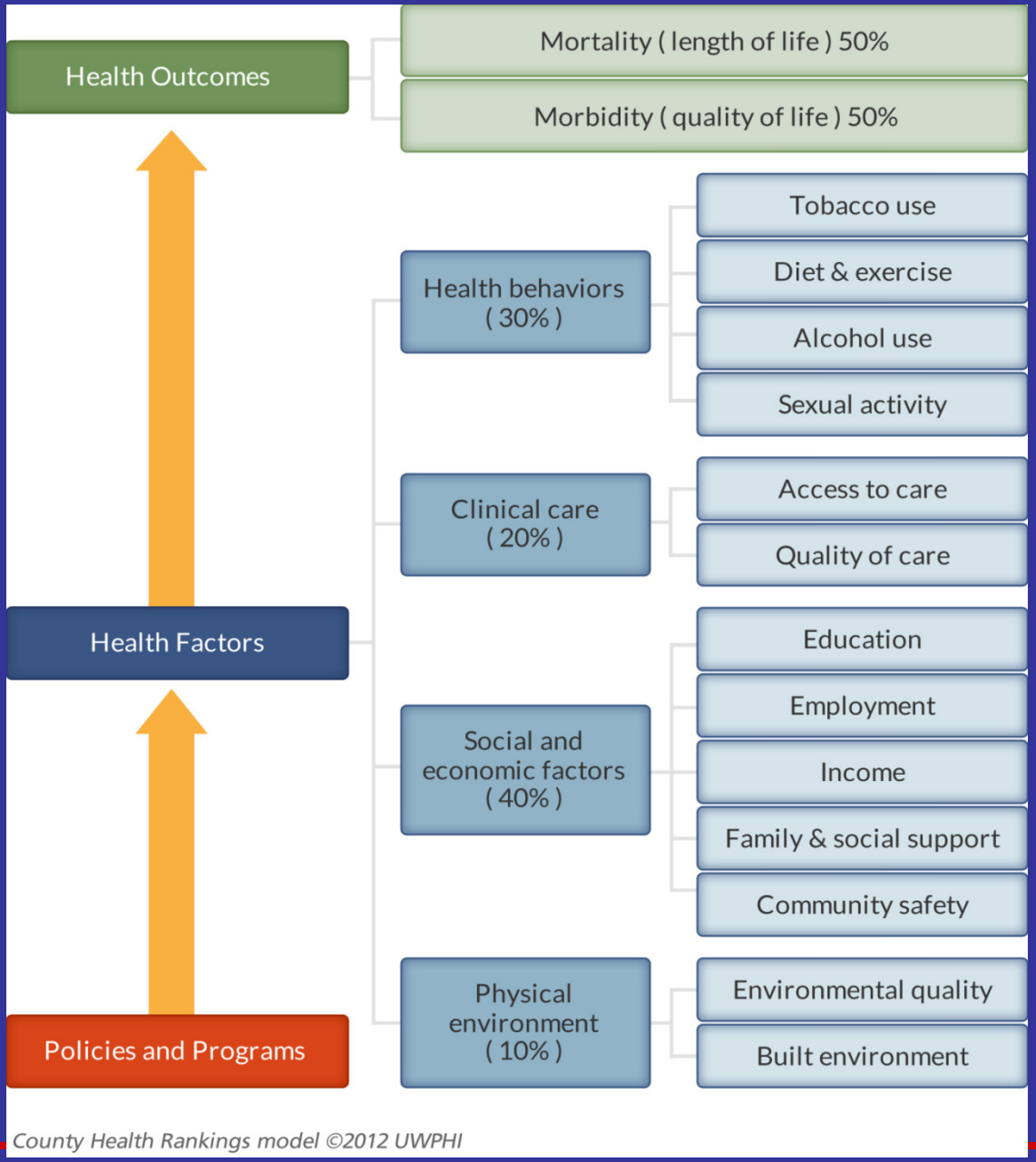
5. Health CARE systems can play important roles not just with better care cost and quality, but by also working with partners in other sectors to improve investments in the critical non-medical determinants of health

PART 1: HOW MUCH IS NEEDED, AND FOR WHAT INVESTMENTS?

“How much, then, should go for medical care and how much for other programs affecting health, such as pollution control, flouridation of water, accident prevention and the like.

There is no simple answer, partly because the question has rarely been explicitly asked.”

Victor Fuchs, 1974


Health Outcomes
Mortality (length of life) 50%
Morbidity (quality of life) 50%
Health Factors
Health behaviors (30%)
Tobacco use
Diet & exercise
Alcohol use
Sexual activity
Clinical care (20%)
Access to care
Quality of care
Social and economic factors (40%)
Education
Employment
Income
Family & social support
Community safety
Physical environment (10%)
Environmental quality
Built environment
Policies and Programs
County Health Rankings model ©2012 UWPHI

We *do not know* today what the total HEALTH budget needs to be

It would include:

- less health care spending from an efficient reformed system (?parity with OECD)
- adequate resources for primary care, public health and clinical prevention
- plus that share of other sector investments that are health promoting (education, housing, economic development)

What is needed for governmental public health: From the IOM Investing in a Healthier Future 2012

- Trust for Americas Health 2008
  $20 billion shortfall
- IOM 2012 “more conservative” doubling
  from $11.6 billion to $24 billion

Ratio of social service spending to medical care spending

European OECD 2.0

United States 0.9

Bradley BMJ 2010

America's Health Dividend

An efficient system could generate savings of $337 Billion just to Medicare and Medicaid

…..Which could be spent for

- $168B in debt reduction
- $104B in education programs like universal pre K and smaller class sizes, smoking education, Head Start
- $61B in Infrastructure like Safe Streets, Job Corps, Food Stamps

Different places need different investments

	NORTH DAKOTA 9	UTAH 6
• Lack Health Ins	9	28
• Smoking	34	1
• HS Grad	3	26
• Binge Drinking	49	2
• Air Qual	3	25

PART 2: WHERE CAN NEW INVESTMENTS COME FROM?

Sources of dependable financial support

1. From efficiency in health care: Capturing savings through ACO shared savings or Community Benefit reform
2. New payment models…CMMI demonstrations, pay for success,
3. Health in All Policies -- more health from what we are already spending in other sectors, including community development
4. Government "wellness trusts"
5. Businesses understanding the "business case"

Kindig and Isham 2014 Frontiers

Sweet spots for business

- attracting and retaining talent
- employee engagement
- human performance
- health care costs
- product safety
- product reliability
- sustainability
- brand reputation

Dependable revenue streams

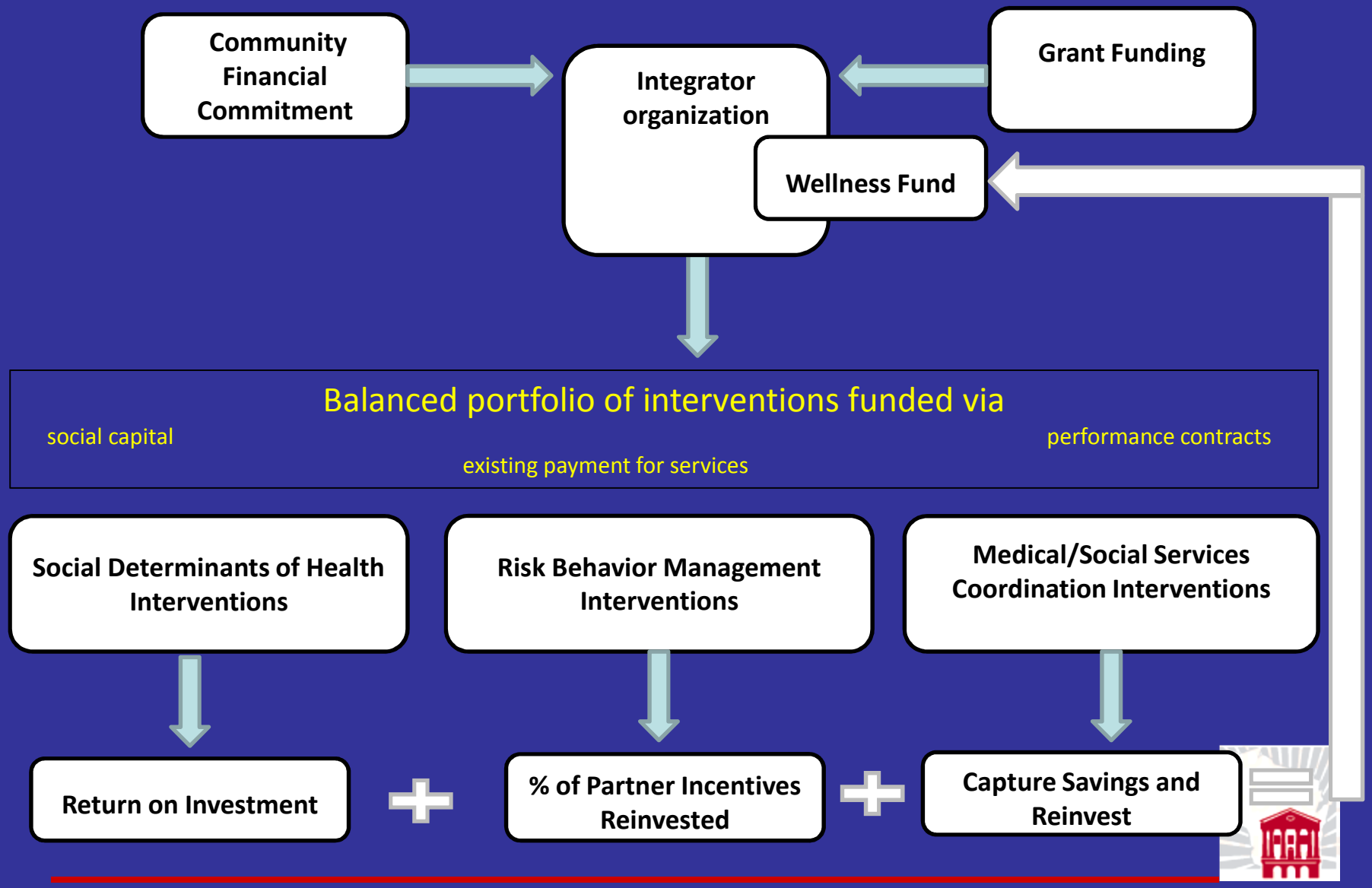
We need to move beyond grants and short term appropriations.

We need to move to dependable formula sources like mortgage interest deductions or Medicare medical education payment.

For other sectors, like early childhood support, we need to add our political clout to their efforts for win-win opportunities.

THIS IS ESSENTIAL TO CHANGE THE COLORS OF THE MAPS!

CHS Sustainable Financial Model (Hester 2014)



Local Investment Benchmarks?

- Can New York State, through its Prevention Agenda or Community Health Needs Assessment process, develop local investment targets across sectors and begin to align resources towards a set of balanced health improvement portfolios, tailored to local outcomes and determinants profiles?

Different places need different investments

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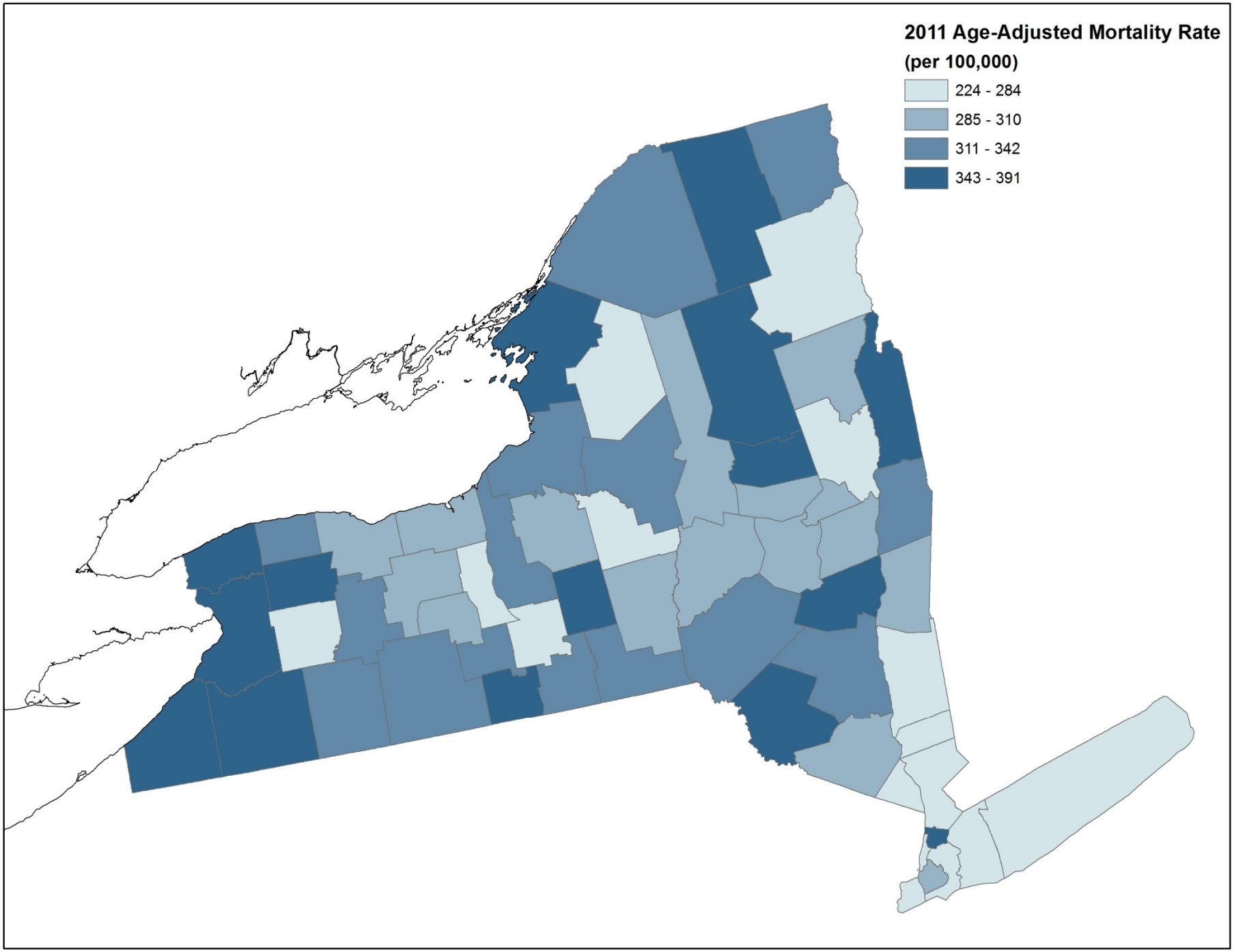
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Improving Population Health

Policy. Practice. Research.

Editor: David A. Kindig, MD, PhD

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08/31/2011

Locally Customized Population Health Policy Packages?

By David A. Kindig, MD, PhD

In my last post I suggested that those who allocate resources must provide ample guidance to ensure that local level health improvement strategies actually align with the best available evidence. I mentioned the University of Wisconsin What Works data base as well as the approach that the previous administration allocated its State Health Improvement Plan (SHIP) resources in the state of Minnesota. But I indicated that What Works is not tailored to individual communities and that the Minnesota example is limited to health behavior interventions, not all population health determinants.

We know from the *County Health Rankings* and our own experiences that communities vary widely in both their health outcomes and the factors or determinants of those outcomes. There are many examples of both high and low ranking counties which vary on their determinant profile…some have high health care quality and access but poor behaviors, others have high social factors like education and income but poor air and water quality. Given limited resources, it is critical that investments be made carefully to have the most impact.

Part 3: The role of health care systems in a multi determinant health world

COMMENTARY

A Pay-for-Population Health Performance System

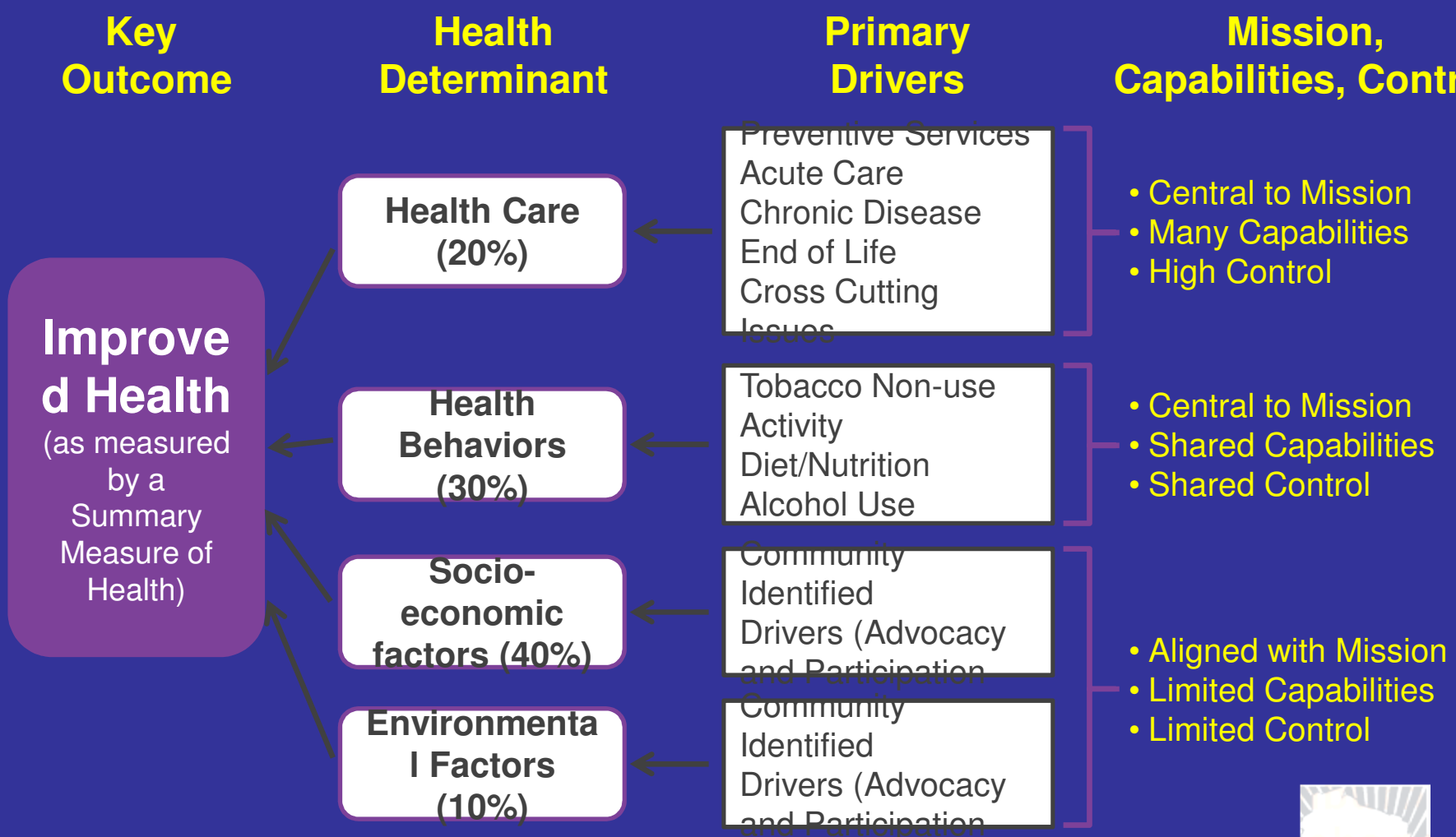
David A. Kindig, MD, PhD

Solid partnerships and real resources

"What is required is a coordinated effort across determinants between the public and private sectors, as well as financial resources and incentives to make it work."

Kindig JAMA 2006

HealthPartners Health Driver Diagram



Modified from Isham G and Zimmerman D, HealthPartners Board of Directors Retreat, October 2010

THE Population Health Question

In a resource limited world (nation, community) what is the optimal *national and local* per capita investment, and policy "strength", across sectors (health care, public health, health behaviors, social factors like education and income, physical environment) for improving overall health and reducing disparities?

BUT IN ADDITION

The Action Steps of creating the dependable revenue streams and partnerships to finally change the colors of the maps

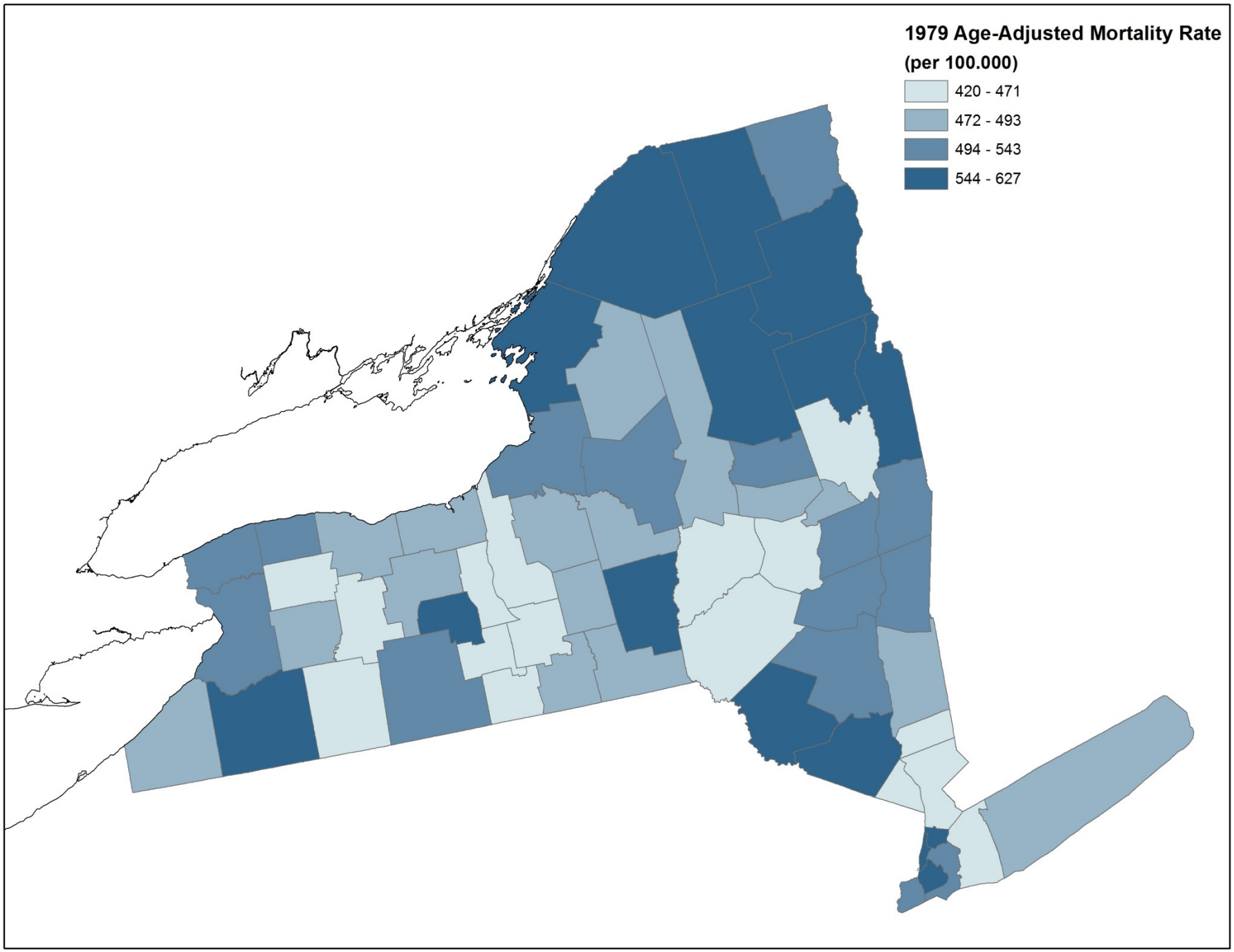
"*Population health outcomes…will require robust national and community based policies and dependable resources to achieve them*"

IOM Roundtable on Population Health Improvement

"The fundamental assertion of this book is that population health improvement will not be achieved until appropriate financial incentives are designed for this outcome."

Kindig 1997

"My question is: Are we making an impact?"


1979 Age-Adjusted Mortality Rate
(per 100.000)
420 - 471
472 - 493
494 - 543
544 - 627