


Overview of the U.S. Health Care Delivery System



Companion to [Jonas & Kovner's Health Care Delivery in the United States](#), Chapters 1, "The Current Healthcare System" and 1A, "An Overview in Charts"

PHC 4630
Understanding U.S. Healthcare

Presentation Objectives

- Introduce Public Health milestones
- Discuss the current Healthcare 'system'
- Introduce course themes
 - Highly regulated "market-based" system
 - Low value of U.S. Healthcare compared to other countries
 - Cost, Quality, and Access

Milestones in Public Health

- 1636: Laws passed to support disabled soldiers
- 1798: Marine Hospital Act
- 1847: American Medical Association (AMA)
- 1872: American Public Health Association (APHA) founded
- 1889: Massachusetts formed the first State Health Department
- 1916: First School of Public Health at Johns Hopkins was established

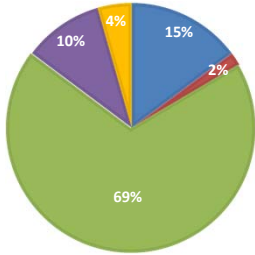
Milestones in Public Health

- 1935: Social Security Act (SSA)
- 1937: National Institute of Health (NIH)
- 1965: Medicare and Medicaid Programs
- 1973: Health Maintenance Organizations (HMO)
- 1997: Children's Health Insurance Plans (CHIP)
- 1998: Health Insurance Portability and Accountability Act (HIPAA)
- 2009: Health Information Technology (HITECH)
- 2010: Patient Protection & Affordable Care Act

A Healthcare 'System?'

- More of a collection of:
 - Provider delivery modes (inpatient, outpatients, etc.)
- Influenced by:
 - Overall Economy
 - Stakeholders
 - Levels of government

U.S. Clinician Workforce



Profession	Percentage
Nurses	69%
Physicians	15%
Oral Health	10%
Pharmacist	4%
Physician Assistants	2%

Total workforce from [HISA analysis](#) of the ACS PUMS, 2008-2010. The ACS data are based on self-reported occupation.

Other Providers

- Counselors
- Social workers
- Dietitians and nutritionists
- Emergency medical technicians and paramedics

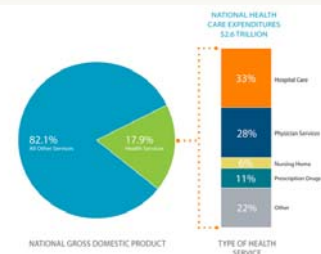
Trends In U.S. Health Care

- Demographic change – an aging population
- Technology and the Information Age
- Rise of Consumerism

Not Free Market

- Complexity of health care information
- The shopping problem
- External costs

Overall Economy Percent of GDP

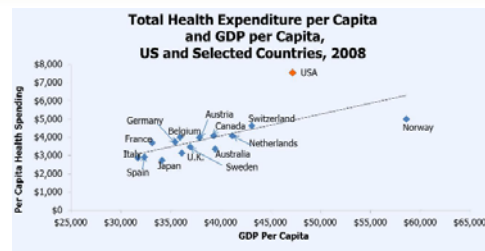


Source: Bureau of Labor Statistics, U.S. Department of Health and Human Services (DHHS), Centers for Medicare and Medicaid Services (CMS)

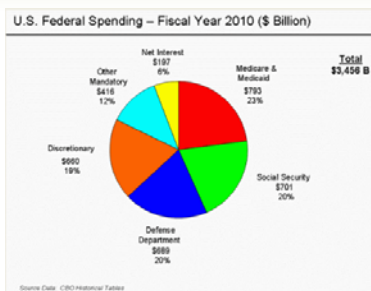
The American Paradox

Americans spend the most money on medical healthcare, yet have the worst outcomes of all the industrialized countries in the world.

Overall Economy Percent of GDP Compared to Other Countries



Overall Economy Federal Spending



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Stakeholders

- Physicians
- Nurses
- Patients
- Corporations
- Small business
- Labor unions
- Industries:
 - Hospital Industry
 - Nursing homes
 - Insurance Industry
 - Pharmaceutical Industry
 - Durable good suppliers

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Levels of Government

- Federal
 - Medicare
 - Department of Health and Human Services (HHS)
- State
 - Medicaid
 - State health departments
- Local
 - Public hospitals
 - County health departments

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Recurring Topics

- Quality Improvement
- Access
- Slowing health care cost growth
- Improving the Public Health System
- Care coordination
- (Healthy Behavior)

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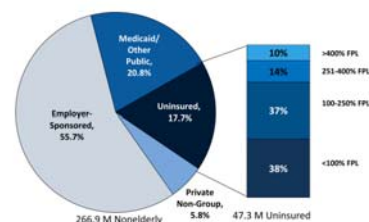
Quality Improvement

- Best in the world mythology
- Institute of Medicine (IOM)
 - Safe
 - Effective
 - Patient-centered
 - Timely
 - Efficient
 - Equitable

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Access to Care: The Uninsured

The Uninsured Population—As a Share of the Nonelderly Population and by Poverty Levels, 2012



Medicaid and other public coverage includes: CHIP, other state programs, Medicare and military related coverage. The federal poverty level for a family of four in 2012 was \$23,088.

SOURCE: KPMU/Urban Institute analysis of the 2013 ASEC supplement to the CPS.

<http://kff.org/uninsured/report/the-uninsured-a-primer-key-facts-about-health-insurance-on-the-eve-of-coverage-expansions/>

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Access to Care

- Coverage is not universal ... what this means:
- Uninsured
 - 7.5 million Americans who are 18 or younger do not have health insurance.
- Inefficient choices
 - Use of emergency rooms for non-urgent care

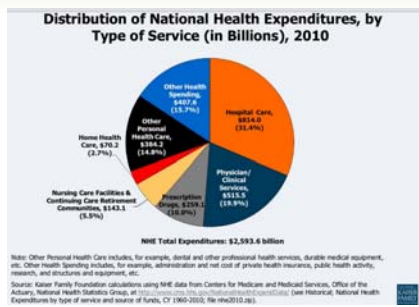
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U.S. Health Care Costs

- Annual U.S. Health Care expenditures
 - 2011 \$2,700 billion; \$8,680 per capita
 - 1990 \$724 billion; \$2,854 per capita
 - 1980 \$255 billion; \$1,110 per capita
 - 1970 \$27 billion; \$147 per capita

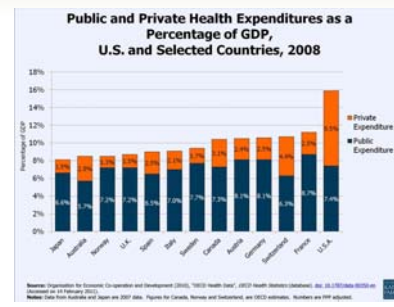
<http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/hables.pdf> 20

Breakdown of Health Care Expenditures



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Total Health Expenditures: Public vs. Private



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Public Health System

- Public health vs. curative care
- Public health law, regulation, and services
- Issues with current system
- Opportunities to correct the system

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Care Coordination

- Organizing healthcare delivery for improvement:
 - Accountable Care Organizations (ACOs)
 - Medical homes

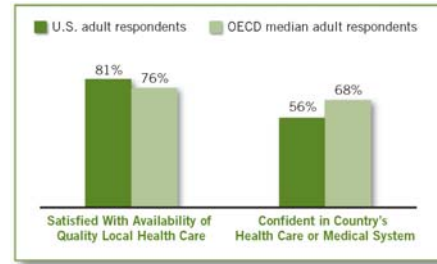
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U.S. Health Care

- High per capita spending ≠ better outcomes
- Incentives for volume, not quality, efficiency, or value of care
- Who gets the best care depends on ability and ... willingness to pay

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Satisfaction



See text, Figure 1A.8 Source: Khoury, C. & Brown I.T. (2009). Among OECD nations, U.S. lags in personal health. Not feeling health benefits of high spending. Accessed September 9, 2010, from <http://www.gallup.com/poll/117205/americans-not-feeling-health-benefits-high-spending.aspx>. Reprinted with permission from Gallup World Poll.

In Closing

- How do we keep people healthy?
 - Public Health with a focus on prevention
- How do we diagnose and treat people?
 - Best practices
- How do we improve the health of the population?
 - Health Promotion
- Why are some people healthy and others not?
 - Demographics, inequalities, disparities, among other things

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