

Transcript

Overview of the U.S. Health Care Delivery System

Lecture companion to Chapter 1

1. This presentation gives an overview of what we'll learn this semester, and these topics will be covered in greater depth in future presentations. The lecture is a companion to Jonas & Kovner's Health Care Delivery in the United States, Chapter One: The Challenge of Health Care Delivery and Health Policy.
2. The objective of this lecture are:
 - Introduce course themes
 - Analyze defining characteristics of the U.S. healthcare system
 - Identify issues and concerns with the current system
 - Identify different stakeholders in the health care system
3. The health care industry is one of the largest employers in the U.S., provided 14.3 million jobs for wage and salary workers (including lab technicians, management and support staff) in 2008. About 40 percent were employed in hospitals; another 21 percent in nursing and residential care facilities, and 16 percent in physician offices. Nurses make up the large majority of clinician in the workforce, as this chart made from the 2013 [The U.S. Health Workforce Chartbook](#) states.
4. This slide shows the several trends U.S. healthcare. First, there are huge demographic shifts taking place. First, the aging population will have an increasing need for health services. Next, rapid changes in medical knowledge have added new levels of complexity to healthcare. To account for this growth, specialization in the medical professions has occurred. Unfortunately, this has further fragmented care for patients. On the other hand, information technology, especially the internet, has enabled patients to consume healthcare differently. Consumerism in healthcare is the phenomenon of patient involvement in the decision-making, where patients are aware of the costs and benefits of the health services. The downside to healthcare consumerism is that an informed patient can sometimes demand more health care than may be needed. Also, health services have become so complicated that informed patient may not be able to fully understand the costs and benefits.
5. The health care sector is the largest individual sector of the economy. The health care sector encompasses the provision, distribution and consumption of health care services and related products.

The Gross Domestic Product (GDP) is the total market value of all final goods and services produced in a country in any given year. Consumers spent 17.9 % of the nation's GDP on health care in 2016. This percentage spent is more than any other nation spends on health care.
6. We spend more on medical care compared to any other industrialized nation, and we have the worst outcomes. The paradox of U.S. healthcare is that we have high-tech care capable of phenomenal achievements at a high cost that has excluded many from adequate access, leading to comparatively poor outcomes for all age and income groups.
7. This slide illustrates the amount the U.S. pays as part of their GDP per person, compared to other industrialized countries. The amount spent on health care per capita is by far the most in the world

for the U.S., at over \$10,000 per person. It's true that our GDP per capita is among the highest in the world, but this does not account for the over \$2,000 per person spending difference from the next nearest high spending country (Switzerland).

8. Twenty-four percent of federal government spending went to healthcare programs in 2014. The chart in this slide shows only spending made by the federal government.
9. The size of the healthcare industry makes it very influential in the governmental policy process. Individuals on their own aren't as powerful as the larger interest groups. The interest groups are very well organized and get their power from the number of their members. Lobbying by these groups is a strong determinant of future policies and legislation.
10. The federal government oversees the Medicare program, which provides health insurance for those aged 65 and older and some disabled persons. There are also several agencies which the federal government oversees, the Department of Health and Human Services, the Food and Drug Administration, etc. The agencies can be found in Figure 1.1A and Table 1A.2 in the book.

The states oversee the Medicaid program, with different amounts of funding, depending on the state's income level among other things, provided by the federal government.

Local governments fund public hospitals through sales and property taxes. Miami-Dade's Jackson Health System is an example of a public hospital funded this way.

We'll cover the role of county health departments in the Public Health Policy and Practice presentation.
11. Here are some themes that you will see in lectures, homework assignments, quizzes, group projects, and exams. Themes include Quality Improvement, Access to care, Value in healthcare, Population health, Healthy behavior, and of course, the Affordable Care Act.
12. The United States is the best in the world at treating very sick people, but is low on preventive care, and some patients are harmed by medical care. In 2000, the Institute of Medicine published a book titled To Error is Human which estimated that medical error led to as many as 98,000 deaths a year – more than highway accidents and breast cancer combined. In 2001, the IOM published "Crossing the Quality Chasm: A New Health System for the 21st century." This publication identified the six areas listed in the slide to improve quality of care. We will also see how electronic health records are expected to improve patient care.
13. In 2013, 16.7% of the population were uninsured. That's over 41 million nonelderly Americans without health insurance. In terms of access to health care, those with that lack of insurance are less likely to receive preventive care, are more likely to be hospitalized for preventable conditions, and are more likely to die in the hospital than those that have health insurance [Kaiser Family Foundation]. The uninsured often delay care because it is unaffordable for them; often they will end up with serious health conditions, such as hypertension leading to strokes, which may have been prevented with better access to care. The uninsured also use the emergency room for non-urgent care because access to a physician is not always possible without insurance. Following the implementation of the Affordable Care Act the uninsured rate fell dramatically, to 10.3% in 2016.
14. The definition of health care expenditures per capita is the sum of public and private expenditures divided by the population. The growth in health care expenditures has outpaced inflation and growth in national income, although slowing over the last few years.

15. We will revisit this slide throughout the semester as you learn about the different types of health care expenditures. As you can see, hospital and physician care are over half of our spending.
16. This graph shows the difference in spending between the public, or government and private sectors in different countries. We'll be using the Organization for Economic Cooperation and Development (OECD) examples when covering chapter 4 – Comparative Health Systems.
17. The focus of public health is that of preventive care rather than curative care. We'll look at the state, federal, and local authorities that regulate public health. The provisions of the Affordable Care Act regarding improvements to the public health system will also be discussed.
18. The U.S. spends a lot on health care but doesn't spend it wisely. As I mentioned, we have a higher spending on healthcare per capita than any other industrialized country, but this doesn't lead to better outcomes. Are we spending money on unnecessary care?

Unfortunately, the financial structure of our system provides volume of care provided, but not quality, efficiency, or value of care. So we spend a lot on unnecessary care. The incentives inherent in our economic system work well for a majority of industries but they appear to be failing in health care, as discussed in previous slides.

While most consumers would be willing to pay for high quality health care, a great many are not able to do so. Basing the allocation of health care resources on ability and willingness to pay may increase efficiency, but it leads to a great gap in equality.

19. Here are some closing thoughts...

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