Quality through Collaboration
Health Care Reform Learning Symposium
January 19, 2011

Health Care Reform:
The New York Perspective

Nirav R. Shah, M.D., M.P.H.
Commissioner
New York State Department of Health
“Health care is broken. The delivery system isn’t working. … We set up a delivery system which is fragmented, unsafe, not sufficiently patient-centered, full of waste, unreliable, despite the great efforts of the workforce. … It isn’t built for modern times. Medicare doesn’t need fixing. Health care needs fixing.”

-- Don Berwick,
December 12, 2011
International Comparison of Spending on Health, 1980-2009

Average spending on health per capita ($US PPP*)

Total expenditures on health as percent of GDP

Source: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2011.

* PPP=Purchasing Power Parity.

The Cost of Health Care

$2.5 Trillion
spent in the U.S. on health care in 2009

• (Source: Institute of Medicine, The Healthcare Imperative—Lowering Costs and Improving Outcomes)
The Cost of Health Care
How much is waste?

$765 Billion
30% of 2009 total health care spending
The Cost of Health Care
How much is waste?

Unnecessary Services
$210 Billion

Excessive Administrative Costs
$190 Billion

Prices That Are Too High
$105 Billion

Fraud
$75 Billion

Inefficiently Delivered Services
$130 Billion

Missed Prevention Opportunities
$55 Billion
Infant Mortality Rate

Infant deaths per 1,000 live births

National average and state distribution

International comparison, 2007

U.S. average  Bottom 10% states  Top 10% states

Infant deaths per 1,000 live births


Source: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2011.
U.S. Lags Other Countries: Mortality Amenable to Health Care

* Countries’ age-standardized death rates before age 75; including ischemic heart disease, diabetes, stroke, and bacterial infections. Analysis of World Health Organization mortality files and CDC mortality data for U.S.

Determinants of Health and their Contribution to Premature Death

- Genetic predisposition: 30%
- Behavioral patterns: 40%
- Social circumstances: 15%
- Environmental exposure: 5%
- Health care: 10%

Adapted from: McGinnis JM, Williams-Russo P, Knickman JR. The case for more active policy attention to health promotion. Health Aff 2002;21(2):78-93.
Reducing Hospital Readmissions in New York State: A Simulation Analysis of Alternative Payment Incentives

SEPTEMBER 2011
Deborah Chollet
Allison Barrett
Timothy Lake
Mathematica Policy Research

NYS HEALTH FOUNDATION
Improving the state of New York’s health

Legend:
- No data
- 11.5% - <14.8% (50)
- 14.8% - <15.6% (50)
- 15.6% - <18.0% (50)
- 18.0% - <20.0% (51)
- 20.0% - <23.0% (51)
- <23.0% (51)

East Long Island, NY
17.1%
Diseases of The Heart
Annual Death Rate Per 100,000 Residents
2007-2009

- 0 - <246.1: Q1 & Q2
- 246.1 - <295.7: Q3
- 295.7 + : Q4
# HEALTH CARE PURCHASING POWER, ranked by total health care expenditures, 2010

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Health care expenditures</th>
<th>Percentage change</th>
<th>Total covered lives</th>
<th>Expense per covered life</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2010</td>
<td>2011(^1)</td>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>1</td>
<td>General Electric Co.</td>
<td>$1,705.0</td>
<td>—</td>
<td>—</td>
<td>501,700</td>
</tr>
<tr>
<td>2</td>
<td>General Motors Co.(^2)</td>
<td>1,200.0</td>
<td>—</td>
<td>—</td>
<td>210,000</td>
</tr>
<tr>
<td>3</td>
<td>UPMC</td>
<td>305.5</td>
<td>$311.8</td>
<td>2.1%</td>
<td>71,450</td>
</tr>
<tr>
<td>4</td>
<td>Catholic Health Initiatives</td>
<td>272.0</td>
<td>281.0</td>
<td>3.3%</td>
<td>72,000</td>
</tr>
<tr>
<td>5</td>
<td>Aurora Health Care</td>
<td>230.0</td>
<td>250.0</td>
<td>8.7%</td>
<td>45,253</td>
</tr>
<tr>
<td>6</td>
<td>Tyco International</td>
<td>228.0</td>
<td>233.0</td>
<td>2.2%</td>
<td>80,500</td>
</tr>
<tr>
<td>7</td>
<td>Aetna</td>
<td>208.8</td>
<td>202.6</td>
<td>(3.0)%</td>
<td>74,370</td>
</tr>
<tr>
<td>8</td>
<td>Con-way</td>
<td>202.0</td>
<td>180.0</td>
<td>(10.9)%</td>
<td>58,299</td>
</tr>
<tr>
<td>9</td>
<td>Carolinas HealthCare System</td>
<td>156.5</td>
<td>176.4</td>
<td>12.7%</td>
<td>38,136</td>
</tr>
<tr>
<td>10</td>
<td>Baylor Health Care System</td>
<td>138.0</td>
<td>142.0</td>
<td>2.9%</td>
<td>32,667</td>
</tr>
</tbody>
</table>

\(^1\) Preliminary data.
The Next 10 Years

• Less equitable
• Costs rise
• Reform by states
• 30M newly insured
Healthcare Delivery Evolution

Healthcare 1.0: Episodic, Non-integrated Care

Healthcare 2.0: Accountable Care

Healthcare 3.0: Integrated Health
In Camden, New Jersey, one percent of patients account for a third of the city’s medical costs. Photograph by Phillip Toledano.
Redesigning
THE MEDICAID PROGRAM
Questions for your consideration
Thank you

HEALTH.NY.GOV
facebook.com/NYSDOH
twitter.com/HealthNYGov