

# Health Care in the United States: Emerging Trends and Lessons Learned

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# Health Care in the United States: Emerging Trends and Lessons Learned

- Overview of US health care
- Financing and the role of government
- Delivery system
- Challenges
- Important trends in 2023
- Children's health – a pediatrician's perspective
- Lessons learned

# US Health Care : Overview

*US has benefitted from significant investment in health education, research and delivery infrastructure*

- Robust **medical educational system**
- Well developed **systems of hospitals and ambulatory care facilities**
- Emerging focus on **prevention and population health**, evidence based care
- 80% of Americans rate the quality of their **own health care** excellent or good
- Significant **government research funding** supports innovation and cures

*Despite high levels of investment, US health care system also has significant challenges*

- High **costs**
- Health care **disparities**
- High levels of **burn-out** among providers
- Moving from treating illness to promoting health

# US Health Care Financing and Government Role:

Public and Private Funding Provides Health Insurance for 90% of Americans

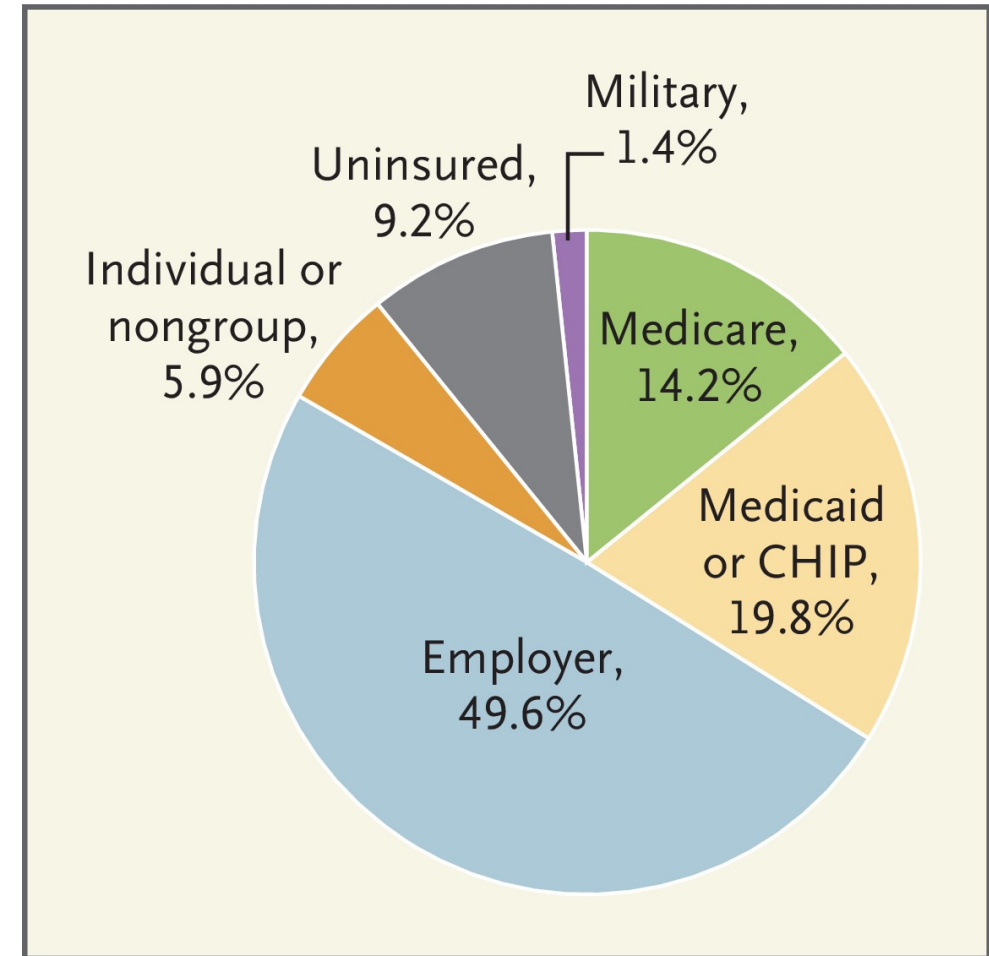
## *Health Care Financing*

- **Employer sponsored insurance** covers half the population, including working adults and their families
- **Government insurance** covers citizens >65 years old (Medicare) and poor women and children (Medicaid)
- **Uninsured** patients are nearly 10% of the population
- **Out of pocket expenses** are ~10% of health care funding

## *Role of Federal government*

- Government does not own physicians or hospitals
- Health care quality, Medicare, business rules are heavily **regulated** by Federal and state laws
- **Biomedical research funding (\$60 B)** supports innovation and medical breakthroughs

**US Health Insurance Coverage**



# US Health Care Delivery System:

## Physicians, Hospitals and Patient Care

### *Physician Training*

- **190 medical schools** - 4 year training graduates 23,000 physicians annually
- 94% go on to **post graduate training**
- 35% are **primary care**; 65% **specialists**
- Physician **salaries** are **5X US median wages** – many with bonus for **productivity**

### *Hospitals*

- Hospitals account for 30% of spending
- 2.8 beds/1000 people (Bulgaria = 7.9)
- Hospital payments based on **Diagnostic Related Groups (DRGs)**
- Physician **payments** based on **Current Procedure Terminology (CPT) codes**
- Sophisticated medical technology **widely available**

### *Patient care*

- 89% of medical care is delivered on an **outpatient basis**
- 50% of all patient visits are for primary care
- US ranks highly **for preventative care and communication, cancer cure rates**

# United States Health Care System Challenges:

While most people have health insurance and access to advanced care from well trained physicians, the US system still has challenges

**Very high costs and low efficiency** compared to other developed countries

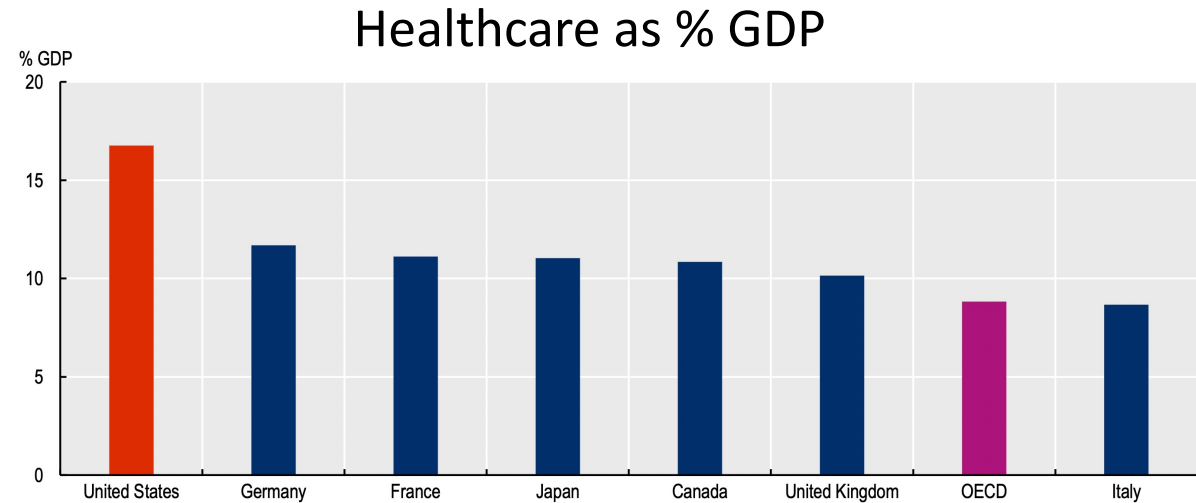
- \$13,400 / person USD; **17% of GDP**
- High costs of hospital care and administration
- Affordability remains a problem

**Poor health outcomes** especially for minorities

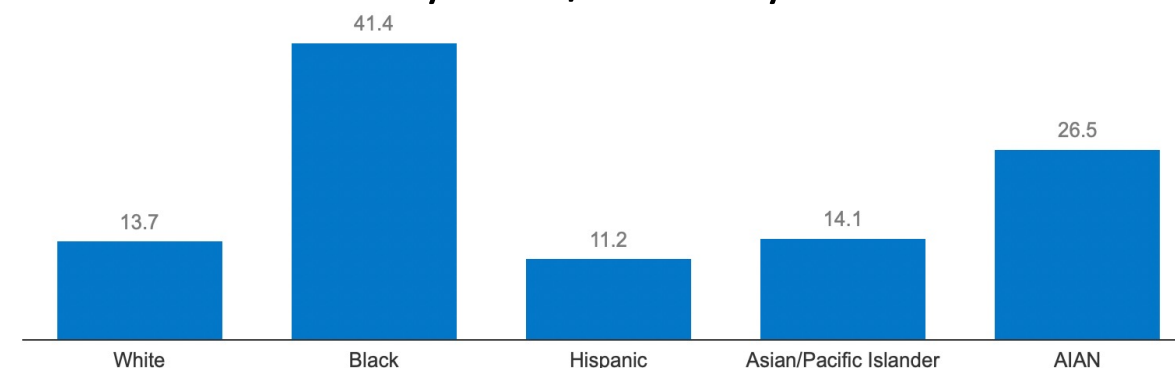
- Maternal deaths among Black / Native women
- High rates of preventable mortality

**“Burn-out” and strain on health care workers**

- Despite good salaries, 50% of all health care workers report burnout and work overload



Pregnancy Related Mortality (per 100,000 births)  
By Race/Ethnicity



# 9 Important Health Trends in US Health Care in 2023

## Health Care delivery

- A shift away from **hospital care** to **outpatient care**
- Increase in **virtual and digital health care** (telemedicine)
- Focus on “**patient centered care**” and recognition of **social factors influencing health**

## Data and Information Technology

- Focus on **integration and inter-operability of data** - Electronic Health Records and digital health solutions
- **Artificial Intelligence (AI)** and **machine learning**

## Research

- Advances in **genomics, proteomics**, and understanding the molecular basis of disease

## Financing

- Movement away from “fee for service” to “**value based care**”
- **increased costs from** labor rates, consolidation among providers and drug manufacturers
- **Reduced government coverage** for poor children and adults

# Trends: Shift from Inpatient to Outpatient Care

89% of US health care is delivered in an outpatient setting

## Types of outpatient care



### Imaging service facilities

Facilities where imaging services such as X-rays, MRIs, CT scans, and ultrasounds are performed.



### Specialized outpatient clinics

Facilities for providing care in specialty areas such as cardiology and urology, among others.



### Ambulatory surgery center (ASC)

Facilities that specialize in same-day discharge of patients postsurgery. ASCs can be either hospital-associated or freestanding.



### Urgent care centers

Facilities that provide medical services to patients needing immediate care for certain lower-acuity illnesses and injuries that do not require a trip to an emergency department.



### Emergency departments

Also known as emergency rooms (ERs). They provide a broad range of emergency services to higher-acuity patients.



### Primary care clinics

These are settings where patients are seen by their primary care physicians (PCPs).



### Retail clinics

Also known as convenient care clinics, these are walk-in clinics offering preventive health services and treatment for uncomplicated illnesses.



### Community health clinics

Typically offer primary care services to patients with limited access to health care, including homeless individuals or migrants, and patients with low income or no health insurance.

## Why is this happening?

- Changing **reimbursement** models, especially fixed fee payments
- Increased use of **telehealth** and **home care**
- New **medical technology and drugs** (e.g. minimally invasive surgery)

## What does it mean for patients?

- **Lower costs** and **convenience**
- Managing complex problems **at home**

## Health System / Payor Investments

- Facilities, equipment, monitoring technology, coordination
- Diagnostic categories and payment system



# Trends: Increase in Virtual Health Care

- Telemedicine (phone or video-call) visits increased by 6-15X during COVID pandemic
- Payment parity helped increase telemedicine
- Telemedicine used for extensively for psychotherapy, chronic disease management, acute and primary care, medication management
- Significant variation by geography and socio-economic status



# Trends: “Value Based” Care

- Payments are tied to measures of **cost** and **effectiveness of care** rather than **volume of services**
- Payments designed to **align incentives** for providers to lower costs and improve outcomes



What is measured?	Examples
Costs	Costs of care; overall or by category (hospital, specialty, primary care, procedures, drugs)
Preventative Care	Immunization rates, cancer screening, etc.
Disease management	Diabetes, hypertension, heart failure, end stage renal disease outcomes
Patient Safety	Hospital acquired infections, hospital re-admission rates, antibiotic use, etc.
Patient Satisfaction	Patient experience, satisfaction with care coordination

# Children's Health in the US: A Pediatrician's Perspective

- Of 78 million US children, **96% have health insurance**
- Nearly half of all children are covered by **government insurance**, which varies widely by state
- Well developed systems for **prevention and ambulatory care**
- **90%** of children had at least one visit with a doctor in 2022
- **Child health lags** behind other developed countries
  - 1 in 5 children are **obese**
  - **Anxiety, depression and behavior problems** increased by 20-30% in the last 5 years
- Children with **medically complex conditions** comprise about 6% of the population and account for 40% of pediatric health care spending
- System of 250 local and regional **children's hospitals** providing specialty care which have **dramatically improved outcomes** for children with complex medical conditions



# What lessons have we learned from US health care?

- The **lack of universal health coverage** and **health disparities** for adults and children creates barriers to improving national health outcomes
- We must address **social issues** if we want to improve population health
- **Primary care in outpatient settings** is associated with higher quality, better outcomes, and lower costs
- **Telehealth** works to improve access to primary and specialty care
- **Care coordination** between different parts of the health care system is expensive, but critical to addressing complex chronic health problems
- Fee for service payments often leads to **higher prices and un-needed care**
- It is better to **align financial incentives** to focus on keeping people healthy
- Critical to address problems of “**burn-out**” to retain physicians and nurses
- **Heavy investment in research** has led to dramatic breakthroughs in care

# THANK YOU!



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