

Health-care economics and policy: It's a perfect storm

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Healthcare reform -- and the many options for fixing a broken system -- have appeared in the news headlines for months. According to an article in the June issue of the *Journal of Bone and Joint Surgery* (JBJS), Medicare patients - many who suffer from disabling arthritis of the hip and knee, among other age-related ailments - may end up facing an accessibility crisis to medical care.

"This is not a just a crisis that is unique to orthopaedics or the field of musculoskeletal medicine," stated lead author orthopaedic surgeon Kevin J. Bozic, MD, MBA, Associate Professor and Vice Chair, Department of Orthopaedic Surgery and Core Faculty of the Philip R. Lee Institute for Health Policy Studies at the University of California, San Francisco. "The challenges faced by the Medicare program are impacting everyone who provides or receives care through this vehicle."

In the fiscal year 2010, Medicare will provide health insurance to 47 million individuals who are older than 65 years, are disabled or have end-stage [renal disease](#), at a cost of roughly \$510 billion, and as time goes on, that cost will continue to sky-rocket.

"One of the primary goals of orthopaedic surgical procedures, particularly in elderly patients, is to restore mobility and improve quality of life," said Dr. Bozic. "If the financial problems currently facing the Medicare program, are not addressed by all parties involved, we will face an accessibility crisis that may prohibit the patients who are most likely to benefit from our care from receiving it when they need it the most."

Bozic adds that patients, physicians, policymakers, and the federal government are all affected by the current Medicare crisis, and the solution to this crisis will only come through collaboration among each of these stakeholders.

The JBJS article highlights a three-pronged problem:

1. Costs: [Health care costs](#) in the United States continue to rise at an unsustainable rate, and health insurance premiums have nearly doubled since 2000, increasing four times faster than wage growth, making the affordability of healthcare one of the pressing issues.
2. Financing: Due to inherent flaws in the Sustainable Growth Rate formula, Congress has had to make expensive "fixes" to Medicare physician reimbursement each year since 2003, in order to override potentially catastrophic cuts in Medicare physician reimbursement. Many physicians have either opted out of the Medicare program or quietly restricted access to new Medicare patients, due to low reimbursement rates, which often do not cover the cost of providing care.
3. Access: Finding a physician who is willing and able to provide treatment to new Medicare patients has been and continues to be a challenge.

Estimates show that by 2017, almost 20 percent of the United States economy - more than \$4 trillion - will be spent on health care.

"In 2008, the cost of health care increased two times the rate of inflation, and it is expected to increase at similar rates for the next decade unless something is done," added Dr. Bozic. "Whatever measures

are taken to rein in Medicare costs will ultimately benefit patients as well as physicians," he concluded.

Among a few solutions, Bozic and his co-authors suggest:

- Preventing costly, unnecessary hospital readmissions. Elderly individuals with osteoporosis, back problems or arthritis use the emergency department and hospital at a higher than average rate compared with those without such problems. Sixty-four percent of Medicare patients hospitalized for a hip fracture wind up back in hospital within thirty days.
- Enhance communication among health-care providers, patients and family caregivers. In a recent AARP study of older adults with chronic conditions, nearly 20 percent said their health had suffered because of poor communication.
- Realigning the physician payment system to reward good performance and care coordination for people with multiple chronic conditions.

"I would advise current [Medicare patients](#) as well as those who one day may be enrolled in the program to take a proactive role in their healthcare," added Bozic. "The more educated our patients are about their health and the resources that are used to provide their healthcare, the more of a conversation-starter it can be with their physicians, friends and family. I urge patients, their caregivers and family members to engage in an active dialogue regarding their healthcare decision making."

Provided by American Academy of Orthopaedic Surgeons

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