

# Analysis of health care in US indicates that improvement in outcomes has slowed

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An examination of health care in the U.S. finds that despite the extraordinary economic success of many of its participants, the health care system has performed relatively poorly by some measures; and that outcomes have improved, but more slowly than in the past and more slowly than in comparable countries, according to an article in the November 13 issue of *JAMA*, a theme issue on critical issues in U.S. health care.

Hamilton Moses III, M.D., of the Alerion Institute, North Garden, Va., and the Johns Hopkins School of Medicine, presented the article at a *JAMA* media briefing at the National Press Club in Washington, D.C.

Dr. Moses and colleagues from The Boston Consulting Group and University of Rochester, using publicly available data, conducted an analysis to identify trends in [health care](#), principally from 1980 to 2011. The areas they addressed included the economics of health care; the profile of people who receive care and organizations that provide care; and the value created in terms of objective health outcomes and perceptions of quality of care. In addition, they examined the potential factors driving change, including consolidation of insurers and [health systems](#); health care information; and the patient as consumer.

## Among the findings:

### Economics and Outcomes

- In 2011, U.S. health care employed 15.7 percent (21 million people) of the workforce, with expenditures of \$2.7 trillion, doubling since 1980 as a percentage of U.S. [gross domestic product](#) (GDP) to 17.9 percent.
- Between 2000 and 2010, health care increased faster than any other industry (2.9 percent/year) but trailed government (3.3%/year); health's proportion of GDP doubled between 1980 and 2011. Government funding increased from 31 percent in 1980 to 42 percent in 2011. Costs have tripled in real terms over the past 2 decades. However, the average rate of increase has declined consistently since the mid-1970s and sharply over the last decade.
- Despite the increases in resources devoted to health care, multiple health metrics, including life expectancy at birth and survival with many diseases, shows the United States trailing peer nations.

## Contributors to Costs

In addition, the researchers note that findings from their analysis contradict several common assumptions:

- Price of professional services, drugs and devices, and administrative costs, not demand for services or aging of the population, produced 91 percent of cost increases since 2000.
- Personal out-of-pocket spending on insurance premiums and co-payments have declined from 23 percent to 11 percent since 1980.
- In 2011, chronic illnesses account for 84 percent of costs overall among the entire population, not only of the elderly. Chronic illness among individuals younger than 65 years accounts for 67 percent of spending.

## Contributors to Change

The authors add that three factors have produced the most change:

- Consolidation, with fewer insurers and general hospitals (but more single-specialty hospitals and large physician groups) has produced financial concentration in health systems, insurers, pharmacies, and benefit managers;
- Information technology, in which investment has occurred but value is elusive;
- The patient as consumer, whereby influence is sought outside traditional channels, using social media, informal networks, new public sources of information, and self-management software.

These forces create a triangle of tension among patient aims for choice, personal attention, and unbiased guidance; physician aims for professionalism and autonomy; and public and private payer aims for aggregate economic value across large populations. "Measurements of cost and outcome (applied to groups) are supplanting individuals' preferences. Clinicians increasingly are expected to substitute social and economic goals for the needs of a single patient."

The researchers write that at the highest level, the U.S. health system is struggling to adapt to competing goals, desires, and expectations. "The conflict among patient desires, physician interests, and social policy is certain to increase. Those tensions will likely become a palpable force that may hinder care integration and inhibit other changes that favor improved outcome and savings. The usual approach is to address each constituency in isolation rather than optimizing efforts across them. The triangle will need to be reconciled. This is the chief challenge of the next decade."

"A national conversation, guided by the best data and information, aimed

at explicit understanding of choices, tradeoffs, and expectations, using broader definitions of health and value, is needed."

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