

Cost savings possible from reducing use of low-value health services, study says

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The first national study to examine spending on a wide array of low-value health services among adults with commercial health insurance finds that while use of such services is modest, there is considerable potential for cost savings.

Studying insurance claims from more than 1.46 million adults from across the nation, researchers found that spending on 28 low-value medical services totaled \$32.8 million during 2013 among the group. That accounted for 0.5 percent of total spending or more than \$22 per person annually.

The most commonly received low-value services included hormone tests for thyroid problems, imaging for [low-back pain](#) and imaging for uncomplicated headache. The greatest proportion of spending was for spinal injection for lower-back pain at \$12.1 million, imaging for uncomplicated headache at \$3.6 million and imaging for nonspecific low-back pain at \$3.1 million.

The study, done by researchers from the RAND Corporation and the University of Southern California, examined medical services that experts have agreed provide little value to patients given the cost and available alternatives. The findings are published as a research letter in the journal *JAMA Internal Medicine*.

"Our findings add evidence to the notion that reducing overuse of medical procedures could improve quality while reducing spending,"

said Rachel Reid, lead author of the study and a physician scientist at RAND, a nonprofit research organization.

Experts estimate that \$200 billion in [health care spending](#) in the United States is for overtreatment. In order to reduce that amount, the American Board of Internal Medicine Foundation and consumer groups launched an initiative called Choosing Wisely in 2012 to encourage physicians and patients to engage in conversations about evidence-based medical practice.

"The services in this study reflect many clinical areas and types of care, but still are a small portion of all the low-value care patients receive," Reid said. "The potential savings from reducing these low-value services and others are substantial."

While previous studies of low-value medical care have focused on Medicare recipients or narrower regions, the RAND/USC study evaluated the care received by a large group of nonelderly adults insured through one of the nation's largest commercial [health](#) insurance companies. Regionally, the Southern, Middle Atlantic and Mountain regions had proportionately more low-value spending.

"Areas with high Medicare spending also seem to have greater use of low-value services among those with commercial insurance" said Neeraj Sood, senior author of the study, professor at the Price School at USC and director of research at the Leonard D. Schaeffer Center for Health Policy at USC. "This confirms that there are opportunities for cost savings, and that both private insurers and Medicare can benefit from efforts to reduce use of low-value care"

The analysis of 28 low-value procedures found that 7.8 percent of the patients studied received low-value services in 2013.

Low-value [spending](#) was lower among patients who were older, male, black or Asian, lower-income or enrolled on consumer-directed health plans, which have high member cost-sharing.

"Disparities in [health care](#) cut two ways - it can cause poor access to high-value care among vulnerable patients and overuse of low-value care among more-advantaged groups. Both need attention," Sood said.

Researchers say that among the issues that should be better understood before interventions are created to reduce use of low value-care are why more-advantaged groups receive more of the care and whether people in consumer-directed health plans also had lower levels of high-value health care.

Provided by RAND Corporation

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