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Study Says Comparative Effectiveness Can Improve Health Care System

A recent study conducted by the Deloitte Center for Health Solutions concluded that, if implemented correctly, comparative effectiveness has the potential to improve care and reduce health care costs for Americans. The research focused on the use of comparative effectiveness in the United Kingdom, Australia, Canada, and Germany in three clinical examples including diagnostic screening detection (colon cancer), a medication (the use of statins for the treatment of elevated cholesterol), and a surgical procedure (treatment for benign prostatic hyperplasia).

Comparative effectiveness involves assessing the efficacy of various treatment options for a specific condition. By rigorously comparing the effectiveness of competing drugs, or analyzing different approaches for treatment such as surgery or drug therapy, improvements in both quality and costs are possible.

The report, available at www.deloitte.com/us/comparativeeffectivenessreport, illustrates the complexity and usefulness of comparative effectiveness to identify the benefits and limitations that can help the U.S. healthcare system learn from other systems during the current health care reform debate.

"Comparative effectiveness can be seen as an engine for renewed innovation in the design and delivery of evidence-based care," said Paul H. Keckley, Ph.D., executive director, Deloitte Center for Health Solutions. "Health care information technology, such as electronic health records, may also play a critical supporting role in its evolution."

It is believed that the use of comparative effectiveness could have a significant effect on reducing the wide practice variation across the country as more providers utilize the most successful methods for treatment. Recognizing its potential to increase the use of evidence-based medicine by providers, the Institute of Medicine and the Congressional Budget Office have recommended that such research be pursued.

Although the current annual health care investment in the United States is $2 trillion, the report found that less than one percent is invested in assessing the comparative effectiveness of available interventions. The American Recovery and Restoration Act of 2009 allocated $1.1 billion to comparative effectiveness research.

Health Quiz

1. A group of California doctors reports that pay-for-performance programs produce more positives than negatives.

   (a) True
   (b) False

2. A recent national study indicated that Medicaid managed care was saving states millions of tax dollars.

   (a) True
   (b) False

3. North Carolina has rejected a statewide smoking ban.

   (a) True
   (b) False

4. Comparative effectiveness involves identifying the most effective treatment for a specific condition.

   (a) True
   (b) False

5. More than half of the states have adopted statewide smoking bans.

   (a) True
   (b) False

More States Approve Smoking Bans

North Carolina, the nation's largest tobacco grower, has joined Wisconsin as the latest states to approve statewide smoking bans. Both proposals ban smoking in public bars and restaurants. Since March, Virginia has banned smoking in most bars and restaurants. This latest action brings to 28 the number of states with smoking bans. The number is expected to reach 30 by the end of the year. Legislation that would ban smoking in bars and casinos recently passed the Louisiana House of Representatives.

According to the United States surgeon general, secondhand smoke causes the death of approximately 50,000 citizens a year. A report by the surgeon general's office indicated secondhand smoke exposure causes disease and premature death in children and adults who do not smoke. The report found that secondhand smoke contains hundreds of chemicals known to be toxic or carcinogenic, including formaldehyde, benzene, vinyl chloride, arsenic, ammonia, and hydrogen cyanide.

National Report Indicates Medicaid Managed Care is Saving State Tax Dollars and Increasing Access to Care

Medicaid health plans are producing cost savings for states, increasing access to services for individuals covered by Medicaid, improving quality of care, and earning high satisfaction ratings from enrollees, according to a Lewin Group report recently released by America's Health Insurance Plans (AHIP). Twenty-four existing studies were analyzed by the Lewin Group to determine the savings achieved when states have implemented private Medicaid health plans.

Birthdays

June

3 – Rep. Will Hartnett
5 – Rep. Trey Martinez-Fischer
8 – Rep. Aaron Pena
9 – Rep. Valinda Bolton
16 – Sen. Kel Seliger
19 – Rep. Veronica Gonzales
25 – Rep. Larry Taylor
28 – Rep. David Swinford
29 – Rep. Doc Anderson
29 – Rep. Norma Chavez

Since the early 1990s, state Medicaid programs have turned increasingly to private health plans because of their potential to provide high-quality, cost-effective care. According to the Lewin Group, health plans offer an opportunity for Medicaid programs to stretch their dollars and achieve cost savings without cutting eligibility, benefits, or already-low provider payment levels as states look at ways to alleviate the economic pressure faced by their budgets.

Some highlights of the Lewin Group analysis of 24 studies include:

- The studies strongly suggest that Medicaid health plans typically yield cost savings ranging from half of 1 percent to 20 percent.
- The studies provide some evidence that Medicaid health plan savings are significant for the Supplemental Security Income (SSI) and SSI-related population while improving quality and value for beneficiaries. For example, Arizona saw that 60 percent of the $102.8 million savings achieved from 1983 to 1991 was from the SSI population.
- Various studies demonstrate that states' Medicaid health plan cost savings are largely attributable to changing patterns in unnecessary inpatient utilization such as those in a study of preventable hospitalizations in California, which found that the rates of preventable hospitalization were 38 and 25 percent lower in health plans than in fee-for-service (FFS) programs for the TANF and SSI populations, respectively.
- Pharmacy was also an area where Medicaid health plans yield noteworthy savings – a comparison of drug costs under FFS programs vs. Medicaid health plans in multiple states finds that the costs per-member per-month (PMPM) were 10 to 15 percent lower for health plans than for FFS programs.

Pay-for-Performance Fueling Change Among Physicians

A large group of California physicians given financial incentives to improve the quality of medical care have begun to embrace an array of changes important to advancing quality, according to a RAND Corporation report. Measures adopted by medical groups involved in the study include speeding up adoption of information technology such as electronic medical records, more closely tracking the improvement of physician performance, and sharpening institutional focus on quality.

The study found that medical groups are providing some payments to individual doctors based on quality measures and physicians in the program are receiving more feedback about whether they are attaining quality goals. While debate about the effectiveness of pay-for-performance (P4P) initiatives and the appropriate level for incentives continues among health care stakeholders, the research findings indicate more than two-thirds of the medical groups involved with the programs report more positives than negatives.

Health plans are increasingly turning to the use of pay-for-performance programs, high-performance provider networks, and bundled payments to move the health care system away from the fee-for-service reimbursement model that rewards volume over quality of care.

Trivia answers: 1. a (True) 2. a (True) 3. b (False) 4. a (True) 5. a (True)