



Ignite the Spark

Aaron R. Crane, FHFMA, MHA
Owner, Aaron Crane Advisory Services
2022-23 National Chair, HFMA

Presentation Agenda

- Ignite the Spark
- HFMA's Just Cause
- HFMA's Research
- 10 Building Blocks
- How you can make an impact





Fund Reports
August 4, 2021

Mirror, Mirror 2021: Reflecting Poorly

Health Care in the U.S. Compared to Other High-Income Countries



<https://www.commonwealthfund.org/publications/fund-reports/2021/aug/mirror-mirror-2021-reflecting-poorly>

Health System Performance Rankings*

Category	Norway	Netherlands	Australia	United Kingdom	Germany	United States
Overall Rank	1	2	3	4	5	11
Access to Care	2	1	8	4	3	11
Care Processes	8	3	6	5	9	2
Administrative Efficiency	1	8	2	4	9	11
Equity	8	5	1	4	2	11
Healthcare Outcomes	2	2	1	9	7	11

Source: Commonwealth Fund, *Mirror, Mirror 2021: Reflecting Poorly*, Aug. 4, 2021

*Excluded from chart: New Zealand, Sweden, France, Switzerland, Canada (in order 6-10)

Distinguishing Features of Top-performing Countries:

1. Universal coverage
2. Investment in primary care
3. Reduced administrative burdens
4. Investment in social services

Source: Commonwealth Fund, *Mirror, Mirror 2021: Reflecting Poorly*, Aug. 4, 2021

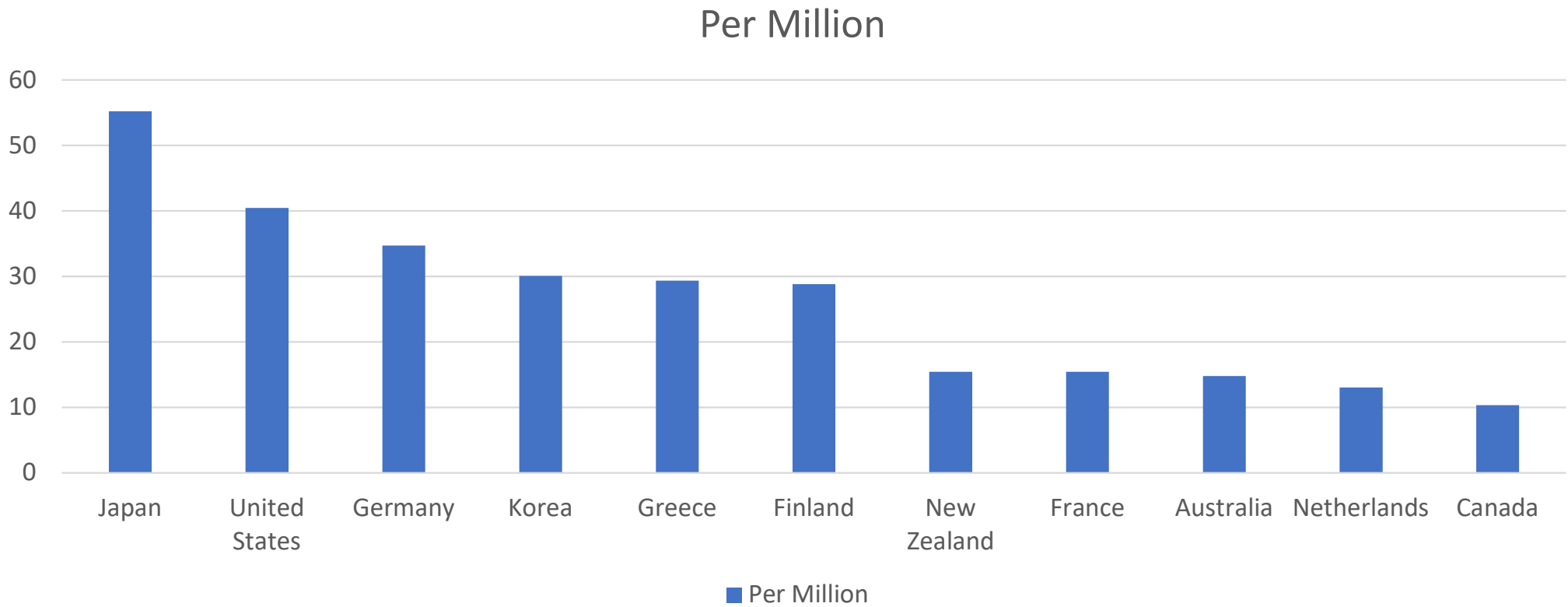


Underbrush and Dead Wood in U.S. Healthcare

- A perverse set of misaligned incentives
- An American lifestyle producing a population with 37% greater disease burden than the average of comparable countries
- Disparities in health and healthcare that are dramatically worse than other developed nations

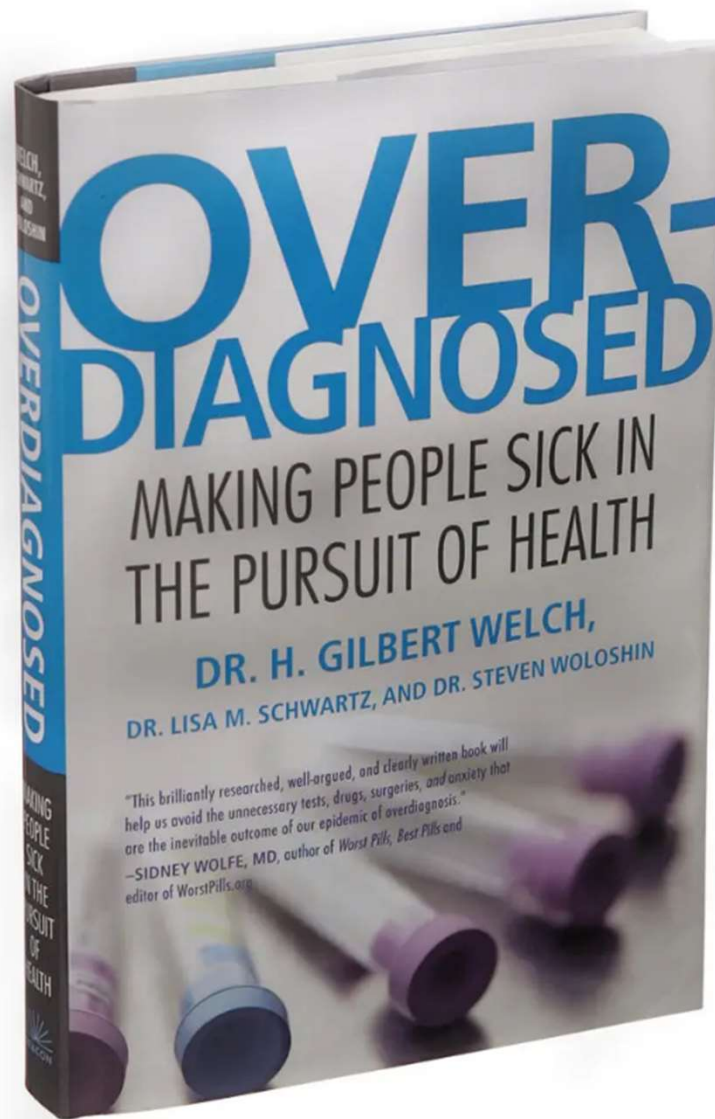
Perverse Incentives

MRI Scans 2019



Source: Source: Statista.com, retrieved 4/6/22





hfma™

Effects of Lower Diagnostic Thresholds

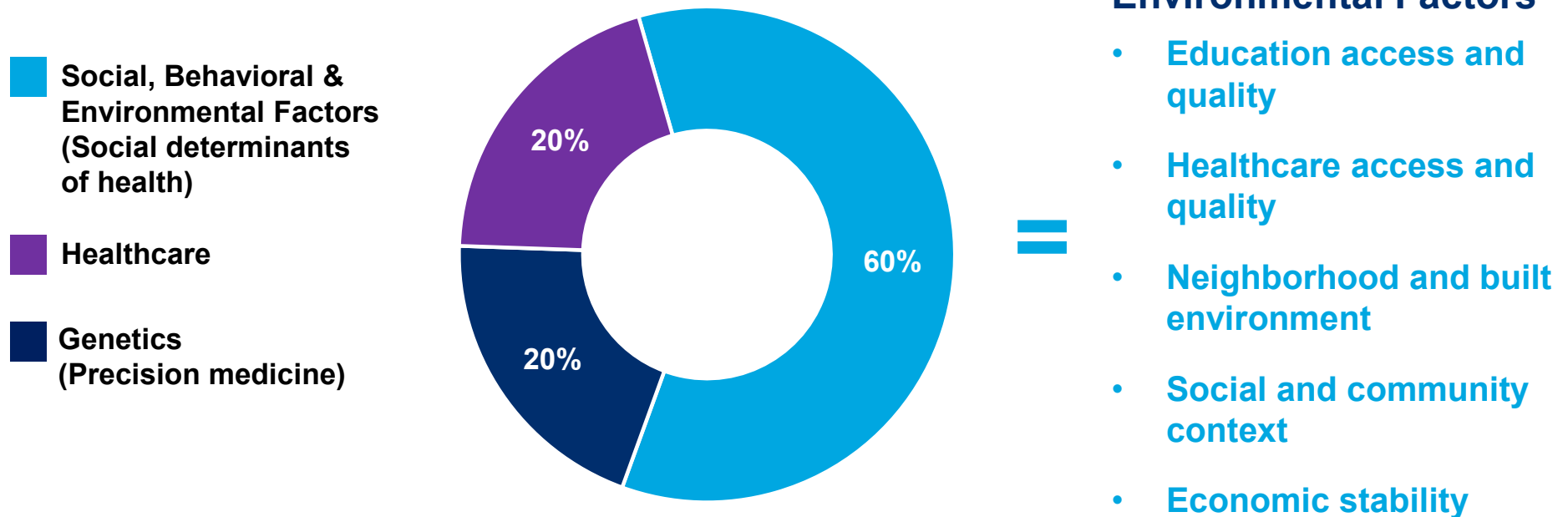
Condition	Disease Prevalence		New Cases	Increase
	Old Definition	New Definition		
Diabetes Fasting sugar 140 → 126	11,697,000	13,378,000	1,681,000	14%
Hypertension Systolic BP 160 → 140 Diastolic BP 100 → 90	38,690,000	52,180,000	13,490,000	35%
Hyperlipidemia Total cholesterol 240 → 200	49,480,000	92,127,000	42,647,000	86%
Osteoporosis in women T score -2.5 → -2.0	8,010,000	14,791,000	6,781,000	85%

Source: Welch, H.G., Schwartz, L.M., Woloshin, S. *Over-Diagnosed Making People Sick in the Pursuit of Health*, Beacon Press, 2011

Who really benefits here?

American Lifestyle

Factors Contributing to Health



Health Disparities

The Cost of Health Inequities

Cost of inequities today
\$320 billion



Expected changes in population demographics, cost of care, and per capita spending

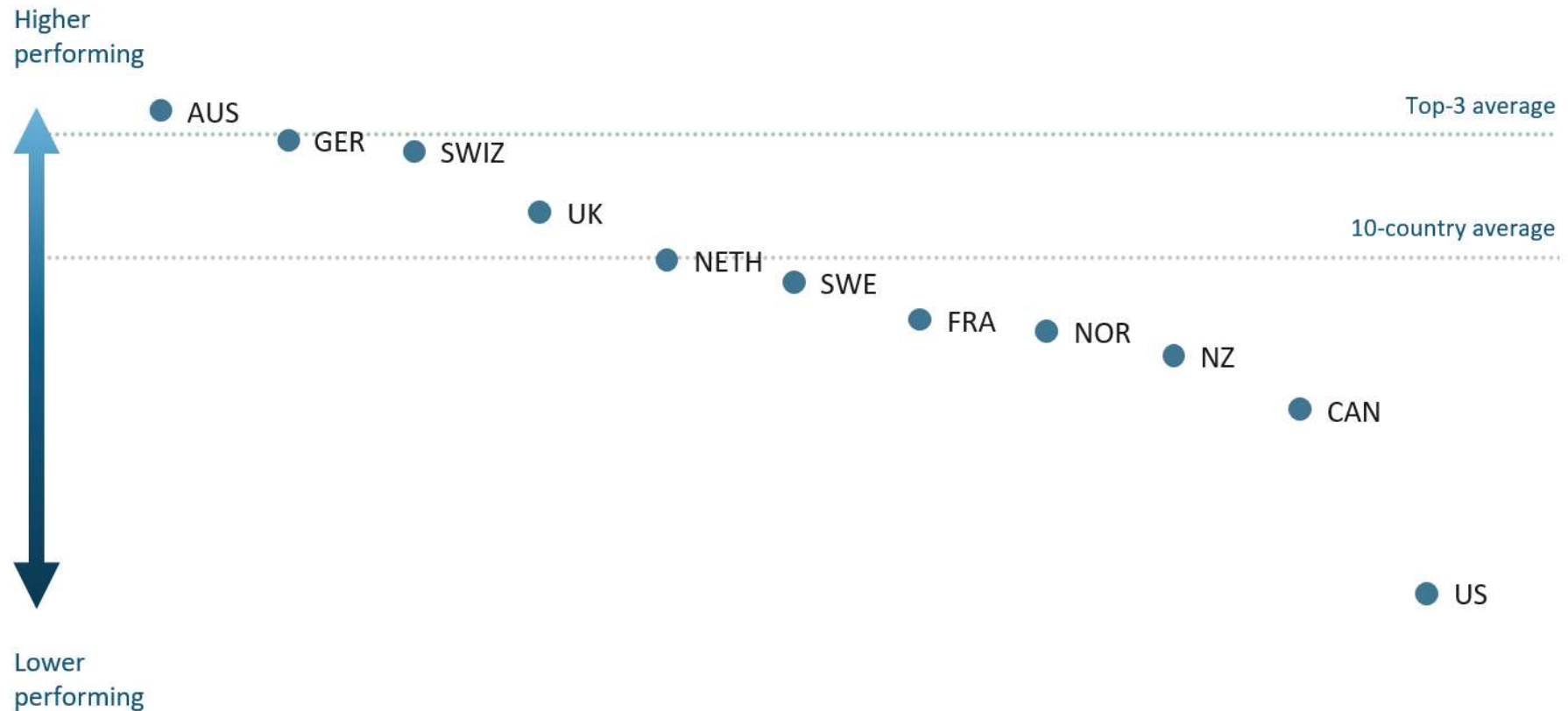


Cost of inequities in 2040
\$1 trillion



Source: US health care can't afford health inequities, Deloitte Insights, June, 22, 2022

Health Care System Performance Scores: Equity

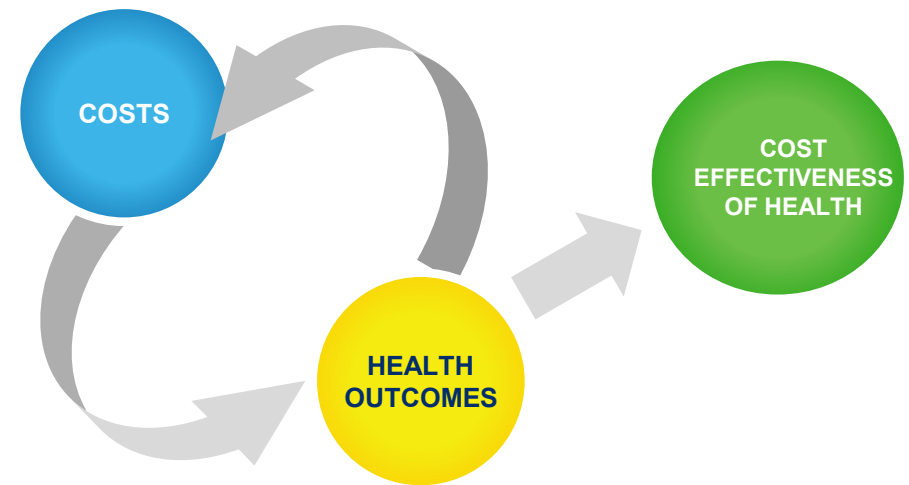


Source: Commonwealth Fund, *Mirror, Mirror 2021: Reflecting Poorly*, Aug. 4, 2021



What is cost effectiveness of health?

- Minimize costs associated with delivering optimal health outcomes.
- Identify appropriate spending to realize the best possible outcomes.
- This is *not* a reduction of costs or bending the cost curve.
- CEoH is a global issue.



**Achieving cost-effectiveness of health
will transform the healthcare industry
to the direct benefit of patients, employers
and providers.**

HFMA considers CEoH to be a just cause.

A just cause defines a vision for the future that your work is helping to bring about.

A just cause should be...

- For something—
not against something else
- Inclusive
- Service-oriented
- Resilient
- Idealistic



“If we solve our health care spending, practically all of our fiscal problems go away. And if we don’t? Then almost anything else we do will not solve our fiscal problems.”

***~ Victor Fuchs,
Emeritus professor of economics and health research and policy
Stanford University***

HFMA's journey

2011-14: Pioneering research on improving value

Emphasis is on delivering more value to care purchasers.

This resource provides guidance for the transition from a volume-based to a value-based healthcare system.

hfma.org/valueproject



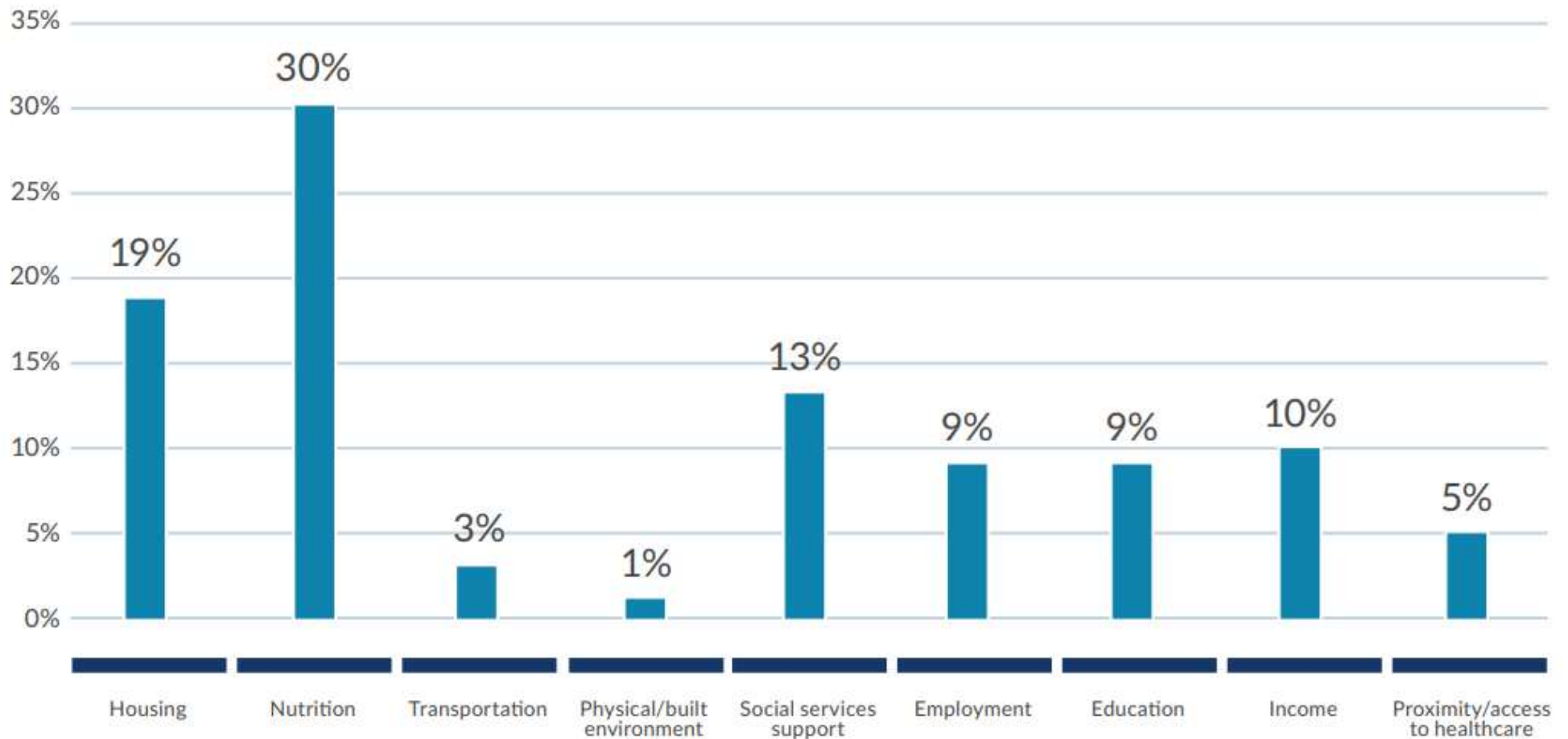
2019: HFMA explores social determinants.

This marks HFMA's move beyond healthcare to health.

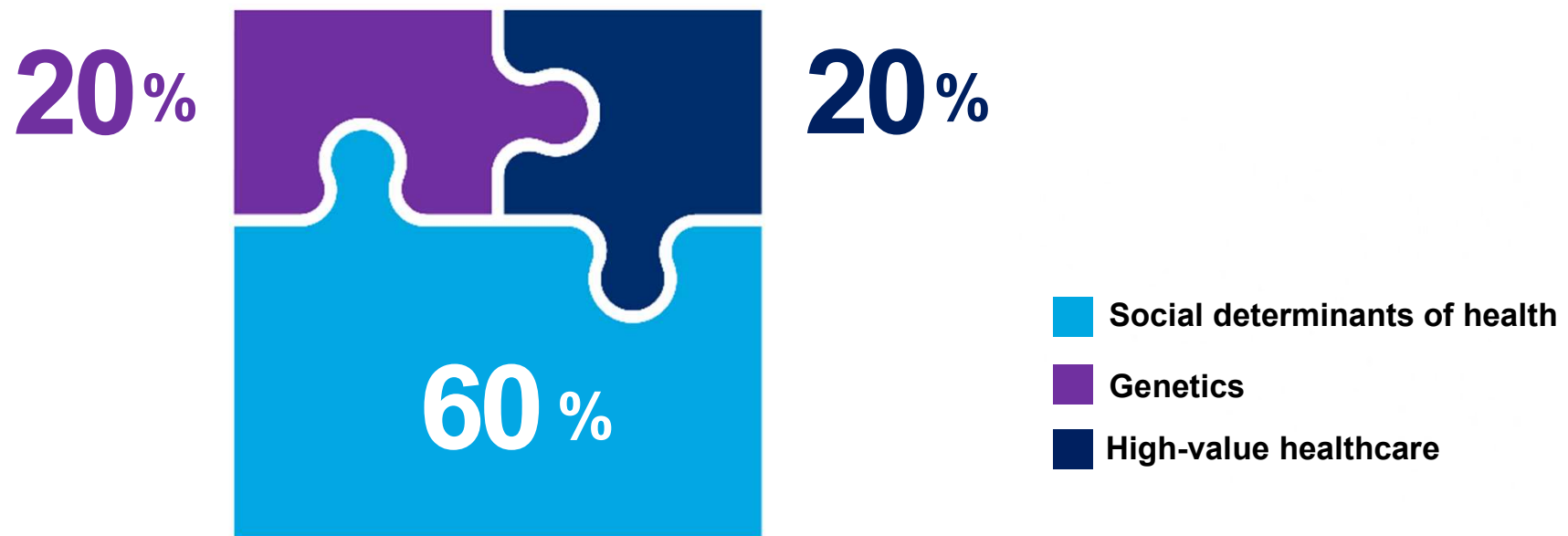


WHICH ONE OF THE FOLLOWING SDOH DO YOU SEE AS THE LARGEST INFLUENCER ON HEALTHCARE COSTS IN THE PATIENT POPULATION YOU SERVE?

Source: Poll of 2019 Thought Leadership Retreat attendees.



2021: HFMA puts the pieces together with cost effectiveness of health (CEoH)



Building blocks of cost-effective health

Three pathways to achieving CEoH

Ten building blocks in three broad categories



- Changing mindset
- Putting consumers first
- Supporting transformation

#1. Focus on health, not just *healthcare*.

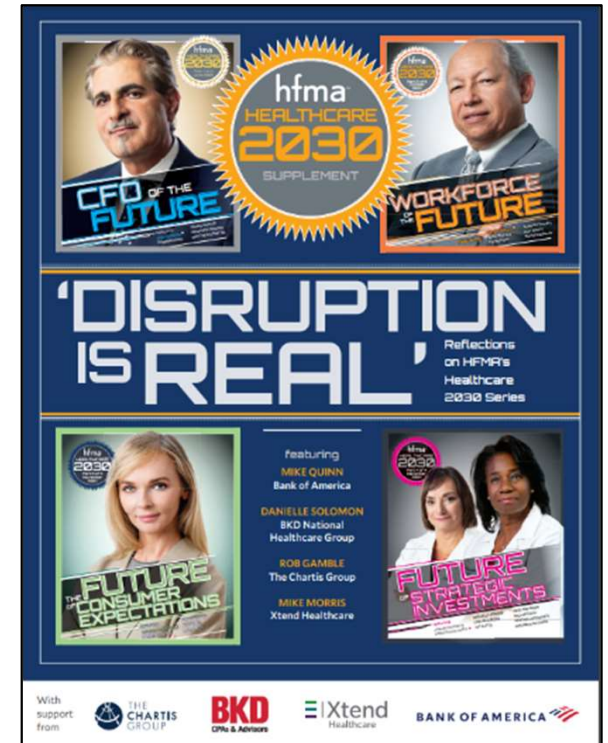
This is a matter of expanding our focus, not changing it completely.



#2. Embrace disruption.

“If healthcare organizations do not adapt their service offerings to appeal to consumers, they will lose patients to systems that do.”

~ Danielle Solomon,
National Industry Partner
BKD National Healthcare Group



#3. Gain consumers' trust.

48% say their view of the U.S. healthcare system has worsened due to the pandemic.

60% report that the pandemic has made them more concerned about unequal access to quality healthcare services.

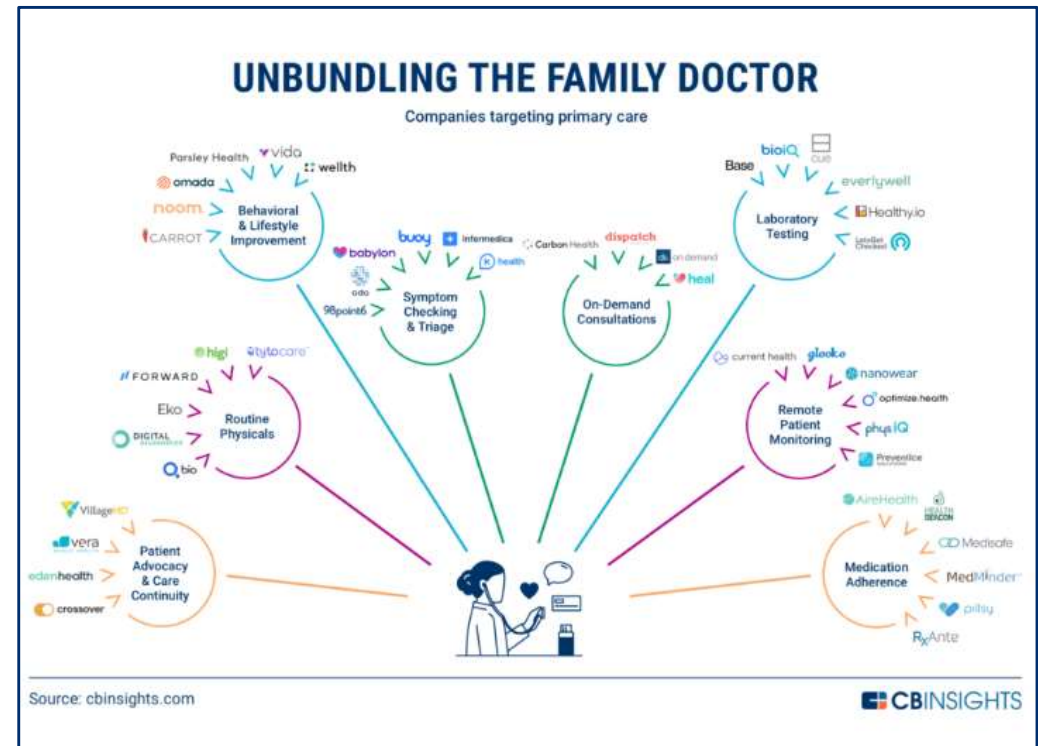
71% say their household pays too much for the quality of care they receive.



Source: West Health-Gallup 2021 Healthcare in America Report, (2022)

#4. Customize care delivery.

- Primary care can be unbundled by function or target audience (seniors, women, those with specific conditions)
- Disrupters share one thing in common—they organize around the consumer.



#5. Improve chronic disease management.

\$1.1 trillion

Estimated annual direct costs of chronic health conditions

\$3.7 trillion

Total estimated costs of chronic conditions (direct and indirect)

5x

Annual direct healthcare costs for a patient with chronic conditions are 5x higher (than for a patient with none)

60%

% of all ED visits associated with people with chronic conditions

Source: Hayes, T.O., Gillian, S., "[Chronic Disease in the United States: A Worsening Health and Economic Crisis](#)." American Action Forum, Sept. 10, 2020.

#6. Develop an SDoH strategy.



“This is an issue that is much bigger than the healthcare industry... It’s going to take cross-sector collaboration... It will also require that every individual become personally accountable for their own health.”

~ Tammie Jackson, FHFMA, CHFP
2021-22 HFMA National Chair

#7. Bolster the workforce.

- Clinicians and staff need support to have the bandwidth necessary to focus on key elements of CEoH, such as preventive health and social determinants.
- HFMA is participating in an interdisciplinary task force to develop solutions to the nurse staffing crisis.

Priorities for solving the nurse staffing crisis

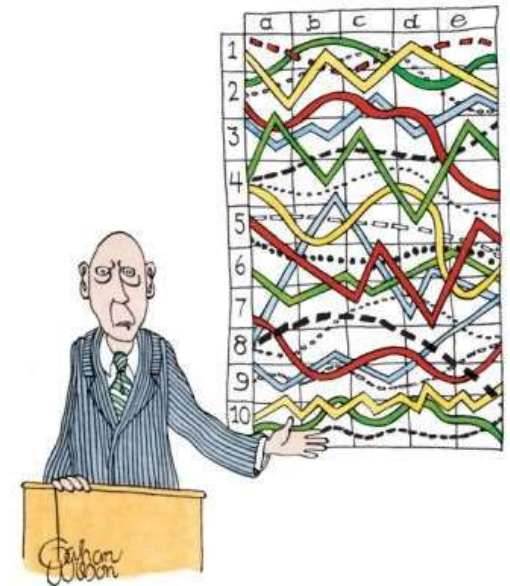
Healthy Work Environment
Diversity, Equity, and Inclusion
Work Schedule Flexibility
Stress Injury Continuum
Innovative Care Delivery Models
Total Compensation



#8. Measure what matters.

To achieve CEoH, quality measurement needs to:

- Incorporate every care setting
- Evaluate access, such as availability of primary care physicians after hours
- Be translatable into practical information that drives clinical and operational changes



"I'll pause for a moment so you can let this information sink in."

#9. Leverage digital health.

- The internet of things
- Virtual care
- Remote monitoring and smart wearables
- Artificial intelligence
- Big data analytics
- Platforms
- Tools enabling data exchange and storage
- Remote data capture, exchange of data and sharing relevant information across the health ecosystem



#10. Align payment systems.

- Healthcare finance leaders believe that, when solving for CEoH, aligning payment incentives should come first.
- That's logical...and optimal...but it's not a controllable factor at the individual level.
- Our challenge is to increase organizational participation in risk-based payment models and work toward achieving CEoH — concurrently.

In order to solve for CEoH, what comes first?



Source: 2021 Thought Leadership Retreat attendee poll

The building blocks of cost-effective health

Change Mindset

Focus on health, not just healthcare

Embrace disruption

Put Consumers First

Gain consumer trust

Customize care delivery

Improve chronic disease management

Develop an SDoH strategy

Support Transformation

Bolster workforce

Measure what matters

Leverage digital health

Align payment systems

Where do we begin?

Next Steps

Delivery System

American Lifestyle

Health Inequity

- ✓ Be Curious
- ✓ Follow your passion, your just cause
- ✓ Be data driven, solve real problems
- ✓ Embrace the voice of the patient

