# Cost Control in Health Care: Opportunity for Public Health Innovation

Public Health Grand Rounds
University of Maryland School of Public Health

Joshua M. Sharfstein, M.D.
Secretary
October 24, 2011

@DrJoshS

THE FUN COOKING MAGAZINE FOR FAMILIES

# CHOP CHOP MARYLAND

www.chopchopmag.org

Dear Friends,

There is nothing like enjoying the value of the work it takes to make something yourself, and the joy of tasting something delicious that you've made together as a family.

As a mother of four, I know how important it is to have healthy meals with my family. Martin and I have a garden at home and we encourage Maryland families to improve their well-being, save money, and protect our environment by making healthy choices.

We hope you enjoy ChopChop Maryland.

Katie O'Malley,
First Lady of Maryland

## Maryland's Apple Crisp

Maryland is positively loaded with orchards—and there's no better fall outing than a sunny day of picking your own crisp, juicy apples. Over a dozen varieties grow here, from mellow, yellow Golden Delicious and classic red McIntosh to snackingly sweet Gala and bracingly tart Jonathan. Pick lots: they make perfect lunchbox treats, and you can bake up any extras into this crunchy-topped dessert.

- **WASH** your hands with soap and water and dry them.
- **CLEAN** the counter top with a sponge.
- **GATHER** all your kitchen gear and ingredients and put them on the counter.
- **SCRUB** all the fruits and vegetables and lay them out on a dishtowel to dry.
- **PREPARE** your ingredients, which means you may have to do something before you get started with the instructions.

### KITCHEN GEAR

- Cutting board
- Sharp knife (adult needed)
- Measuring cup
- Measuring spoons
- Mixing bowl
- 8- x 8-inch baking pan
- Mixing spoon
- Metal spatula
- Potholder

### INGREDIENTS

**For the fruit filling:**

- 5-6 apples, washed, peeled, if you want, cored, and chopped
- 1 tablespoon maple syrup, honey or sugar
- 1 tablespoon whole-wheat or all-purpose flour
- ½ teaspoon ground cinnamon

**For the crisp topping:**

- ¾ cup whole-wheat or all-purpose flour
- ¾ cup rolled oats
- ⅓ cup unsalted butter, melted
- 3 tablespoons sugar
- ¼ teaspoon salt

**Cored** means to cut out the seeds and hard parts from the inside.

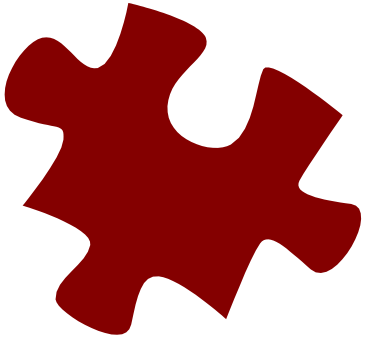
### INSTRUCTIONS

1. With the help of your adult, turn the oven on and set it to 350 degrees.
2. To make the filling: Put the apples, sweetener, flour and cinnamon in the baking pan and stir well.
3. To make the crisp topping: Put the flour, oats, butter, sugar and salt in the mixing bowl and mix until it looks like little pebbles. Pour the crisp topping on the apples and use your clean hands to move it around until the apples are evenly topped.
4. With the help of your adult, put the baking pan in the oven and bake until the top is lightly browned and the apples are tender, about 1 hour.
5. Set aside to cool a little bit. Serve warm or at room temperature or refrigerate and serve cold.

## Connect with us!

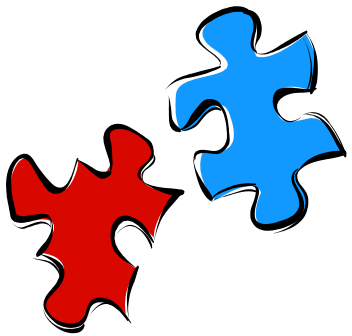
To receive monthly recipes using Maryland ingredients, text **CHOPMD** to code **43186!**
For **Spanish**, text **CHOPES** to code **43186**.

You will receive no more than 5 messages per month and you can stop at any time by sending STOP MD to 43186. Send HELP MD for help, or call 1-877-RIPROAD. Message and data rates may apply.



# 733,000

The number of Marylanders
uninsured for the entire year of 2010
(U.S. Census Bureau)



1st

4th

21st

41st

Last

<u>Latest State Rankings</u>

Education System

Per Capita Income

Overall health

Infant mortality

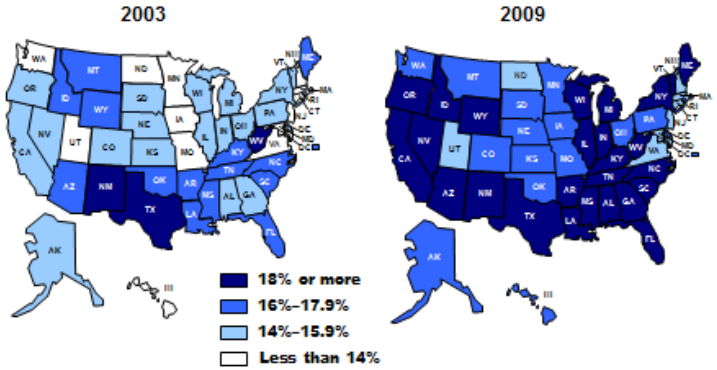
Infectious disease

(Maryland SHIP)

# Health Disparities

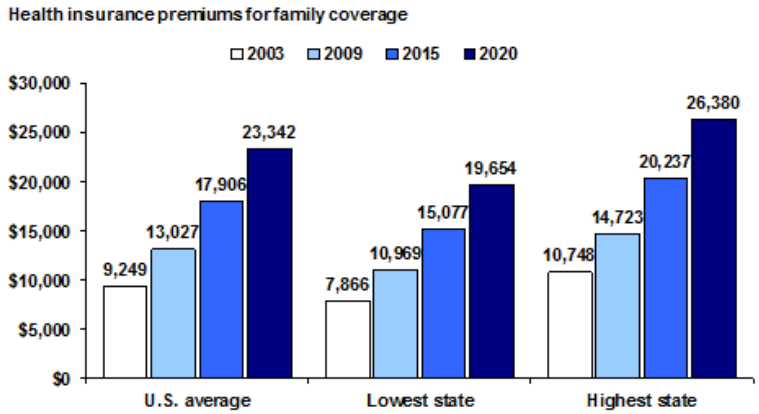
Mortality
Birth Outcomes
Chronic illness
Lead poisoning
Communicable disease

## Figure 2. Employer Premiums as Percentage of Median Household Income for Under-65 Population, 2003 and 2009



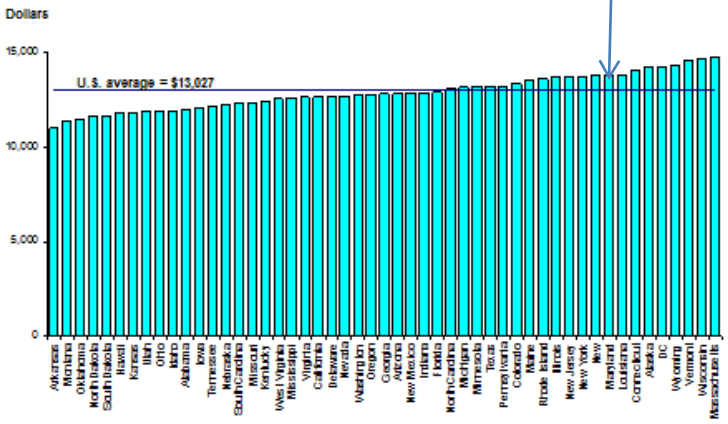

Data sources: 2003 and 2009 Medical Expenditure Panel Survey–Insurance Component (for total average premiums for employer-based health insurance plans, weighted by single and family household distribution); 2003–04 and 2009–2010 Current Population Surveys (for median household incomes for under-65 population).

## Figure 4. Premiums for Family Coverage, 2003, 2009, 2015, and 2020




Data sources: Medical Expenditure Panel Survey–Insurance Component (premiums for 2003 and 2009); Premium estimates for 2015 and 2020 using 2003-09 historic average national growth rate.

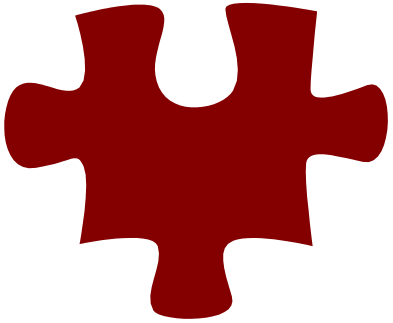
## Figure 1. Premiums for Family Coverage, by State, 2009



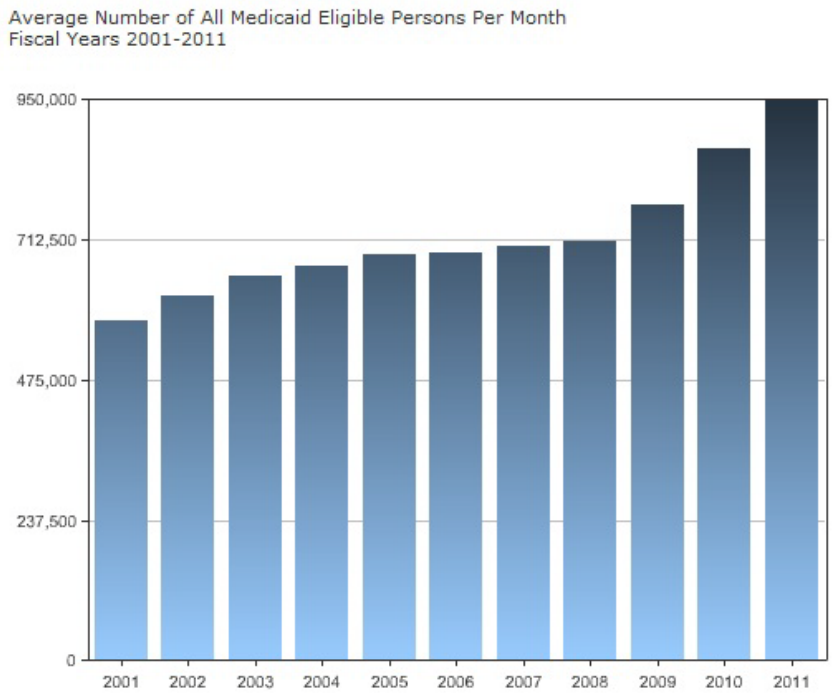

Data source: 2009 Medical Expenditure Panel Survey–Insurance Component.

Slide from: C. Schoen, K. Stremikis, S. K. H. How, and S. R. Collins, State Trends in Premiums and Deductibles, 2003–2009: How Building on the Affordable Care Act Will Help Stem the Tide of Rising Costs and Eroding Benefits, The Commonwealth Fund, December 2010.

# 2/3

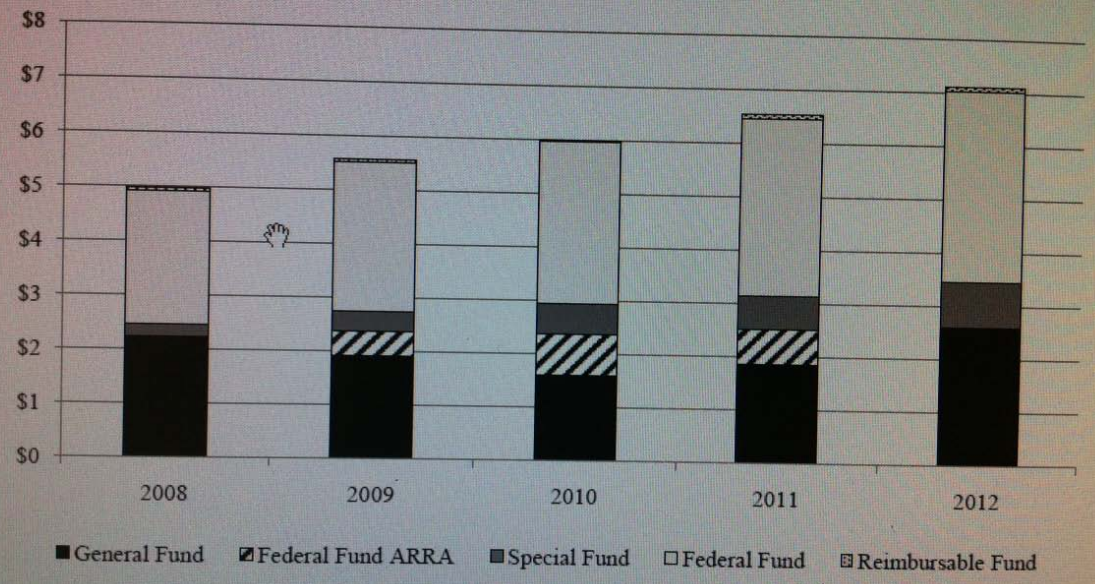


The fraction of new small group plans sold by CareFirst in MD that have high deductibles




Source: Hilltop, UMBC

**Exhibit 13**
**Fund Sources**
**Fiscal 2008-2012**
**($ in Billions)**




ARRA: American Recovery and Reinvestment Act of 2009

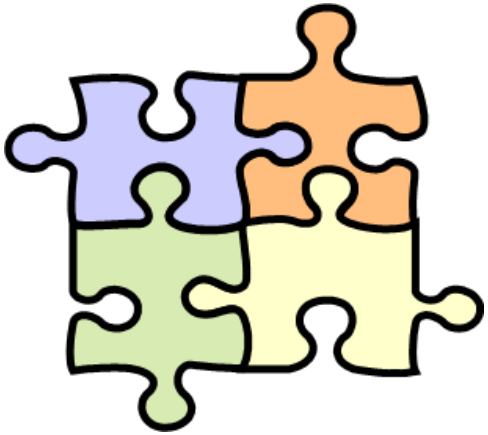
Source: Department of Legislative Services; Department of Budget and Management; and Department of Health and Mental Hygiene

# Peter Orzag, Former OMB Director

"It is no exaggeration to say that the United States' standing in the world depends on its success in constraining this health-care cost explosion; unless it does, the country will eventually face a severe fiscal crisis or a crippling inability to invest in other areas."

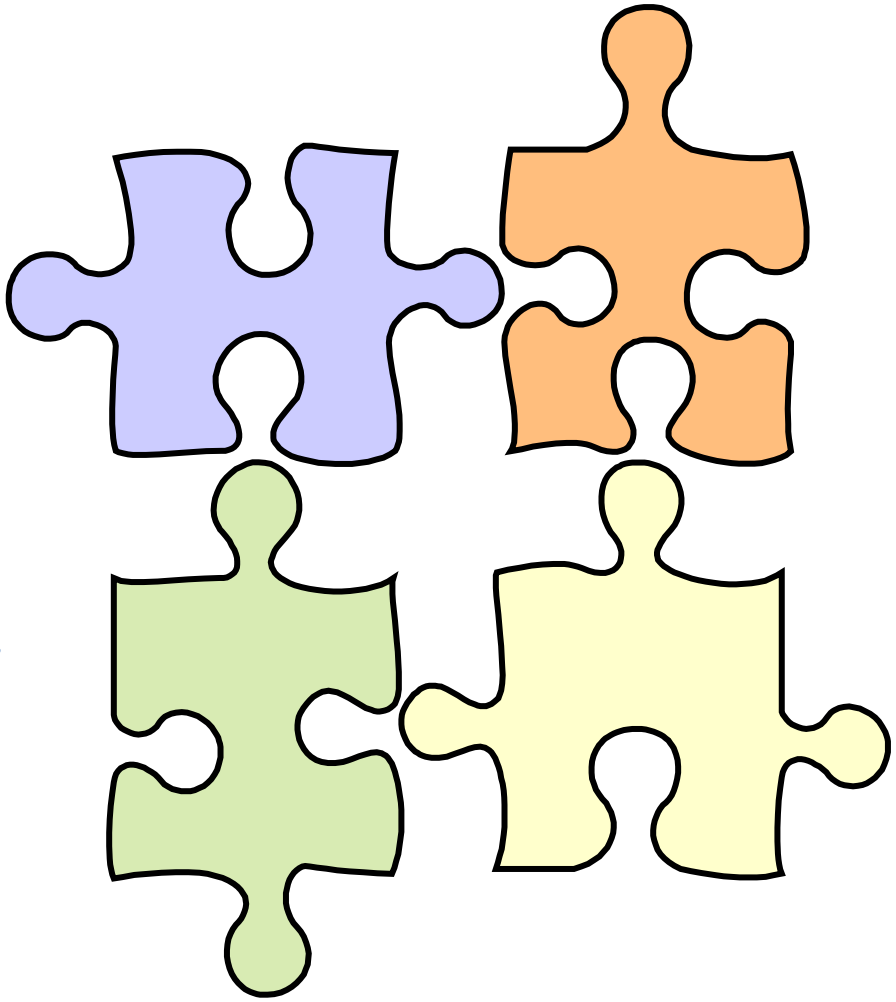
# Winston Churchill

"Americans can always be counted on to do the right thing...after they have exhausted all other possibilities."



# Opportunities for Public Health

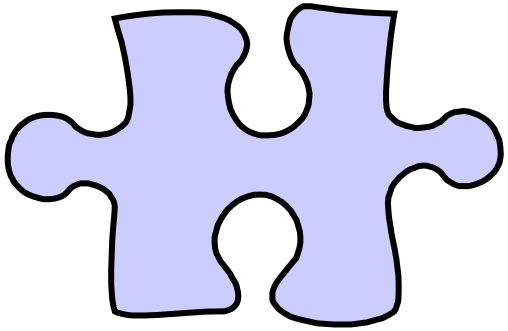
Insurance & Coverage

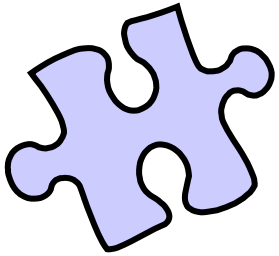


Delivery Reform

Community Health

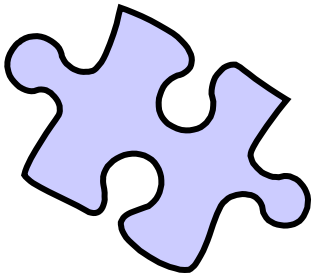
Policy





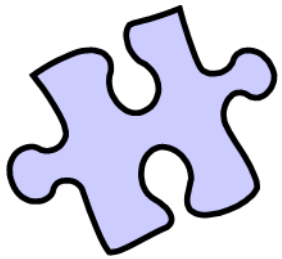
# Insurance Reform
# Affordable Coverage
# Rate Review

No exclusions for pre-existing conditions & other protections
Health insurance mandate
Medicaid expansion to 133% poverty
Insurance exchange with subsidies up to 400% poverty



# 350,000
# $853 million

<u>UMBC analysis</u>
Number of Marylanders to be covered under Affordable Care Act
Savings to state budget over 10 years



1

9

4

6

60

Rules

Operating model*

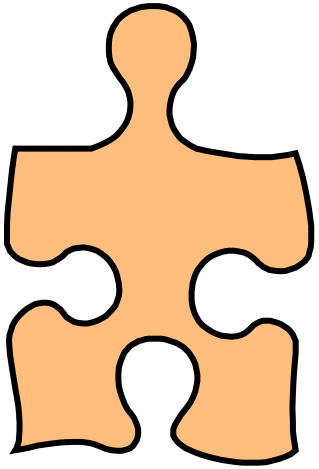
Navigators*

Small business

Communications*

Financial model

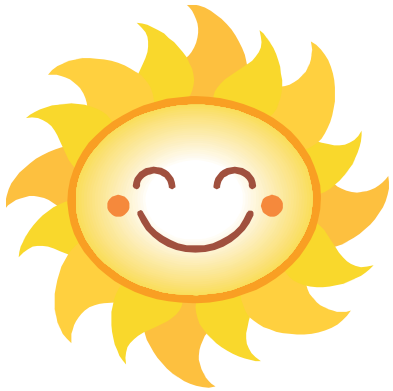
Exchange board
Members
Committees
Studies
Advisors



# The Triple Aim

Lower Per Capita Costs
Improved Outcomes
Better Patient Experience…
…at the Same Time

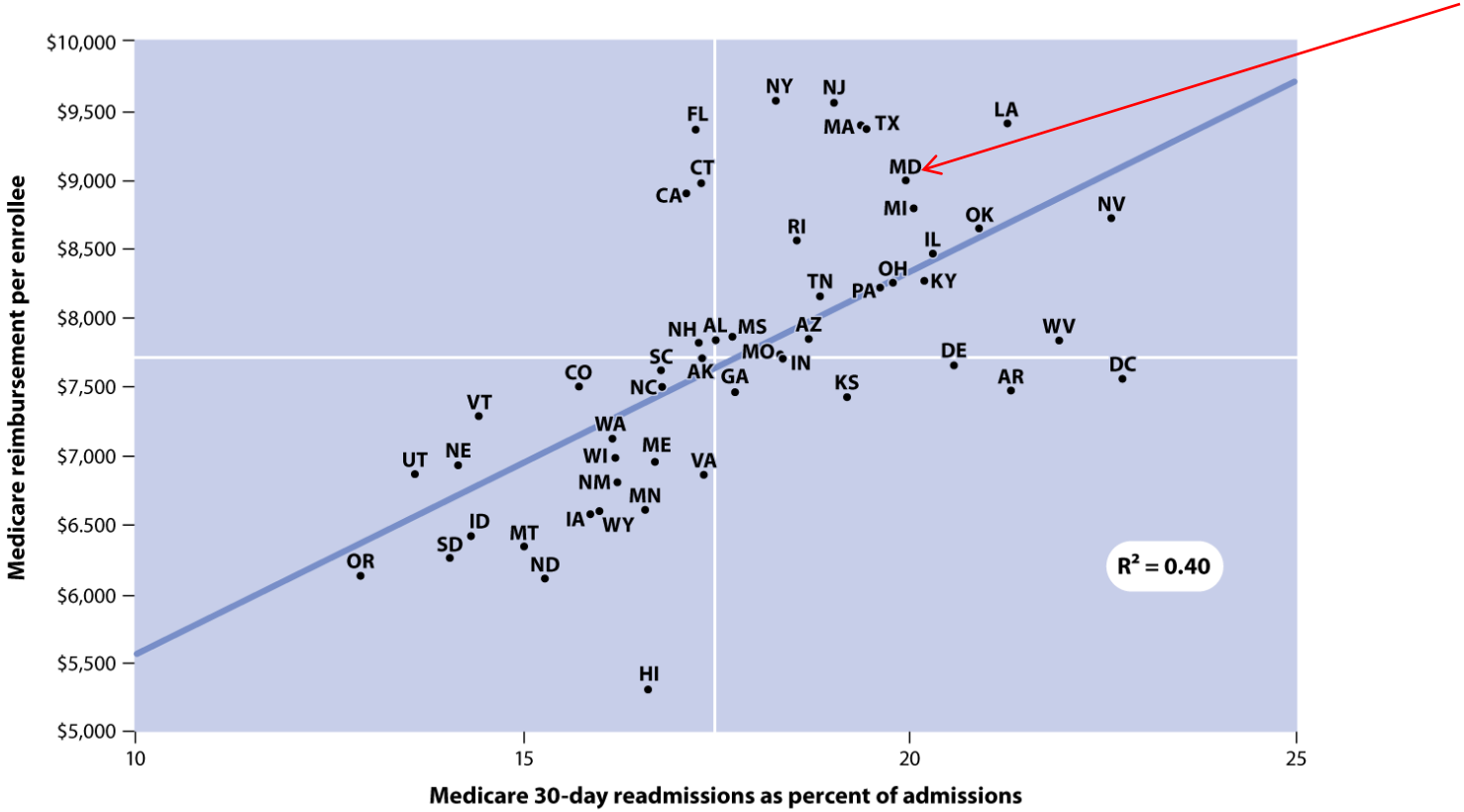
# Pay for Value



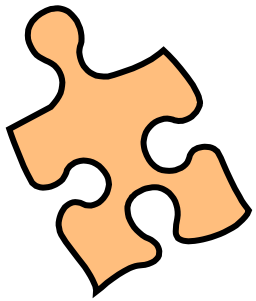
# Pay for Volume

Integrators face the right financial incentives for good outcomes – move care to the best place for the patient and add value

# Medicare Cost Per Beneficiary and 30-Day Readmissions by State




DATA: Medicare readmissions—2006–07 Medicare 5% SAF Data; Medicare reimbursement—2006 Dartmouth Atlas of Health Care
SOURCE: Commonwealth Fund State Scorecard on Health System Performance, 2009

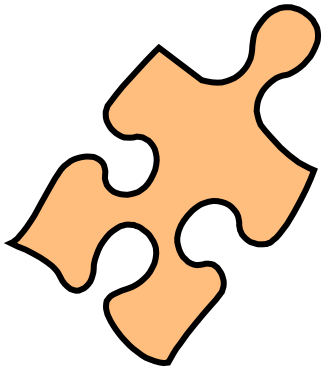


**10%**

**55%**

% MD hospital budget under TPR

% MD hospital budget under ARR



# 3,500

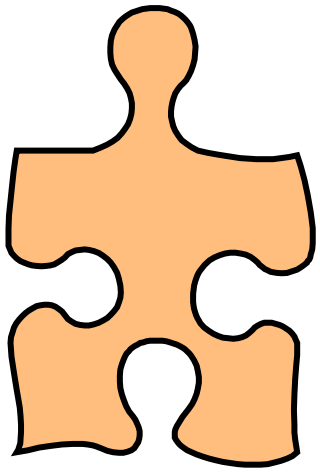
# 200

# PCPs enrolled in Carefirst medical home program

Approx # PCPs enrolled in MHCC medical home pilot

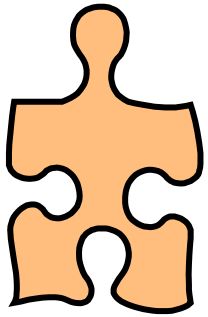
**50%**

**1,200**



% MD Hospitals connected to Health Information Exchange, goal of 100% by end of calendar year 2011

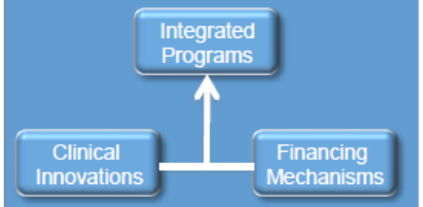
New MD physicians signing up for EHR… so far



# Delivery Reform Workgroup

Accelerating new financial mechanisms, clinical innovations, and integrated programs

# Health Care Innovations in Maryland




DRAFT

Maryland

Maryland

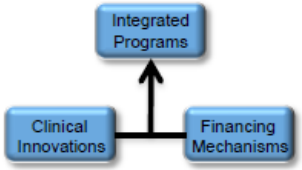
Department of Health and Mental Hygiene

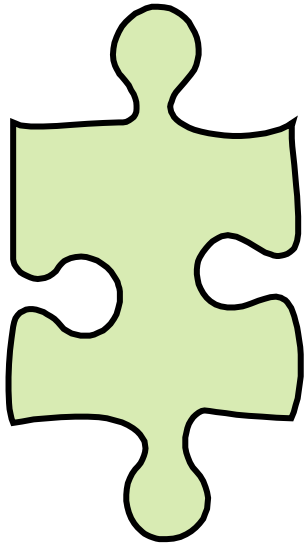
## Welcome

In this time of rising health care costs and tight budgets, Maryland's consumers, hospitals, clinicians, insurance plans and community groups are working together to develop creative programs that enhance patient care, improve population health and cut costs.

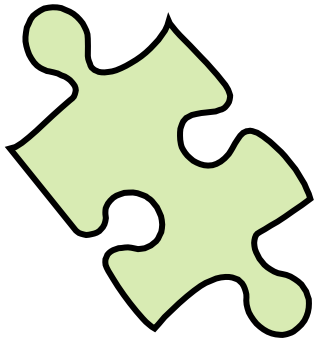
**About the database:**

The health care projects featured in this database are already delivering care in the state of Maryland. Search below to learn more about the future of Maryland's health care, and some of the innovative tools that will get us there.

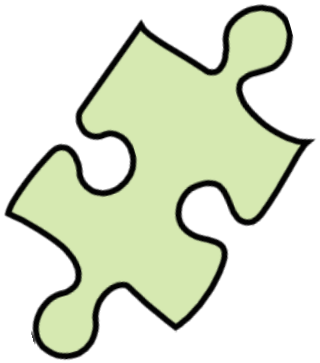




State Health Improvement Process
http://dhmh.maryland.gov/SHIP

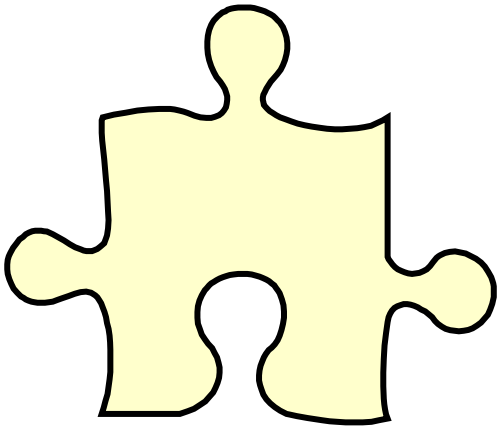


**Accountability**
**Local Action**
**Public Engagement**

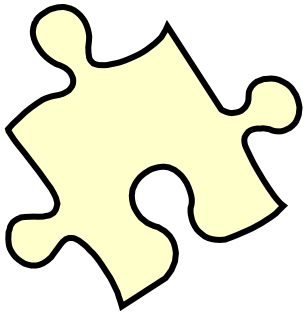


# Local Focus on Disparities

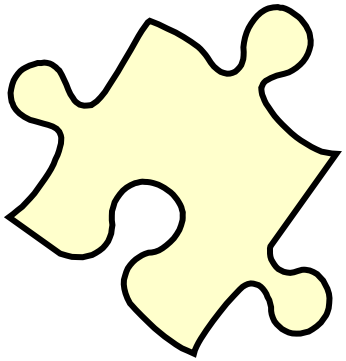
Local Data
Specific Tools
Access to other agencies to engage with social determinants
Community mobilization



# Policy



**Financial incentives**
**Public health policy**
**Budget policy**



**Rebalancing**
**Supporting Delivery Reform**
**Fraud efforts**
**Prevention**
**Evidence-based Care**

# Case Study: Prince George's County

- Public health challenges
- Needs new hospital center
- Cost challenge supporting interest in public health

# Challenges & Opportunities

- Medical care system cannot face the cost challenge alone
- Public health improvement and delivery reform critical for long-run success
- Need to build a bridge between public health and the medical system