Aligning Delivery & Financing Systems to Advance a Culture of Health

Glen P. Mays, University of Kentucky

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Glen Mays, PhD, MPH
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Mission: Widen the lens beyond health care & public health systems

Rigorous research to identify novel mechanisms for aligning delivery and financing systems in *medical care, public health, and social & community services* in ways that improve *health* and *wellbeing*, achieve *efficiencies* in resource use, and reduce *inequities*.

www.systemsforaction.org
Mission: Widen the lens beyond health care & public health systems

- Delivery Systems + Financing Systems
- Health Sectors + Social/Community Sectors
- Prevention + Treatment
- Health + Wellbeing
- Individuals + Populations
- Equity + Efficiency
Multiple systems & sectors drive health...

Proportional Contribution to Premature Death

- Genetic predisposition: 30%
- Behavioral patterns: 40%
- Social circumstances: 15%
- Environmental exposure: 5%
- Health care: 10%

…But existing systems often fail to connect

Medical Care  ↔  Social Services & Supports  ↔  Public Health

- Fragmentation
- Duplication
- Variability in practice
- Limited accessibility
- Episodic and reactive care
- Insensitivity to consumer values & preferences
- Limited targeting of resources to community needs

- Fragmentation
- Variability in practice
- Resource constrained
- Limited reach
- Insufficient scale
- Limited public visibility & understanding
- Limited evidence base
- Slow to innovate & adapt

Waste & inefficiency

Inequitable outcomes

Limited population health impact
Resulting in significant economic & social burden

**EXHIBIT 1**

Estimates of Waste in US Health Care Spending in 2011, by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost to Medicare and Medicaid&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Total cost to US health care&lt;sup&gt;b&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Midpoint</td>
</tr>
<tr>
<td>Failures of care delivery</td>
<td>$26</td>
<td>$36</td>
</tr>
<tr>
<td>Failures of care coordination</td>
<td>21</td>
<td>30</td>
</tr>
<tr>
<td>Overtreatment</td>
<td>67</td>
<td>77</td>
</tr>
<tr>
<td>Administrative complexity</td>
<td>16</td>
<td>36</td>
</tr>
<tr>
<td>Pricing failures</td>
<td>36</td>
<td>56</td>
</tr>
<tr>
<td><strong>Subtotal (excluding fraud and abuse)</strong></td>
<td><strong>166</strong></td>
<td><strong>235</strong></td>
</tr>
<tr>
<td><strong>Percentage of total health care spending</strong></td>
<td><strong>6%</strong></td>
<td><strong>9%</strong></td>
</tr>
</tbody>
</table>

<sup>a</sup>Costs are presented in billions of dollars.

<sup>b</sup>Estimates are based on the assumption that Medicare and Medicaid costs can be generalized to the overall US health care market. The estimates do not include fraud and abuse.
Challenge: overcoming collective action problems across systems & sectors

- Incentive compatibility → public goods
- Concentrated costs & diffuse benefits
- Time lags: costs vs. improvements
- Uncertainties about what works
- Asymmetry in information
- Difficulties measuring progress
- Weak and variable institutions & infrastructure
- Imbalance: resources vs. needs
- Stability & sustainability of funding

Ostrom E. 1994
Wide lens: implicated sectors

- Public health
- Medical care: ACOs, PCMCs, AHCs
- Income support
- Nutrition and food security
- Education and workforce development
- Housing
- Transportation
- Criminal justice
- Child and family services
- Community development and finance
Study novel mechanisms for aligning systems and services across sectors

- Innovative alliances and partnerships
- Inter-governmental and public-private ventures
- New financing and payment arrangements
- Incentives for individuals, organizations & communities
- Governance and decision-making structures
- Information exchange and decision support
- New technology: m-health, tele-health
- Community engagement, public values and preferences
- Innovative workforce and staffing models
- Cross-sector planning and priority-setting
Pre-Launch Technical Advisory Committee

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Signature research projects

- **University of Chicago**: Randomized trial of a Comprehensive Care, Community and Culture program

- **Arizona State University**: Analysis of medical, mental health, and criminal justice system interactions for persons with behavioral health disorders

- **IUPUI**: Evaluating integration and decision support strategies for a community-based safety net health care and public health system

- **University of Kentucky**: Measuring multi-sector contributions to public health services and impact on population health.
Access to public health

Overall, 47.2 percent of the population is covered by a comprehensive public health system. Individuals are more likely to have access if they are non-White (51.5 percent vs. 45.5 percent White) or live in a metropolitan area (48.7 percent vs. 34.1 percent in nonmetropolitan areas).


Example: evaluating delivery system change

Node size = single-sector contributions
Line size = multi-sector contributions (tie strength)
S4A applications by research priority

1.1 Design/Implementation
1.2 Organization
1.3 Economics/Financing
2.0 Equity strategies
3.0 Information/Decision
4.0 Incentives

N=170
S4A applications by implicated social/community sectors

- Housing
- Transportation
- Comm dev/land use
- Criminal justice/legal
- Environment
- Mental/behavioral health
- Substance abuse
- Disability services
- Food/nutrition assistance
- Income support
- Employment/training
- Child/family services
- Education
- Aging

N=170
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For More Information

Systems for Action

National Coordinating Center
Systems and Services Research to Build a Culture of Health

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