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Reducing Costs: Slow Work

The U.S. healthcare system has been described by some analysts as expensive and inefficient. Rising drug prices are known to be a key driver of healthcare costs. At the same time, providers struggle with high administrative costs, which can drive up costs of care while hindering quality improvement.

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While payment reforms and other programmes could address high costs, analysts say much work needs to be done to ease the burden of providers and patients.

“We’re not there yet," says Alice M. Rivlin, PhD, senior fellow in economic studies in the Center for Health Policy at the Brookings Institution. "And we won’t get there very quickly.”

Payers often see pharmaceutical costs that are higher than those for inpatient care and other physician reimbursements, and it’s “getting worse,” according to Richard Bankowitz, MD, executive vice president of clinical affairs for America’s Health Insurance Plans.

Rivlin and Bankowitz were part of a recent panel discussion that focused on healthcare costs. Also joining the discussion were Katherine Hayes, director of health policy for the Bipartisan Policy Center, and Richard A. Deem, senior vice president for advocacy at the American Medical Association.

Amidst the unabated increase in medicine prices, Bankowitz said health reform efforts should challenge how the system views costs and patents that give drugmakers monopolies over certain products. He added that advanced payment models (APMs) narrowly focus on payments without tackling delivery reform in tandem, when both should be looked at simultaneously. For example, one way to reduce the costs of care is through preventive care programmes that can help keep patients out of the hospital. However, there are barriers to wider adoption. For one, many payers won’t cover things that aren’t directly related to care, and providers don’t necessarily view it as their job to help people outside of a hospital walls.

For his part, Deem said that the chronic care burden can be eased when programmes help patients secure safe housing, focus on nutrition and offer wellness guidelines. Preventing diabetes, for example, through promoting weight loss and nutrition is less expensive than caring for a patient who is diabetic or prediabetic.

Regarding high administrative costs, Deem cited an AMA study that found doctors spend two hours on clerical work, including inputting data into electronic health records, for each hour spent treating patients. He explained that EHR programs are often designed without the end user, the physician, in mind, making them “clunky” to use despite benefits. If these programs fit a bit better into what doctors need, administrative costs would likely go down and it would improve data collecting and sharing, he added.

Source: FierceHealthcare
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