

How Our Health Care is Changing and Why You Should Get Involved



Health Care For All New York: Building Quality, Affordable Health Care for ALL New Yorkers

Your Health Care is Rapidly Changing

The way we receive our health care in New York and around the nation is changing with blinding speed. Many of us are most familiar with the Affordable Care Act's (ACA's) health insurance changes. But the *delivery* side — who provides your health care, how, and at what cost — is also changing in New York and around the nation.

- **New types of businesses are providing medical care**, from clinics in strip malls to groups of providers that coordinate their services, like accountable care organizations.
- **The health care industry is changing.** New York has seen a wave of hospital closures. Health insurers as well as hospitals and other providers are merging into much bigger entities.
- **Doctors and other providers are beginning to be paid differently.** Instead of getting paid for each individual service, called “fee-for-service,” providers are being paid for bundles of services to meet goals like reducing costs and improving the quality of our care.
- **More emphasis is being placed on improving the quality of care.** Among the many examples of this is the creation of “patient-centered medical homes,” and the standardization of best practices among doctors and other providers.

Whether these changes, called “payment and delivery system reform” (PDSR) or “health systems transformation,” **significantly improve our health care or make things worse depends choices that are being made now.** Consumers need to get involved to make sure PDSR efforts meet their needs.

Why Do We Need Delivery System Reform?

Everyone agrees on one thing: the American health care delivery system is broken. Here are some of the problems:

Problem 1: We Spend Too Much, and Much of What We Spend is Wasted

In 2014, the United States spent over \$3 *trillion* on health care.¹ We spend 40 percent more than the next highest spender among developed nations. New York spends 22 percent more for health care per person than the national average.² Health care costs have been increasing for years,³ although recent reforms, including the ACA, may ultimately help to reverse this trend.⁴

The American health care system wastes from \$476 billion to \$992 billion each year, according to a recent estimate.⁵ This is due to a wide range of factors, including medication errors and unnecessary procedures and hospitalizations.⁶

Our inability to effectively control medical spending has had a major impact on the quality of care we



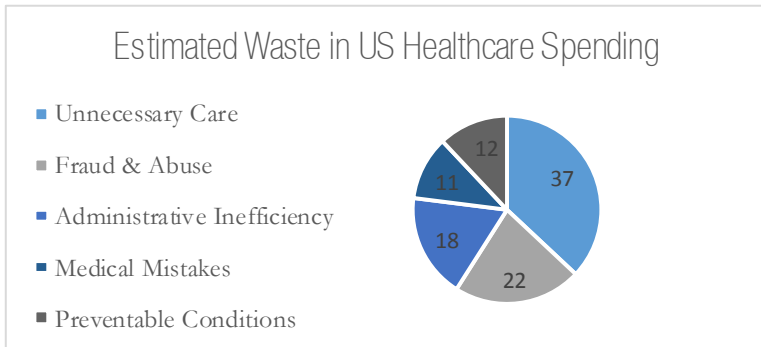
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receive and our nation’s economic future. For example, many consumers and employers don’t buy health insurance coverage or buy inferior coverage because of the high cost – impacting the health of consumers and their financial futures. The high cost of providing care also leads to the potential for cuts to vital programs like Medicare and Medicaid.



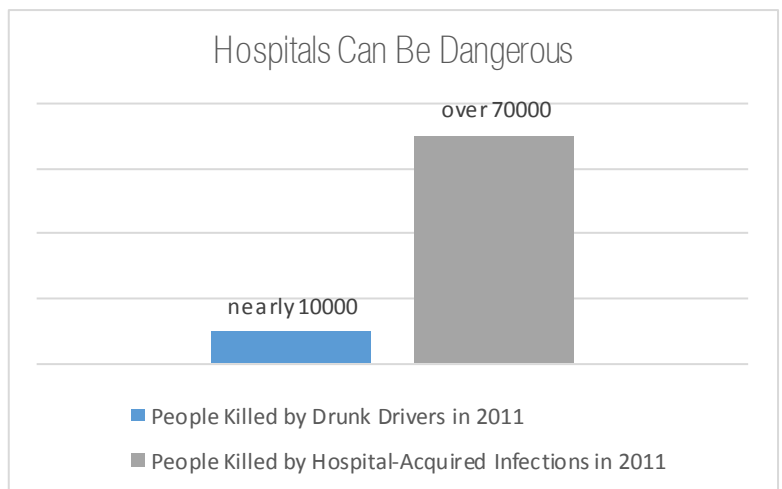
Source: IMS Institute for Healthcare Informatics

Problem 2: We’re Not Getting Good Care for Our Money

Despite spending more, the health care Americans receive is worse than what people get in other countries. A 2014 Commonwealth Fund report found that of the 11 industrialized countries it studied, the United States had the worst results, measured by factors such as quality, access to care, and equity. For example, the United States ranks last on infant mortality and prevent-

able deaths.⁷ Even worse, from 210,000 to 440,000 people die each year due to preventable errors in hospitals alone, making it the third leading cause of death in America (behind heart disease and cancer).⁸ New York has many issues to address when it comes to health care quality. For example, we’re only in the middle of the states when it comes to preventable hospitalizations.⁹

Added to the quality problem is the issue of health equity. Access to care and quality of care still vary based on things like race and income.^{10,11} People of color in the United States receive inferior care compared to white Americans and have higher rates of chronic diseases like diabetes and stroke than Americans as a whole. People with disabilities have a higher incidence of high blood pressure and increased risk for heart disease and strokes.¹² Some lesbian, gay, bisexual and transgender individuals – especially those who are low-income – have higher rates of certain types of chronic health conditions.¹³ Health disparities cost the U.S. economy \$309 billion a year directly and indirectly, due to factors like lost wages and lower productivity.¹⁴



Source: IMS Institute for Healthcare Informatics

Problem 3: Consumers Can’t Effectively Comparison Shop for Medical Services

Consumers have every reason to comparison shop for their health care. There are wide variations in the quality of the health care we receive and the prices charged by different providers for the same ser-

vices.¹⁵

Much more needs to be done to improve the information available to consumers so we can comparison shop effectively. Hospitals and other providers that charge more do not necessarily provide higher quality care,¹⁶ so we need information that helps us compare providers by both measures. Yet, there is currently no reliable source of data that would enable New Yorkers to make price and quality comparisons. Similarly, New Yorkers don't have an easy way to find out which doctors have engaged in unsafe practices.

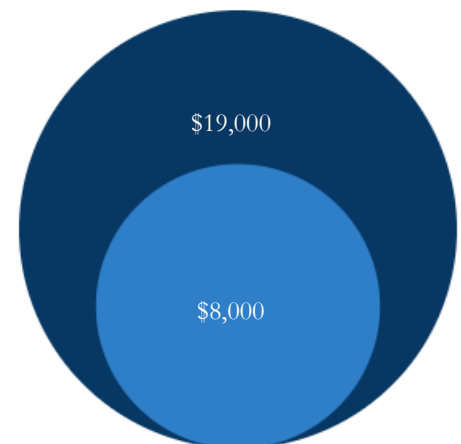
What's Happening in New York and How Can Consumers Become More Involved?

New York State is transforming its health care delivery system through a number of processes, including the Delivery System Reform Incentive Payment Program (DSRIP) and the Population Health Improvement Program (PHIP). While following them all is extremely difficult for consumer groups, these processes have many overlapping goals, like reducing hospital readmissions, improving population health and patient safety and increasing the publicly available information about the health care system, allowing us to have a unified consumer agenda for reform.

HCFANY is working with consumers to help them learn the processes and to speak up to ensure that we all benefit from health systems transformation in New York. We are working towards a future in which our health care is more affordable and of higher quality, and in which we have enough information to make good choices about the care that we and our family members receive.

A Tale of Two Nearby Manhattan Hospitals: Cost of C-Section

■ Lutheran Medical Center ■ New York Methodist



Source: Capital New York

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Health Care for All New York (HCFANY), a statewide coalition of over 170 consumer groups, is working to ensure that the state's payment and delivery system reform efforts meet the needs of consumers. Through participating in New York's payment and delivery systems reform efforts, we seek to make health care more affordable, improve the quality of our care, and ensure that consumers have adequate information to enable them to make informed health care decisions.

We need your help to be more effective in doing our work!

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HCFANY Steering Committee Members:

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Coalition for Asian Children and Families
Children's Defense Fund-New York
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