Fact sheets: Better Care. Smarter Spending. Healthier People: Why It Matters

Date	2015-01-26
Title	Better Care. Smarter Spending. Healthier People: Why It Matters
For Immediate Release	Monday, January 26, 2015
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Better Care. Smarter Spending. Healthier People: Why It Matters

We are taking action to build on progress made in improving health care so patients and their families can get the best care possible. Our goal is to spend our health care dollars more wisely, so—ultimately—people can live healthier lives. These shared goals are important:

- **For patients and families**: Giving doctors the opportunity to focus on patient-centered care and to be accountable for quality and cost means keeping people healthier for longer. It also creates opportunities for providers to spend more time with their patients.
- **For providers**: We have an opportunity to realign the practice of medicine with the ideals of the profession—keeping the focus on patient health and the best care possible.
- **For employers**: A healthier workforce means fewer sick days and costly medical expenses, and healthier employees are more productive. Cost savings also mean a higher bottom line and allow businesses to do more for their employees.
- **For taxpayers and the economy**: Businesses lose billions of dollars each year because of health problems of their employees. Health care costs also account for a significant portion of household and business expenses. Progress on both these fronts makes our country more competitive in the global economy.
- **For states**: Health care costs consume a significant portion of state budgets. We can find ways to spend those dollars more wisely and improve care.
- **For insurance companies**: Lowering the costs of health care, while maintaining quality, means keeping premiums affordable.

What is Better, Smarter, Healthier?

To achieve better care, smarter spending and healthier people, we are focused on three key areas: (1) improving the way providers are paid, (2) improving and innovating in care delivery, and (3) sharing information more broadly to providers, consumers, and others to support better decisions while maintaining privacy.

Payment Incentives: When it comes to improving the way providers are paid, we want to reward value and care coordination – rather than volume and care duplication. Many providers today receive a payment for each individual service, such as a physician visit, surgery, or blood test, and it does not matter whether these services help (or harm) the patient. Conversely, providers are generally not paid to keep their patients healthy before diseases like diabetes develop or worsen. In other words, providers are paid based on the volume of care provided rather than the value of care provided. We want to pay providers for what works – whether it is something as complex as preventing or treating disease or something as straightforward as making sure a patient has time to ask questions. Alternative payment models such as Bundled Payments or Accountable Care Organizations generally make doctors and hospitals attentive to the total costs of treating a patient at a high level of quality, giving clinicians the opportunity to focus on quality, patient-centered care. These and other models are being tested as important approaches for improving care and lowering costs, and already we are seeing positive results.

By setting ambitious, but achievable goals for the adoption of these new payment models we expect that health care providers can move with greater certainty towards these approaches, with proven benefits for patients and families.

Care Delivery: To improve care delivery, we are supporting providers to find new ways to coordinate and integrate care. And we are also focused on improving the health of our communities – with a priority on prevention and wellness. When a patient is admitted to the hospital or referred to a specialist without effective coordination between providers, it can lead to duplicative X-rays or lab tests that mean wasted time and money to the patient. With more emphasis on coordinated care, patients are more likely to get the right tests and medications rather than taking tests twice or getting procedures they do not need. Better care coordination can also mean giving patients more quality time with their doctor; expanding the ways patients are able communicate with the team of clinicians taking care of them; or engaging patients

and families more deeply in decision-making. For example, if a patient is discharged from the hospital without clear instructions on how to take care of themselves at home, when they should take their medicines, or when to check back in with the doctor, it can lead to an unnecessary readmission back into the hospital for easily preventable harms. This is especially true of individuals who have complex illnesses or diseases that may be more difficult to manage. We are supporting care improvement through a variety of channels, including facilitating hospitals and community groups teaming up to share best practices.

Information Sharing: As we look to improve the way information is distributed, we are working to create more transparency on the cost and quality of care, to bring electronic health information to inform care, and to bring the most recent scientific evidence to the point of care so we can bolster clinical decision-making. While we have made great strides in encouraging and supporting the adoption of electronic health records, there are many areas where important information is missing. For example, many important providers in the health system such as nursing homes do not have electronic health records to be able to store and share health information electronically with their patients or other providers, and some providers find that their electronic health records do not share information (i.e. are not "interoperable") with other systems as easily as they would have hoped.

When information is available to the treating physician across all settings of care, patients can rest assured that all their relevant information is being tracked accurately and they are not asked to repeat information from recent hospitalizations or laboratory tests. Doctors can get electronic alerts from a hospital letting them know that their patient has been discharged and can proactively follow up with special care transition management tools. And doctors can use health care data to make improvements to their care delivery strategies. For example, if a doctor notices through data that only 40 percent of her patients over age 50 are being tested for colon cancer screenings, she can set up an electronic system to automatically notify her if a patient has not had a test. Early detection can mean early cures without radiation or chemotherapy and lives saved. And automatic medication alerts can help patients take their medications properly and avoid medication errors.

We are also expanding access to cost and quality information to enable smarter decision-making about where and how to get the best care possible. In most cases, the patient knows neither the cost of their care nor the quality of the service they are about to receive. But with more data, for example, a patient could choose to get a hip replacement from the provider with the track record of superior outcomes. There is tremendous opportunity to improve value and choice for consumers and providers by empowering them with information.

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