POLICY & PRACTICE

CBO Casts Doubt on Health IT Savings

Health information technology, when coupled with other reforms, can help reduce health spending in certain settings, according to a Congressional Budget Office report. But the adoption of health IT alone will not produce significant savings, the report concludes. Institutions that have successfully used health IT to lower costs are generally integrated health care systems like Kaiser Permanente's. "Office-based physicians in particular may see no benefit if they purchase [an electronic health record]—and may even suffer financial harm," the CBO said. Recent studies by the RAND Corporation and the Center for Information Technology Leadership estimate savings from health IT at around $80 billion annually. The CBO takes issue those estimates, noting that the savings figures are derived by assuming changes to the health care system. But without changes to the current payment system, providers would not be incentivized to reduce costs to the system, according to the report (available at www.cbo.gov). The CBO report also outlines possible policy options for the federal government to encourage the adoption of health IT by physicians and hospitals. CBO analysts found that a subsidy to providers could increase health IT adoption but would be costly to the government; a mandate for adoption or a penalty for lack of adoption would be effective but costly for providers.

MD Cash Payments Cut Spending

Giving physicians cash payments for reduced hospital spending can help control costs without sacrificing quality or access to care, researchers reported in the policy journal Health Affairs. In a 5-year study of more than 220,000 patients who received coronary stents, Arizona State University researchers showed that "gainsharing" programs, in which physicians are paid for reducing hospital spending, cut costs by more than 7%, or $315 per patient. If these experiences are representative, the report said, nationwide use of gainsharing would cut hospital costs for stent patients by about $195 million a year. Most savings from the gainsharing programs were attributed to lower prices for coronary stents, the study said. The researchers found that the programs did not increase the risk of in-lab complications, and were associated with significant decreases in three specific types of complications.

Group Calls for Obesity Action

The advocacy group Campaign to End Obesity, in concert with the American College of Gastroenterology, the American Heart Association, the American Diabetes Association, and others, has issued a call to action outlining what it said Congress must do to address the obesity epidemic. "It is time for the government to take a more comprehensive policy approach to the problem—to look holistically at factors that influence obesity and to look for ways to support people in preventing, managing and treating the disease," the report said. The call to action said that there is much more that lawmakers can do about improving school nutrition and physical activity standards, and that Congress also should consider reimbursement for providers who manage and treat obesity.

Family Spending Up 8%

The average annual medical cost for a typical American family of four increased by nearly 8% from 2007 to 2008, according to consulting firm Milliman Inc.'s fourth annual study of medical spending. Although the $1,109 increase is a lot, the rate of increase was down for the second straight year and is the lowest rate of increase in the past 5 years. This was the second consecutive year of double-digit increase for the employee's share of spending on health care, the report said. Medical costs in 2008 for a typical American family of four will be $15,609, compared with $14,500 in 2007, the report found. Milliman also found wide variation across the country: Among the 14 metropolitan areas studied, health care costs varied by more than 35%.

Few Americans Are Health Literate

Just 12% of America's 228 million adults have the skills to manage their own health care proficiently, according to the Agency for Healthcare Research and Quality. Those deemed proficient in health literacy skills can obtain and use health information to make appropriate health care decisions, can weigh the risks and benefits of different treatments, know how to calculate health insurance costs, and are able to fill out complex medical forms. AHRQ found that about 53% of U.S. adults have intermediate health literacy skills, such as being able to read instructions on a prescription label and determine the right time to take medication. Meanwhile, 22% had basic skills, such as being able to read a pamphlet and understand two reasons why a disease test might be appropriate despite a lack of symptoms, according to the report. And 14% had less than basic skills, meaning they could accomplish only simple tasks, such as understanding a set of short instructions or identifying what is permissible to drink before a medical test, AHRQ said.

Half of America on Drugs

Medco Health Solutions Inc. has determined that 51% of insured Americans—children and adults—were taking prescription medications for at least one chronic condition in 2007. The pharmacy benefit management company analyzed a representative sample of 2.5 million people from its database. A surprise: In all, 48% of women aged 20-44 years are being treated for a chronic condition, compared with 33% of men their age. Antidepressants were the most common prescription for this age group, whereas the top therapies overall were antihypertensives and cholesterol cutters. Hormone therapy use by women aged 45-64 years declined from 30% in 2001 to 15% in 2007. The data "paint a pretty unhealthy picture of America," Dr. Robert Epstein, Medco's chief medical officer, said in a statement. "But there is a silver lining: It does show that people are receiving treatment which can prevent more serious health problems down the road."

—Jane Anderson

UPCOMING MEETINGS

Endocrine Society

American Society for Metabolic and Bariatric Surgery

Society of Obstetricians and Gynecologists of Canada

American Headache Society

Society of Geriatric Cardiology

Canadian Dermatology Association

Research Society on Alcoholism