

2011 MMA Policy Forum: The Role of Physicians in Health Care Costs

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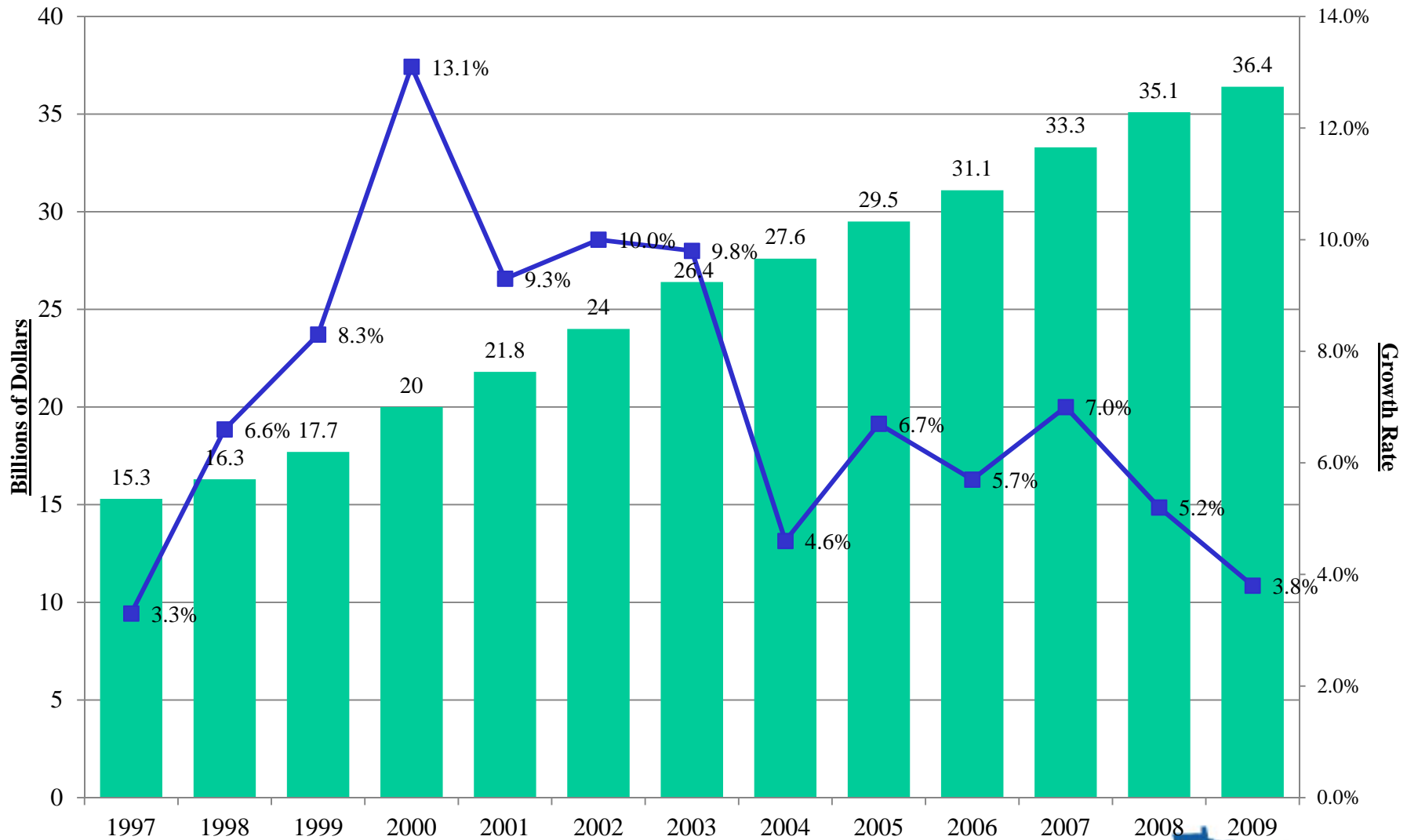
What to Expect

- Goal
 - To learn, discuss, and engage with colleagues on timely issues
 - Not to propose MMA policy solutions
- Second annual policy forum
 - 2010: Opportunities and challenges associated with ACA
- Brief presentation to frame the issue
- Small group discussions
 - Opportunity to share your opinions and input
- Report back your findings

Health Care Costs: Conflicting Roles?

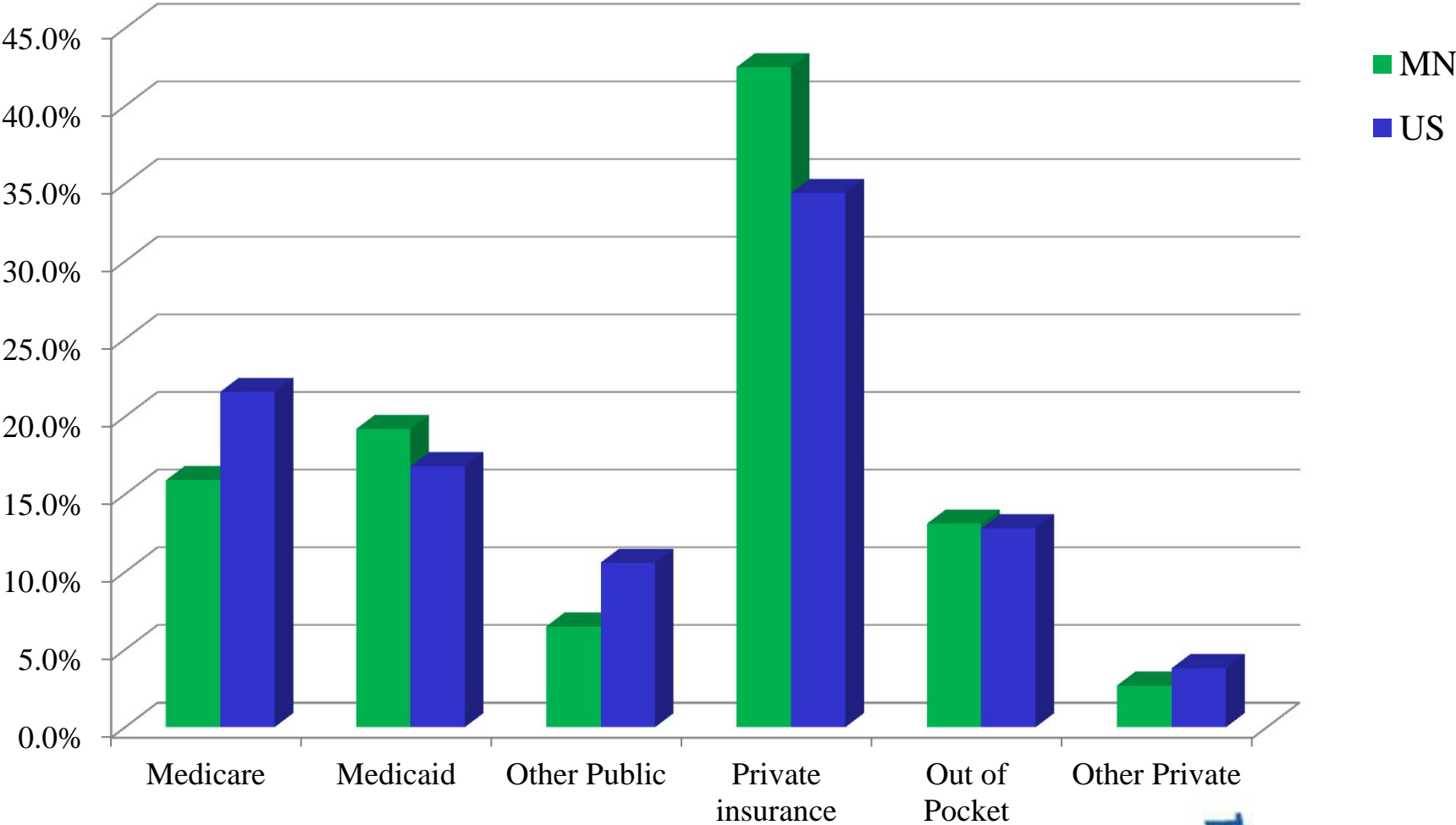
- Physician as patients' advocate
 - What is in the best interests of my patients?
 - How can I help achieve the best outcome?
- Physician as steward of resources
 - How does what I do or order impact the cost of care?
 - Is what is best for one patient always best for all patients? the community?
- What is the right balance between these roles...

Trends in MN Health Care Spending & Rate of Growth



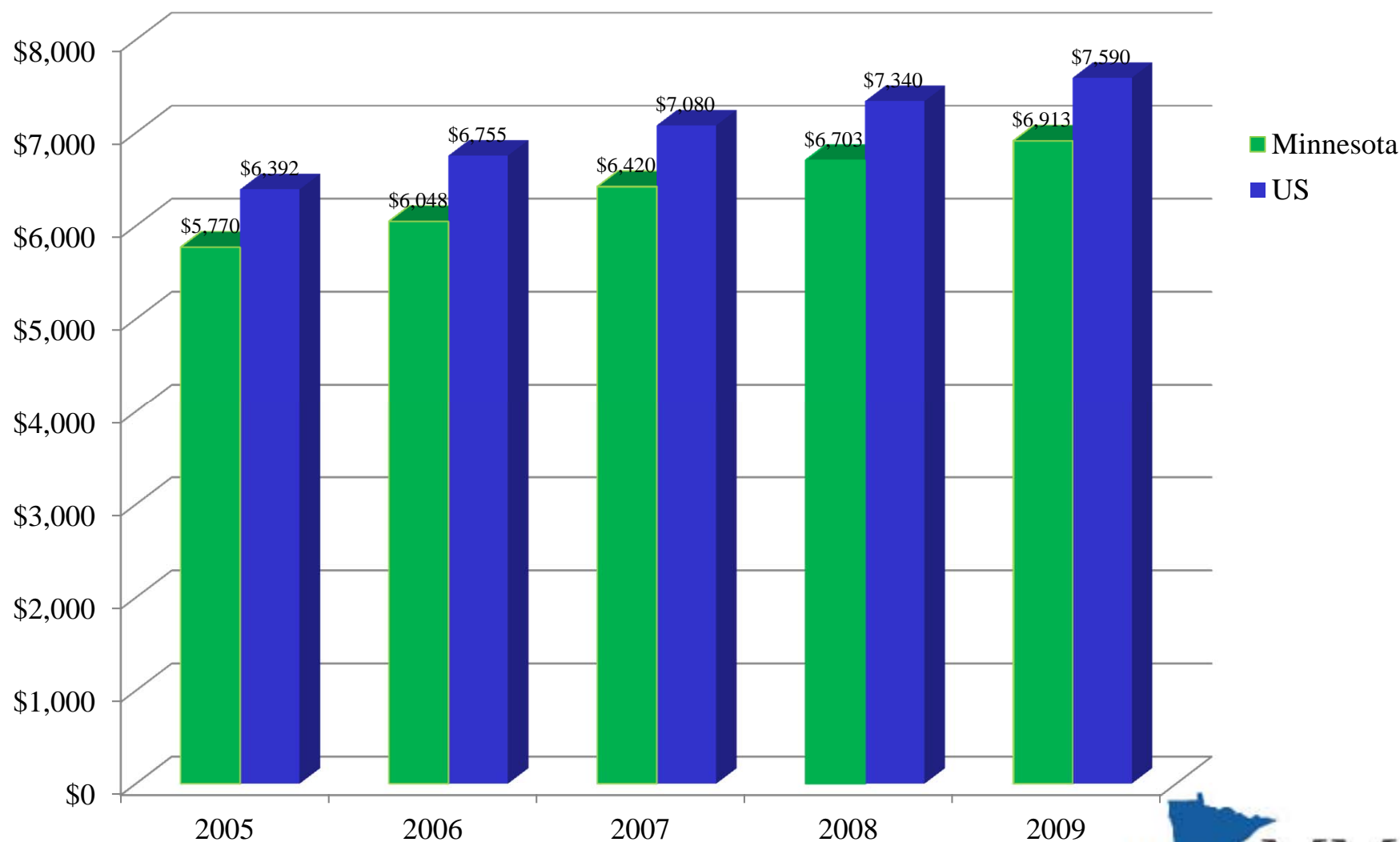
Source: Minnesota Department of Health. Minnesota Health Care Spending and Projections, 2009. Minnesota Department of Health, Health Economics Program, June 2011.

Share of Spending by Payer: MN & US, 2009



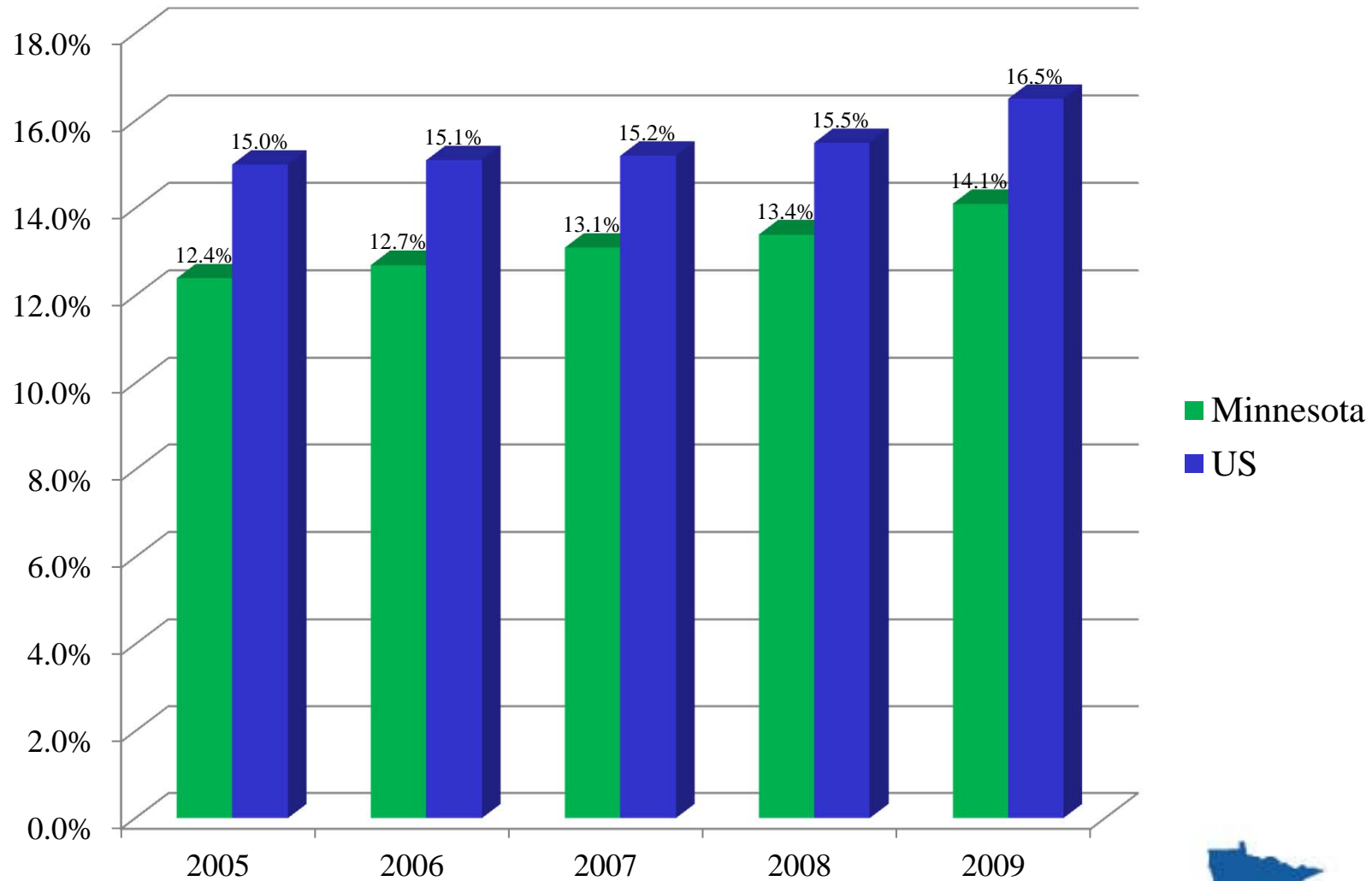
Source: Minnesota Department of Health. Minnesota Health Care Spending and Projections, 2009. Minnesota Department of Health, Health Economics Program, June 2011.

Per Capita Spending: MN & US, 2005-2009

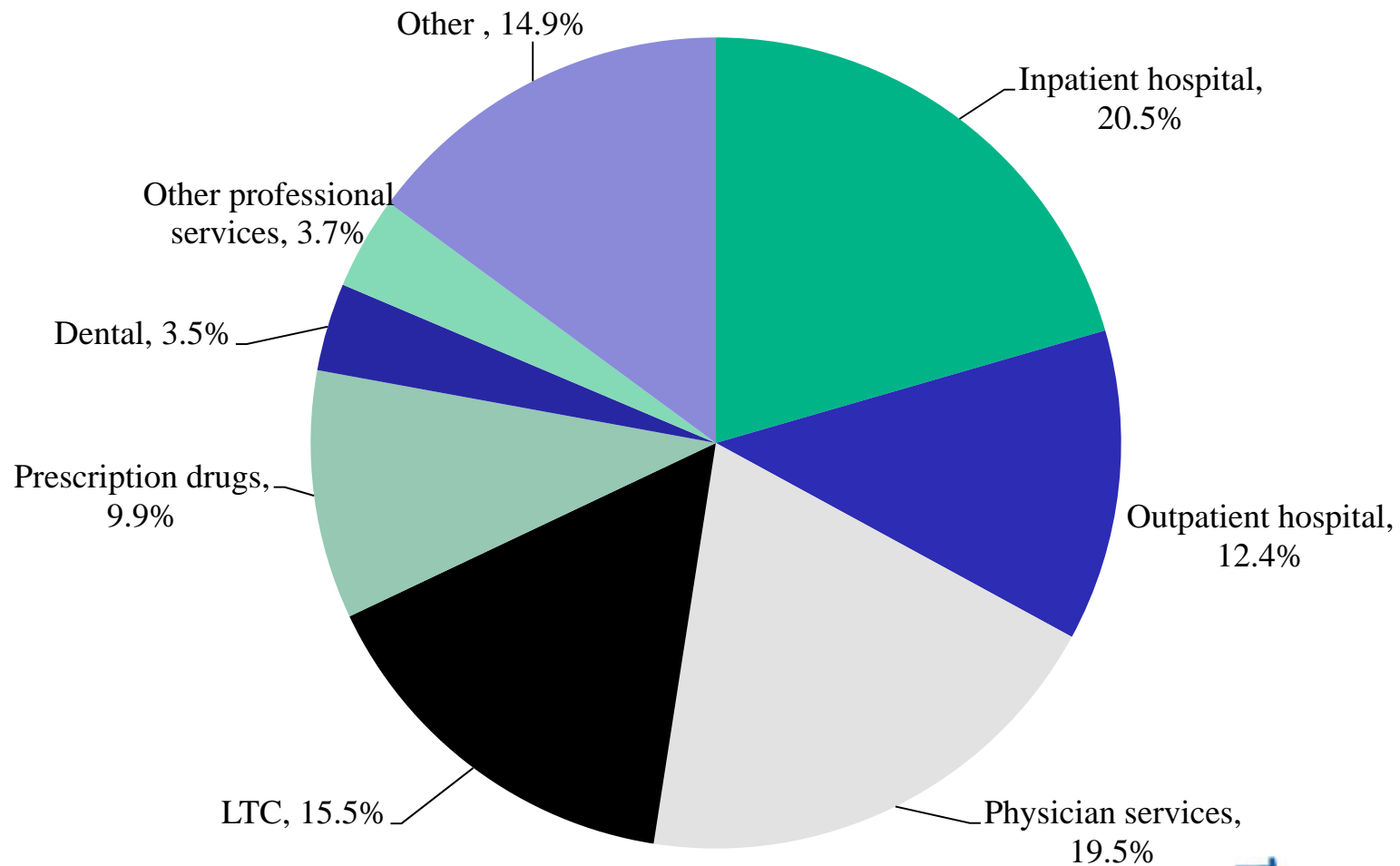


Source: Minnesota Department of Health. Minnesota Health Care Spending and Projections, 2009. Minnesota Department of Health, Health Economics Program, June 2011.

HC Spending as Share of Economy



MN Spending by Service, 2009

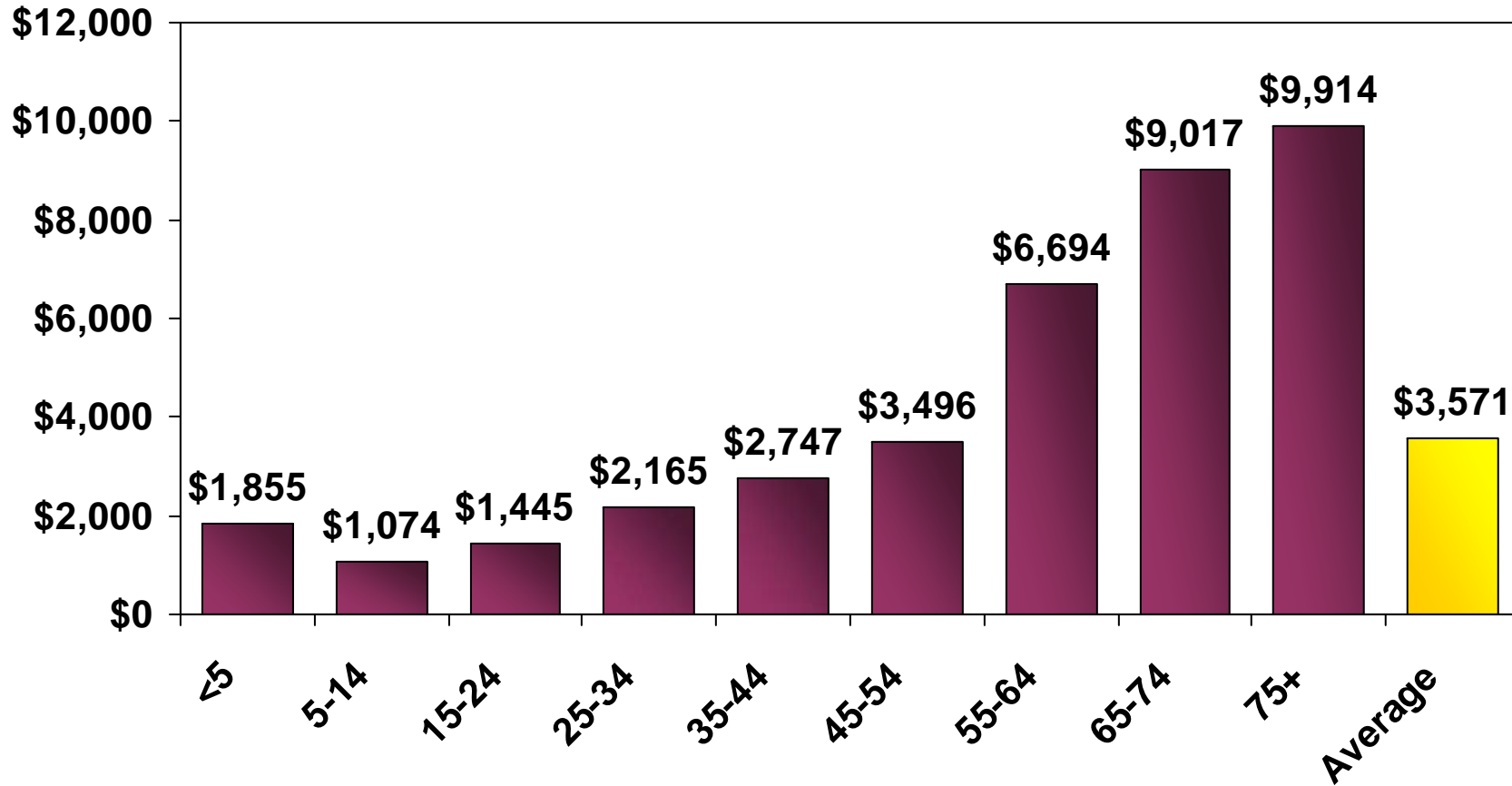


Note: Other” includes public health, DME, correctional health, Indian Health Services, TRICARE (4.4%); chemical dependency and mental health (2.5%); and, health plan administrative expenses and revenues in excess of expenses (7.3%).



Health Care Spending Jumps After 55

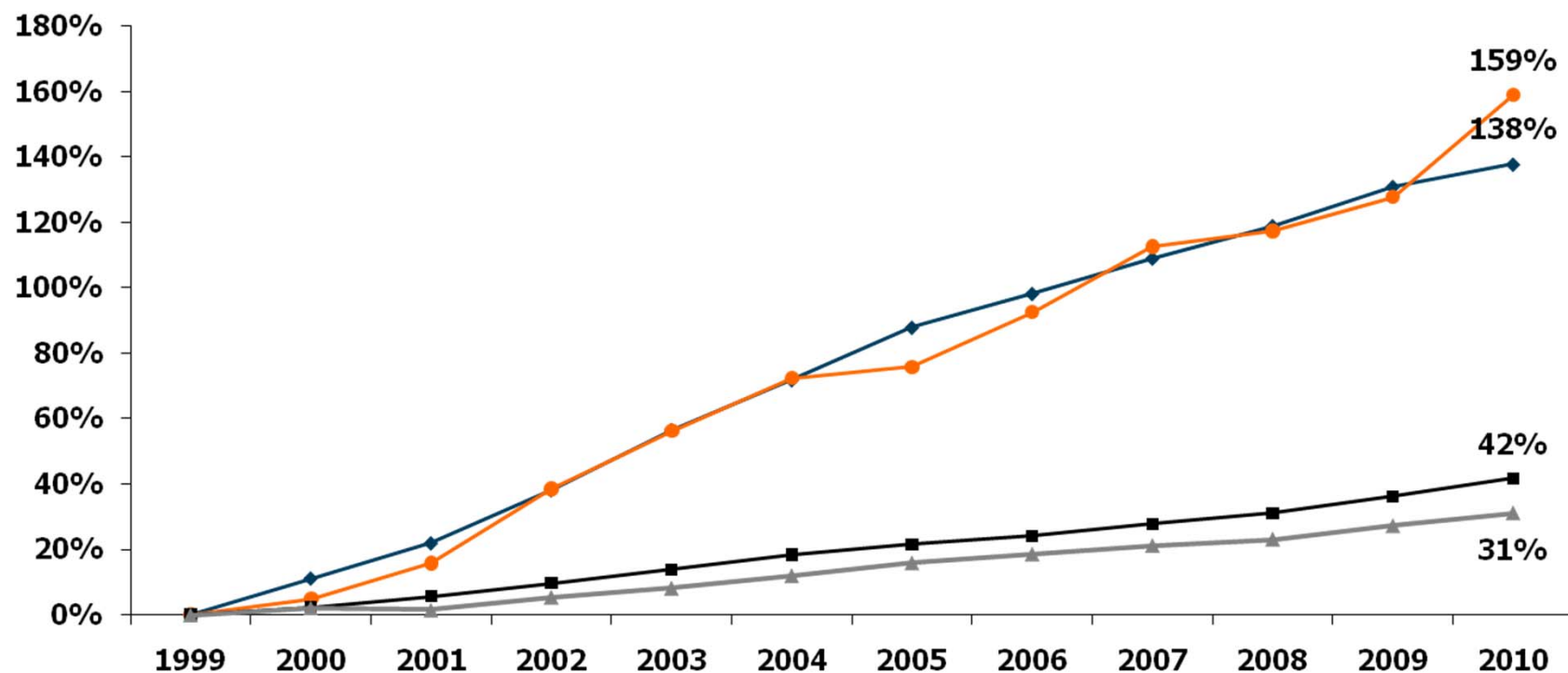
U.S. Health Care Spending by Age, 2004



Source: Tom Stinson, Minnesota State Demographer. July 2008 presentation, "Minnesota's Economics & Demographics Looking To 2030 & Beyond." referencing Agency for HealthCare Research and Quality, Medical Expenditure Panel Survey, data for per capita spending by age group in the Midwest. Excludes spending for long-term care institutions.



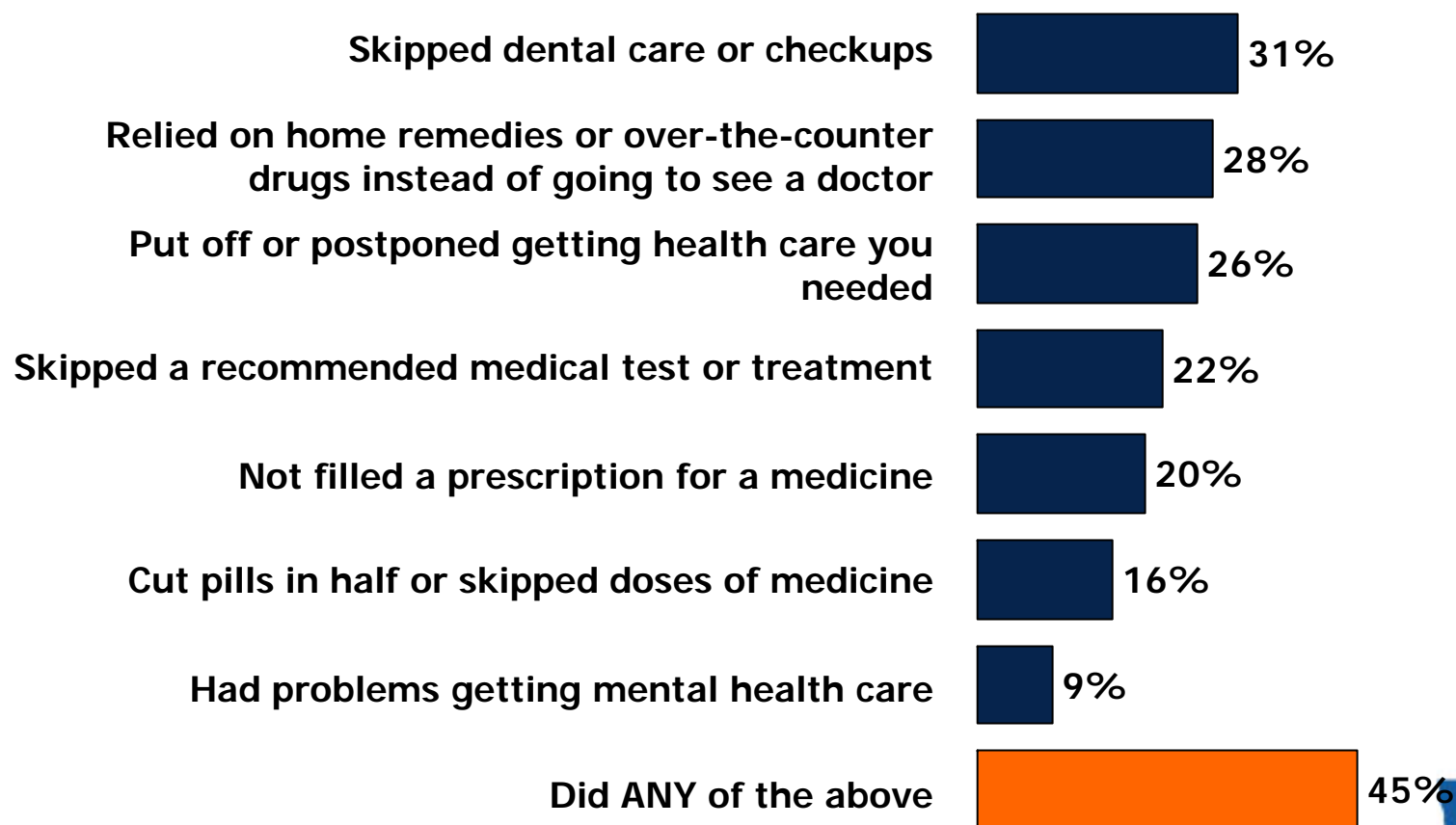
Cumulative Changes in Health Insurance Premiums, Workers' Contribution to Premiums, Inflation, and Workers' Earnings, 1999-2010



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2010. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 1999-2010; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2010 (April to April).

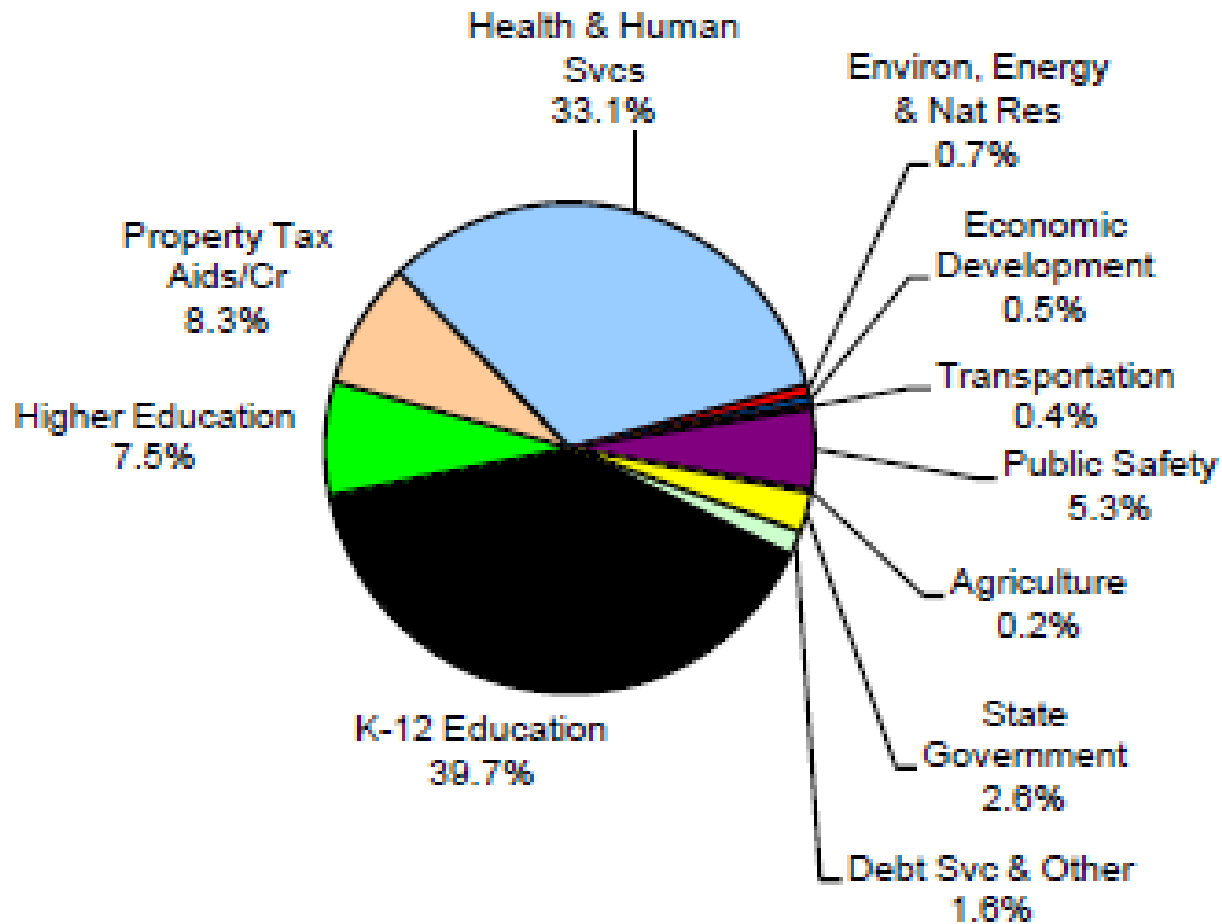
How Cost Can Affect Care Decisions

Percent who say in the past 12 months, they or another family member in their household have done each because of the cost:



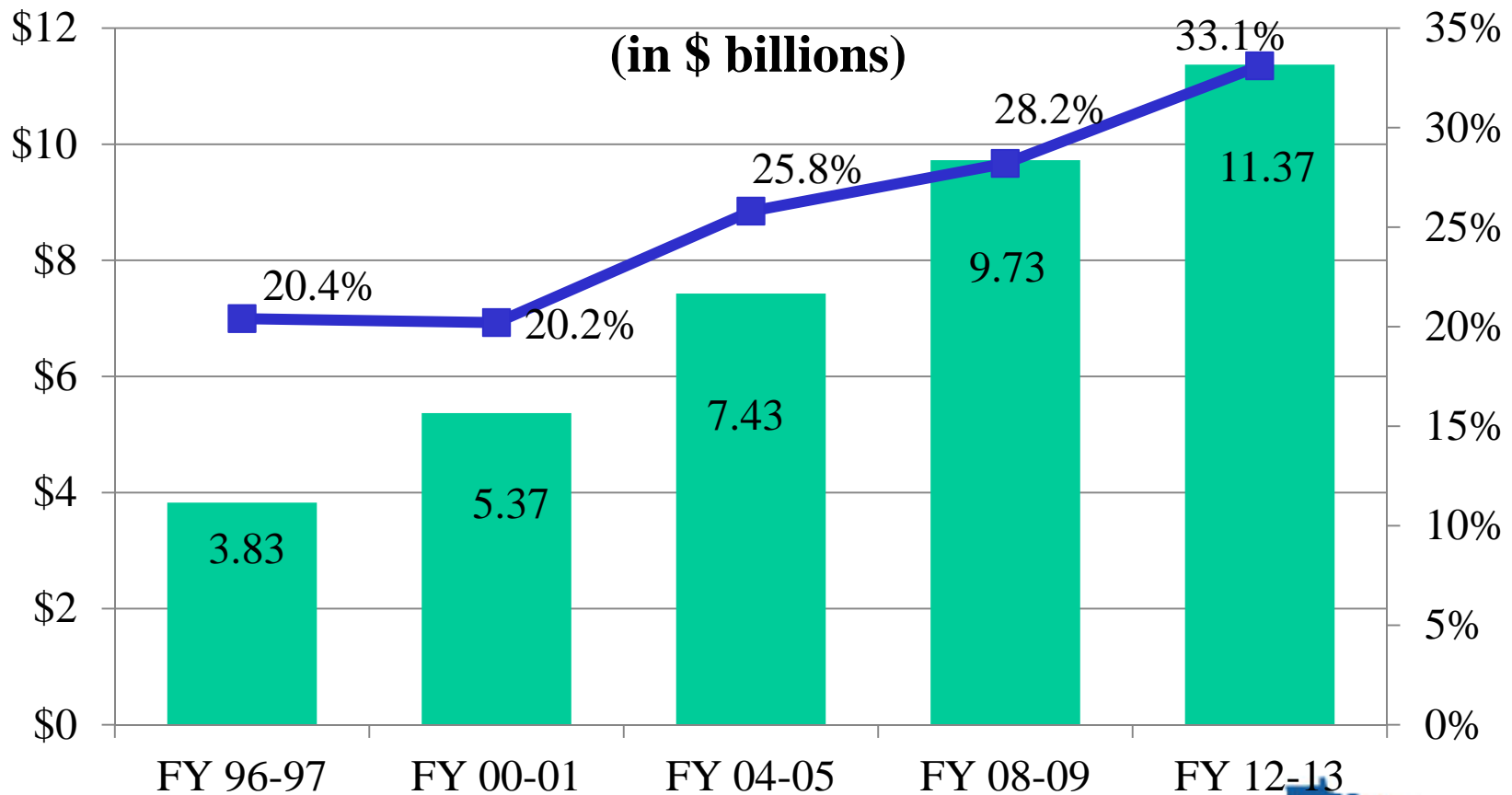
2012-13 Biennium

Where General Fund Dollars Go



MN Health & Human Services Total Spending and as Share of Total State Spending, FY96/97-FY12/13

*62% increase
since FY96/97*



Causal Drivers of Historic Cost Growth, 1960-2007

Factor	% attributable to average annual growth in spending
Technology	27% to 48%
Income growth (per capita GDP)	29% to 43%
Insurance coverage changes	11%
Demographics	7%
Medical price inflation	5% to 19%



Others are Focusing on Costs

- Employers: Shifting more costs to employees, dropping coverage
- Insurers: Tiered networks, utilization management, new payment methods
- Governments: Cutting payment rates, reducing eligibility, benefits
- Patients: Making care decisions based on price
- Physicians...

Discussion Questions

1. Do you believe Minnesota physicians are doing enough to reduce health care costs?
 - If not, what more could be done?
2. To be more attentive to health care costs, what do you (and your practice) need that you don't currently have? (e.g., data, tools, expertise, etc.)
3. What role(s) and level of involvement should MMA have in addressing health care costs?