

# Competition in Health Care: Why and How

House Rural Development Council

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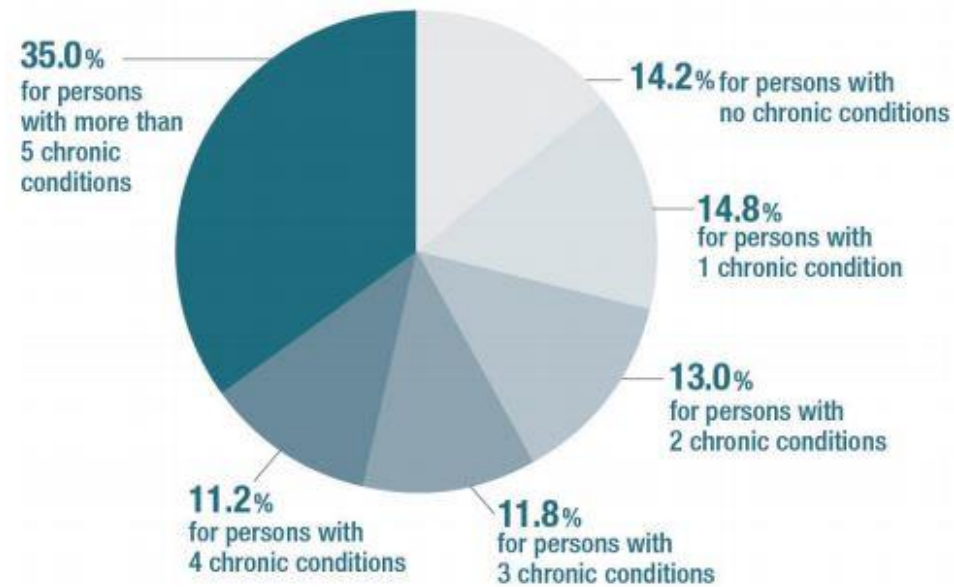
Photo credit: Atlanta Journal-Constitution

**86% of the nation's \$2.7 trillion in annual health care expenditures** are for people with chronic and mental health conditions.<sup>1</sup>



Source: [Multiple Chronic Conditions Chartbook](#). AHRQ Publications No, Q14-0038. Agency for Healthcare Research and Quality. April 2014.

### Total U.S. Healthcare Spending by Number of Chronic Conditions in 2010



#### DATA HIGHLIGHTS

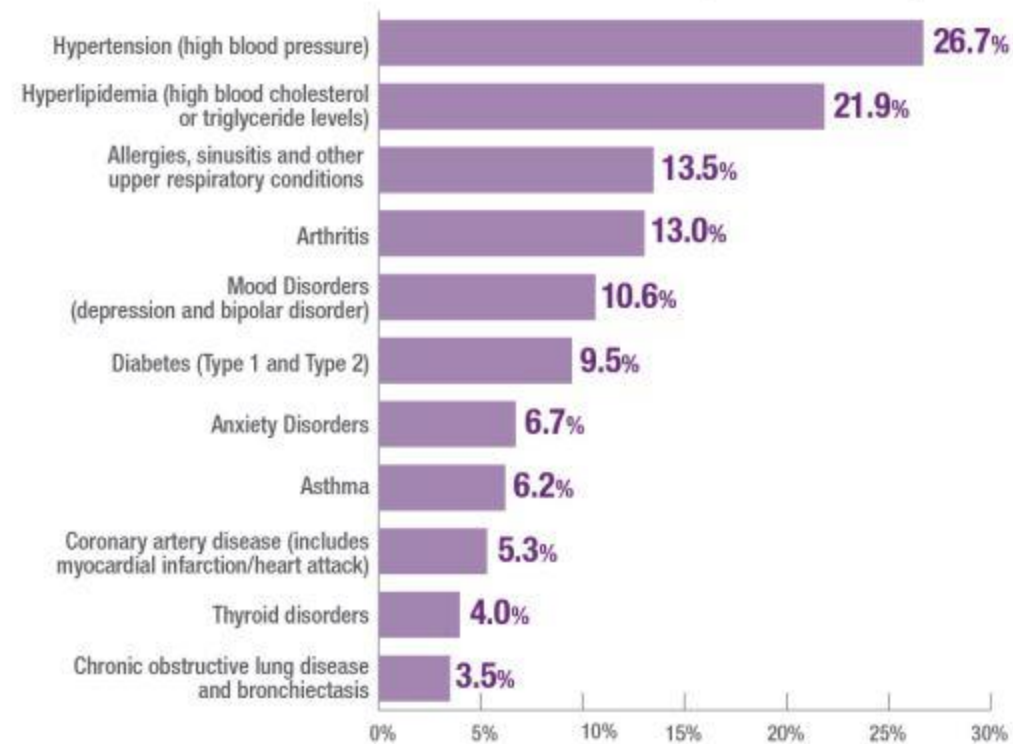
86% of healthcare spending is for patients with one or more chronic conditions.

71% of healthcare spending is for patients with multiple chronic conditions

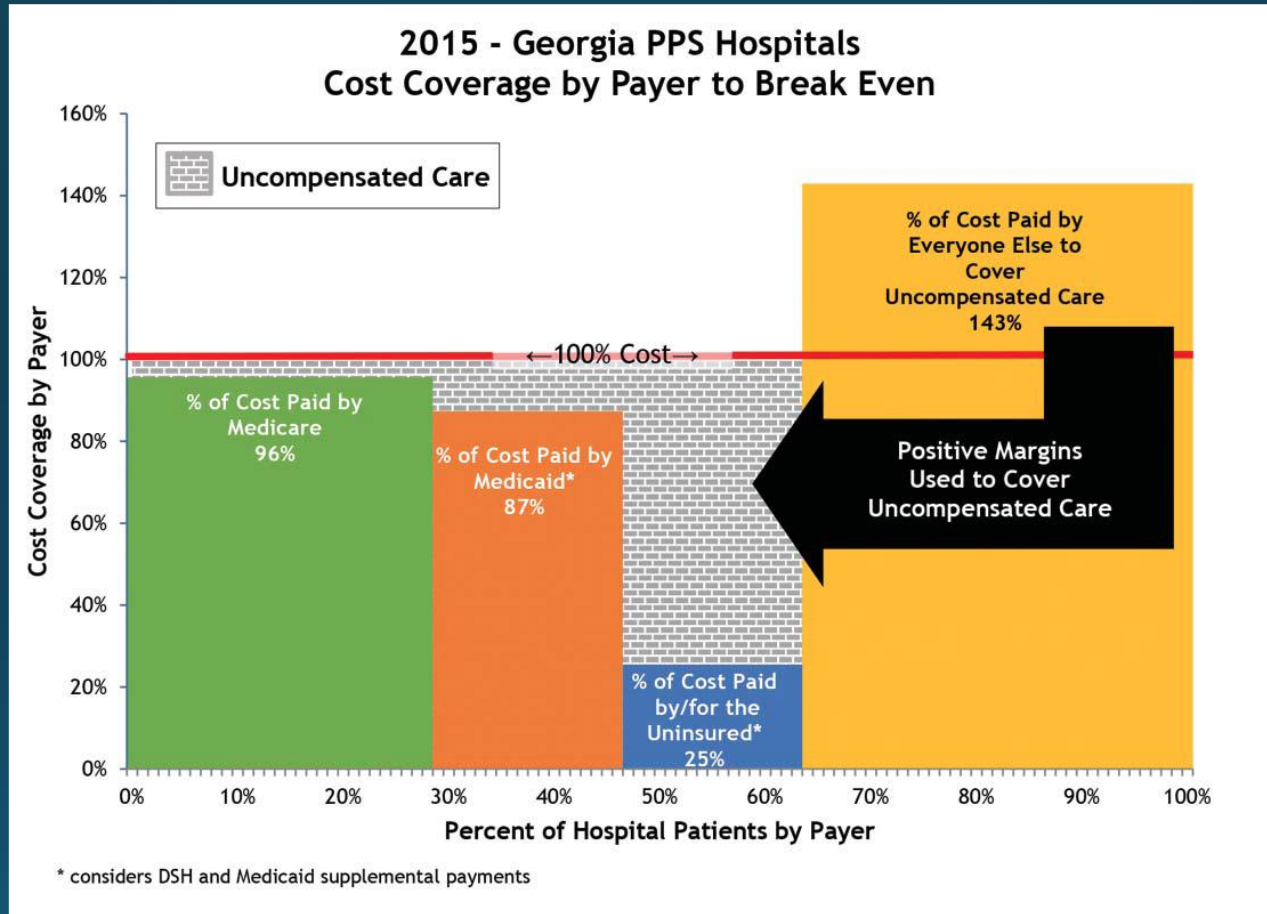
- Said another way, 71¢ of every dollar of healthcare spending goes to treating people with multiple chronic conditions.

Source: [Multiple Chronic Conditions Chartbook](#). AHRQ Publications No, Q14-0038. Agency for Healthcare Research and Quality. April 2014.

### Most Prevalent Chronic Conditions in Adults (18 and older) – 2010



Source: [Multiple Chronic Conditions Chartbook](#). AHRQ Publications No, Q14-0038. Agency for Healthcare Research and Quality. April 2014.



Source: [Hospitals 101, Seventh Edition](#). Georgia Hospital Association. June 2017. Accessed Sept. 12, 2018.

# Uncompensated care is a problem

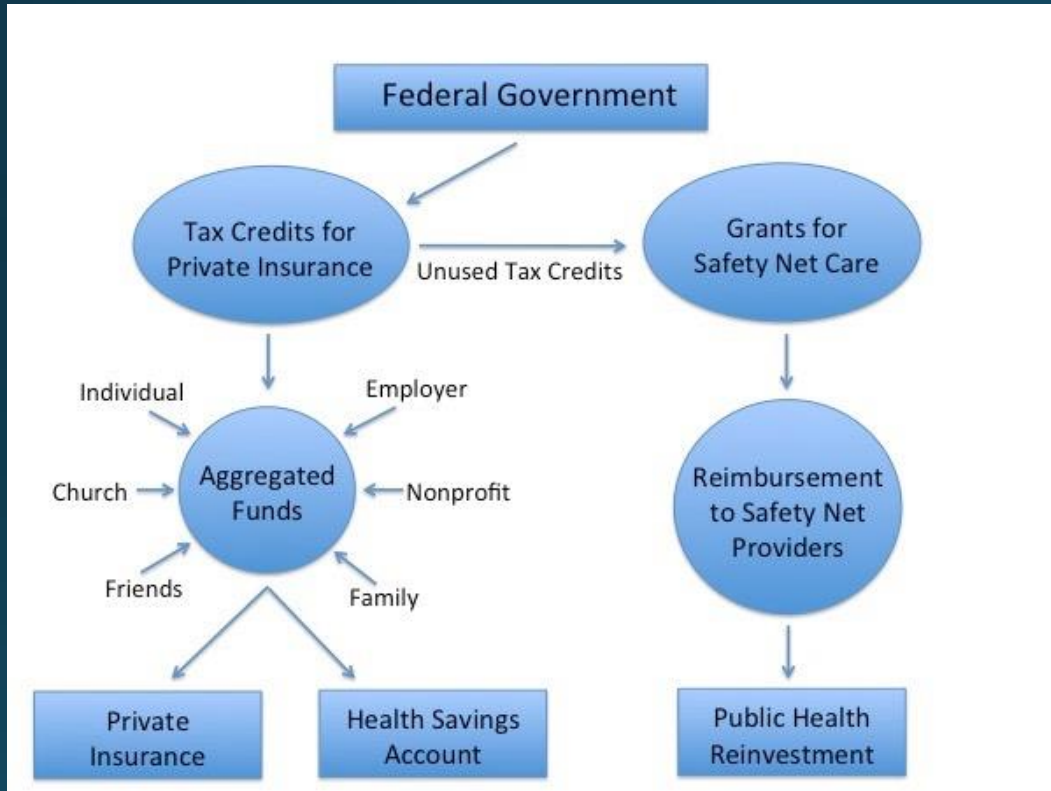
- Indigent/Charity/Free Care in 2015 = \$1.03 billion
- Bad Debt in 2015 = \$710 million
- Total = \$1.74 billion

Address uncompensated care, and the case for CON reform becomes much stronger.

But how?

Source: [Hospitals 101, Seventh Edition](#)

# How federal health reform could have worked for Georgia



- 2017 bill would have increased federal funding to Georgia by about \$1.43 billion
- Hospitals' uncompensated care = \$1.74 billion
- Grady pilot of high-use ER patients: reduced ER use, cost by 50%, while increasing use of more appropriate services by 140%



# What if there is no federal health reform?

## Medicaid expansion would:

- reduce uninsured by only 473,000;
- shift 253,000 people from private insurance to Medicaid;
- cost state taxpayers at least \$246 million per year;
- still result in uncompensated care (87% reimb. rate).

Source: [The Implications of Medicaid Expansion in the Remaining States: 2018 Update](#). Urban Institute. May 2018. Accessed Sept. 12, 2018

## Medicaid 1115 waiver would:

- give state more flexibility in design, potentially covering more people;
- allow for pilot programs to demonstrate cost savings (Grady);
- let Georgia design a program with patients in mind;
- better deal with problem of uncompensated care.

# What else would boost competition?

## Direct primary care

- affordable primary care (as little as \$70/month);
- doctors see fewer patients/ spend more time with each;
- couple with high-deductible, catastrophic plan and HSA;
- cuts doctor's cost of dealing with insurance companies.

## Scope of practice

## Telemedicine

## Price transparency

Questions, complaints,  
recommendations, stock picks:

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