AMERICAN HEALTH CARE: SPENDING MORE, GETTING LESS

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Objectives

- To examine international trends in health care and social service spending
- To identify evidence-based interventions that reduce health care spending and promote health
- To consider policy framework for integrating health care and social services
Health Expenditures as % of GDP, 2009
Enduring Challenges

Out of 34 OECD Countries

25th in maternal mortality
26th in life expectancy
28th in low birth weight
What determines health?

- **Social, Environmental, and Behavioral Factors** (60%)
- **Genetics** (20%)
- **Health Care** (20%)
Social Services

- Job training and employment programs
- Supportive housing & rent subsidies
- Nutritional support & family assistance
- Other social services that exclude health benefits
Ratio of Social Service to Health Care Spending

- Switzerland and Turkey are missing data for 2009

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Determinants

- Genetics (20%)
- Social, Environmental, and Behavioral Factors (60%)
- Health Care (20%)

Investment

- Social Service Spending (35%)
- Health Care Spending (65%)
In the US, for $1 spent on health care, about $0.90 is spent on social services.

In OECD, for $1 spent on health care, about $2 is spent on social services.
Does it matter?
Countries with higher ratios of social-to-health spending have statistically better health outcomes.

Lower infant mortality
Fewer low birth weight babies
Less premature death
Longer life expectancy
Opportunity Costs

1 emergency department visit = 1 month’s rent

2 hospitalizations = 1 year of child care

20 MRIs = 1 social worker for a year

60 echocardiograms = 1 public school teacher for a year
What does the evidence tell us about which types of social services produce the best health-related outcomes?
CONCLUSION: The literature is mixed.
Supportive housing, and Integrated health care and housing

Bud Clark Commons

Minnesota Supportive Housing
Nutritional assistance for high-risk women, infants, and children, and older adults
Case management and community outreach
What to do?

Spend more! 28% ± 35% GDP?

Transfer $$ from health care to social services

Incentivize collaboration on health

Taxes? NON-STARTER
Evidence: What do we know?

Health Care Sector

Case Management, Patient Navigators, Care Coordination, Medical Homes

Community Outreach Mobile Clinics

WIC, Meals on Wheels

Housing First
What don’t we know?

1. The health care cost offsets from education and early childhood development programs

2. The health care cost offsets from income support programs, including SNAP

3. The most sustainable integrated models
Mobilizing collaboration for health nationally

Mitigate financial incentives to medicalize health

Establish common metrics for health and social services
- % smoking, % obese, % depressed… (health)
- % on target to finish high school (education)
- % income spent on housing (income/housing)

Talk differently about health and health care
THANK YOU

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Extra slides if asked
Public Health Services Defined

*Description:* Provision of services for the conservation and improvement of public health, other than hospital care, and financial support of other governments’ health programs.

*Included examples:* Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), protective inspection services, health related inspections, community health care programs, regulation of air and water quality, rabies and animal control, ambulance and emergency medical services (unless operated by local fire department), and hazardous waste cleanup. Also includes medical appliances, supplies, or services as part of public assistance programs as well as construction and maintenance of nursing homes, homes for the elderly, orphanages, and veterans' homes.
Social Services Spending Categories

Education (primary, secondary, and higher education)
Transportation
Environment
Public Safety
Housing
Corrections

Income Support, including: Social Security (Old-Age, Survivors, and Disability Insurance), Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), and Supplemental Nutrition Assistance Program (SNAP)

Public Health Programming, including Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Protective inspection services, Health related inspections, Community health care programs, Regulation of air and water quality, Rabies and animal control, Hazardous waste cleanup