

## Health Care Transformation in PA

### Coverage

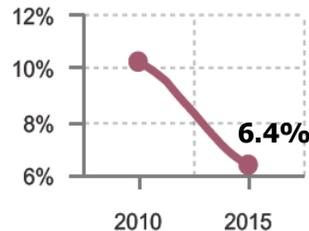


Good progress

**1.1 million+** Pennsylvanians benefited from the insurance marketplace, Medicaid expansion, and dependent coverage



**Uninsured rate down nearly 40%**



### Quality and Safety



Good progress



**Patient harm down 30% avoiding \$284 million in health care spending**

- More than 20,000 harm events avoided
- Nearly 10,000 infections prevented
- Medication errors, falls, pressure ulcers down
- Sepsis mortality reduced by 36%

### Economic Impact



Good progress

**Hospitals support 1 in 10 PA jobs**

- Direct employment = 286,000
- Indirect employment = 339,000
- Total annual economic contribution = \$115 billion

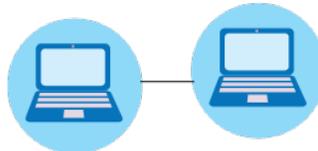
137,000 jobs and \$1.5 billion in economic stimulus attributable to increased health coverage

### Innovation



Good progress

**90% of PA hospitals** have adopted EHRs; 60% exchange clinical data with other providers



### Telehealth

- Saves time—more timely treatment and reduced travel
- Saves money—improved quality, improved outcomes, increased efficiency
- Connects patients to specialists
- Brings expertise to rural PA

### Payment Reform

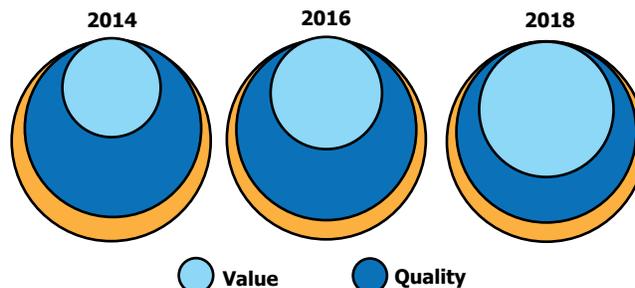


Good progress

**6%** of a hospitals' annual Medicare payments are based on quality performance

**\$65 million saved by 26 ACOs** that are providing better-coordinated care in PA

Medicare's plan to pay hospitals for value not volume



## Health Care Transformation in PA

### Utilization



Some progress

#### More outpatient care

Nearly half of the care provided by PA hospitals is in outpatient settings

#### Less intensive, expensive inpatient care

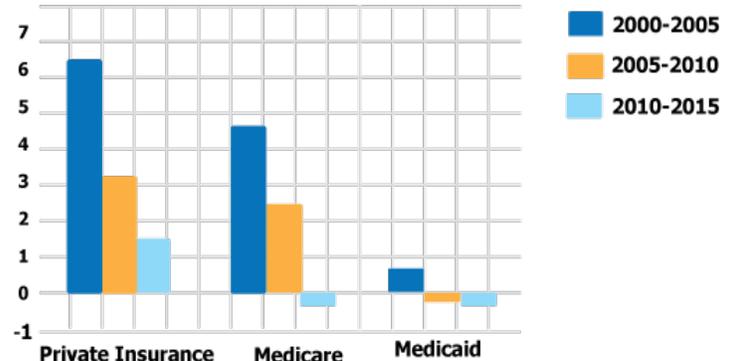
- PA hospital admissions down 12%
- PA hospital readmissions down 8-10%
- More than \$48 million in health care spending avoided

### Health Care Spending



Some progress

#### Annual spending growth per enrollee declining



Source: National Health Expenditure Accounts, Council of Economics Advisors' Analysis

### Consumer Implications



Some progress

#### 6,127,383 Pennsylvanians

availed themselves of "free" preventive care (routine checkups and screenings with no out-of-pocket expenses)



Fewer U.S. families have trouble paying medical bills

2011	June, 2016
21.3%	16.2%

But, marketplace premiums in PA are up an average of 32.5% in 2017

### Government Implications



Some progress

#### Investments in health care yield savings and sustainability

- Lowest growth in Medicare hospital spending in 17 years
- Program solvency extended 11 years due to savings achieved by reform
- \$2.76 billion annually in federal investments to support PA's Medicaid coverage expansion
- 78% of PA marketplace enrollees receiving subsidies

### PA Hospital Finances



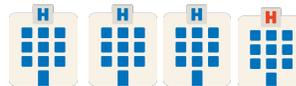
Progress at risk

#### \$16.5 billion in PA hospital cuts help fund coverage expansion:

- \$1.6 billion in cuts to date
- \$14.9 billion more in cuts scheduled through 2026

#### Uncompensated care down (9%) for the first time in 15 years

- Total average hospital margins stable at 5-6%
- Still, 1 in 4 PA hospitals in the red overall



#### Sources:

Centers for Medicare & Medicaid Services  
 Commonwealth Fund  
 The Hospital and Healthsystem Association of Pennsylvania  
 PA Department of Human Services  
 PA Department of Insurance  
 PA Health Care Cost Containment Council

