

- Focuses on prevention
- Reduces hospital admissions
- Drives down cost

Reducing the cost of health care through population health

The most cost-effective surgery is the one that never happened, often the result of effective prevention and treatment while encouraging best practices for healthy living.

Population health addresses health care through long-term and wide-ranging health improvements and prevention efforts for patients. Defined as “the health outcomes of a group of individuals, including the distribution of such outcomes within the group,” it focuses on a combination of clinical care, community and social services and public health efforts to create cost-effective and efficient prevention and treatment for an entire population.

While just 15 percent of patients in the health care system have a rising health risk, their health care accounts for about half of all health care expenditures in the U.S. This group of patients requires chronic disease management and begins as medium users of health care services, but can progress into high risk group of patients. It is this five percent of the sickest patients that presents the most complex medical issues, accrues much higher costs and requires more resources and frequent use of medical services and facilities.

But through steady, responsible and widespread improvements in overall population health, that rising risk group stays healthier and avoids crossing into the more costly and complex high risk group. Lowering the number of high risk patients ensures a healthier population that requires less care and lower costs over time.

Population health also reduces the cost of health care and the direct and indirect costs of that care to employers. A current investment to prepare and strengthen the workforce for the future pays off down the road with healthier employees. For example, patients needing mental health care are the number one cause of medical disability in the U.S. and lead to lost wages and less productivity at work. Across the country in 2015, depression alone accounted for \$115 billion in direct and indirect costs and can increase the medical cost of an employee by as much as 90 percent while more than doubling the likelihood of missed work days. Patients requiring mental health care use medical services at a far greater rate, often at the expense of their employers due to missed work days and increased costs to company-sponsored health plans.

From a population health standpoint, efforts to integrate behavioral health services into primary care can help by getting mental health services to people when they visit their doctor or the emergency room, which is often a first stop for people needing mental health care. This helps patients get the proper care and resources early on, possibly catching and addressing needs before they become critical and eventually avoiding repeat visits to the hospital or doctor. With appropriate care at the appropriate time, hospitals have seen an 85 percent decrease in hospital stays. Those who’ve received care can begin to reverse patterns and become less likely to over-utilize medical care, eventually saving both patients and employers time and money.

Population health represents a comprehensive approach to providing proper health care not just to an individual for immediate symptoms, but also to ensuring a reduction in hospital-based care. Admissions and readmissions are reduced by focusing on preventative care that decreases the need for additional care down the road. Population health encourages responsible decisions that lead to the best value over time.

For more information, contact:
Heidi Duncan, MD, hduncan@billingsclinic.org