## Health Care Transformation in PA

### Coverage
- **1.1 million+** Pennsylvanians benefited from the insurance marketplace, Medicaid expansion, and dependent coverage
- **Uninsured rate down nearly 40%**

### Quality and Safety
- **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
- **Hospitals support 1 in 10 PA jobs**
  - Direct employment = 286,000
  - Indirect employment = 339,000
  - Total annual economic contribution = $115 billion

### Innovation
- **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
- **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**

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**Value**

**Quality**

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Utilization

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

Annual spending growth per enrollee declining

Health Care Spending

Privat insurance Medicare Medicaid

Source: National Health Expenditure Accounts, Council of Economic Advisors Analysis

Consumer Implications

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 2016
21.3% 16.2%

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

Government Implications

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

$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