

Healthcare Cost & Behavioral Health

Senate Finance Committee Subcommittee on Health and Human Resources

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August 26, 2012

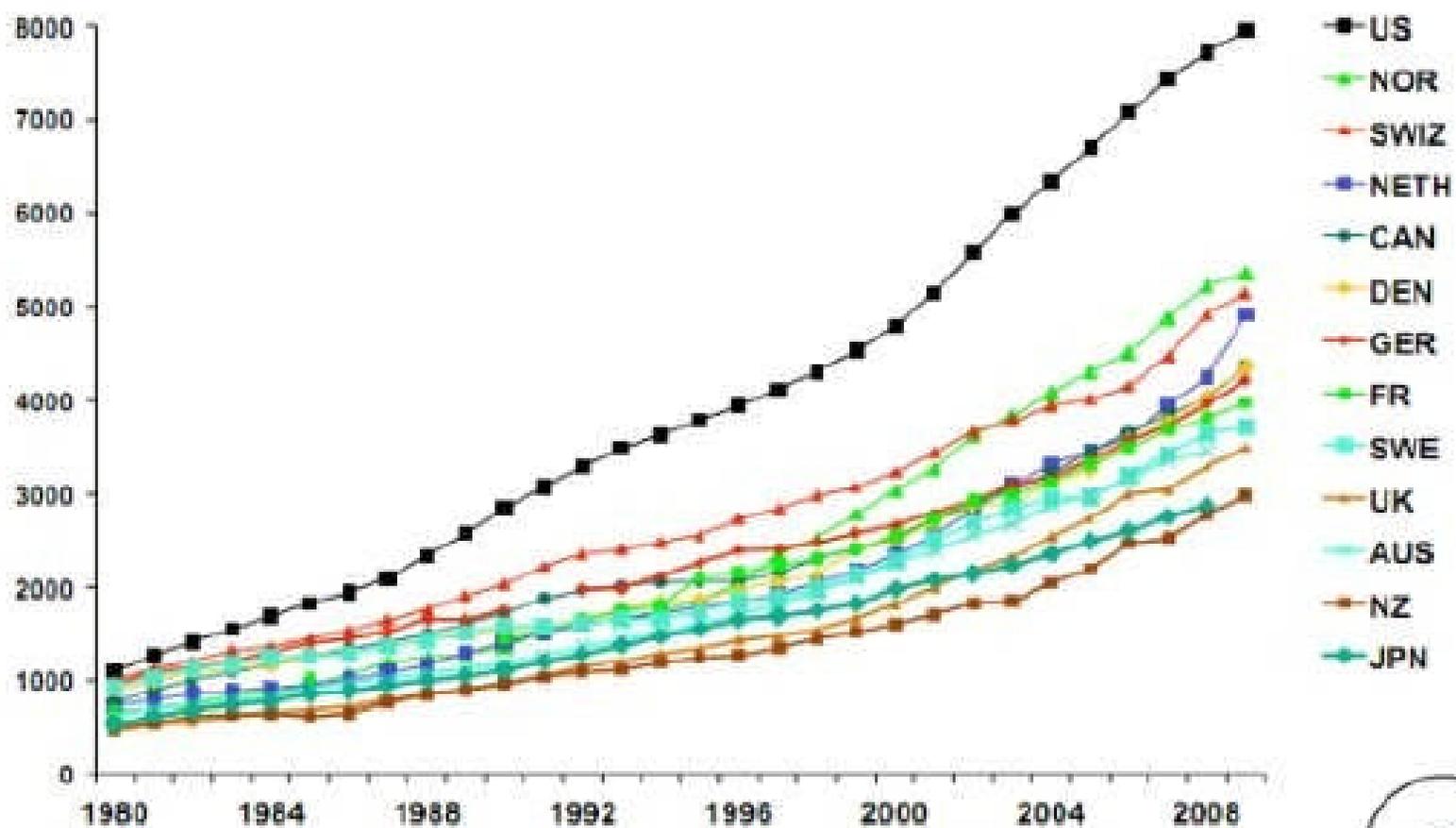


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Average Health Care Spending per Capita, 1980-2009

Adjusted for differences in cost of living

Dollars



Source: OECD Health Data 2011 (June 2011).

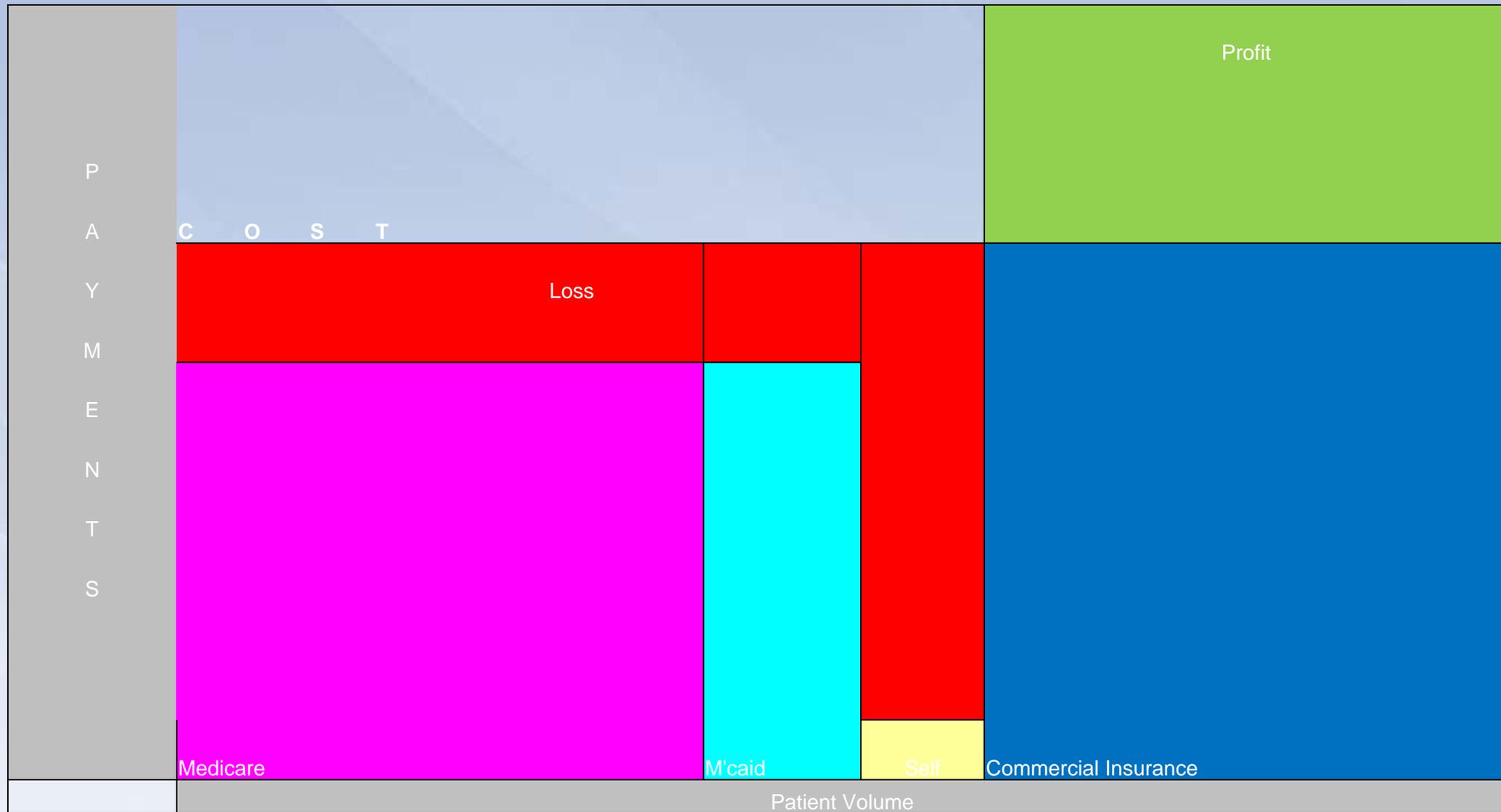


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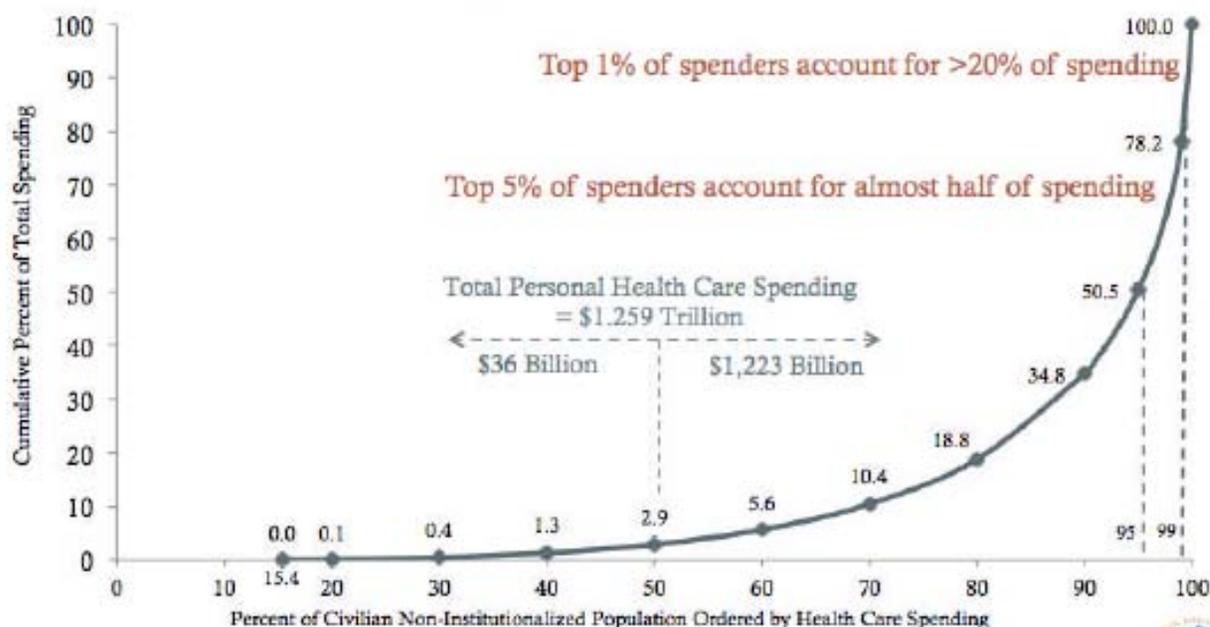
Physician Supply

- Current need 735K, shortfall of 20K
- 20% are 55-64 & 21% are 65 and above
- Projected 2020 shortfall estimates range from 75K to 150K
- BLS ranks Roanoke 174 of 256 markets in compensation for primary care physicians
- By comparison, Winston-Salem NC ranked 12

Cost shifting, the hidden tax



Personal Health Care Spending is Highly Concentrated



NIHCM Foundation analysis of data from the 2009 Medical Expenditure Panel Survey.

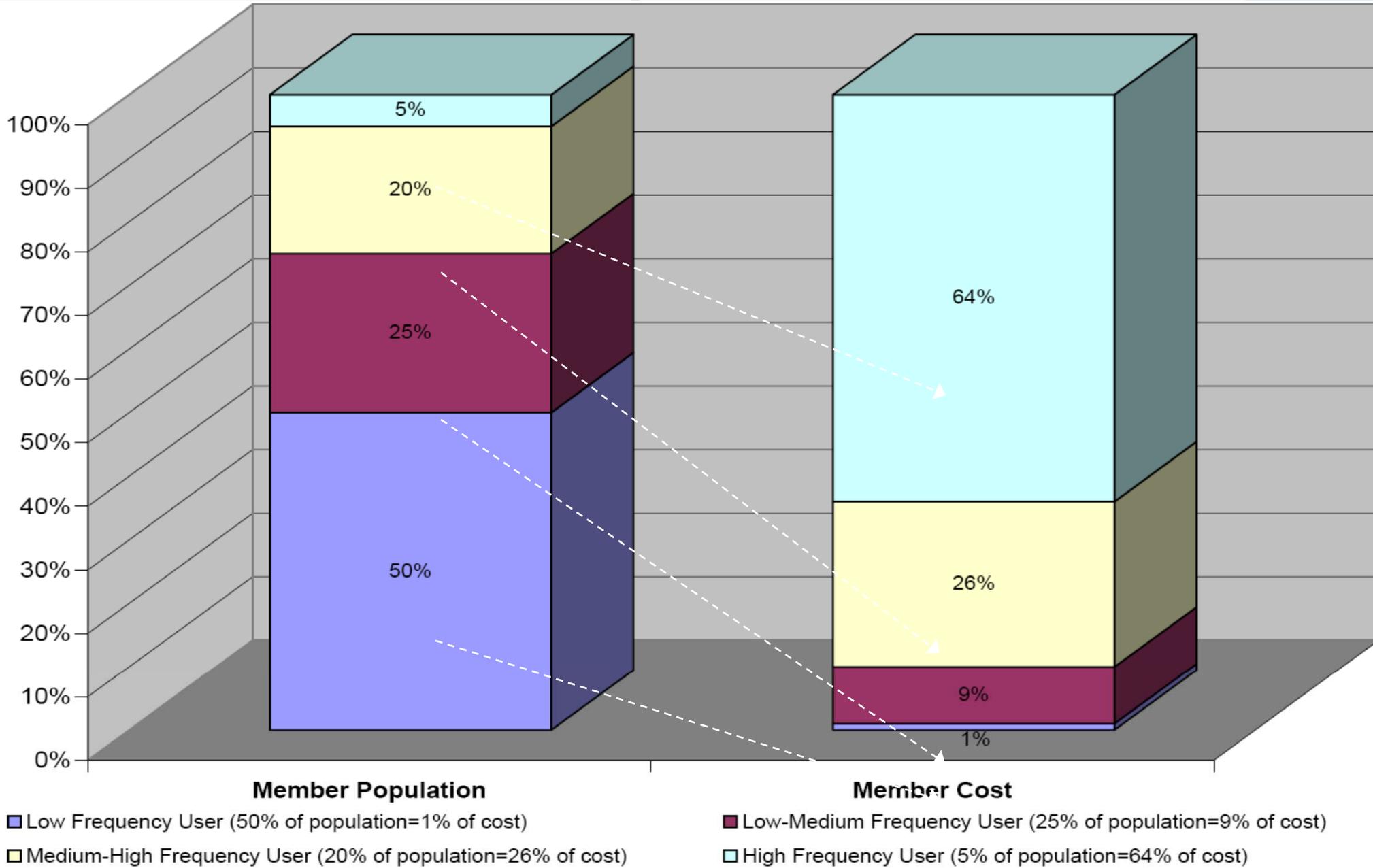
6) WHO SPENDS ALL THAT MONEY? PART II

The top 1% spends \$90,000 per person on health care 381 times more than the bottom 50%. These are the kind of statistics that lead some works to write that medical spending can't be subjected to free market principles like other products, because demand for it is uniquely unexpected and inelastic.



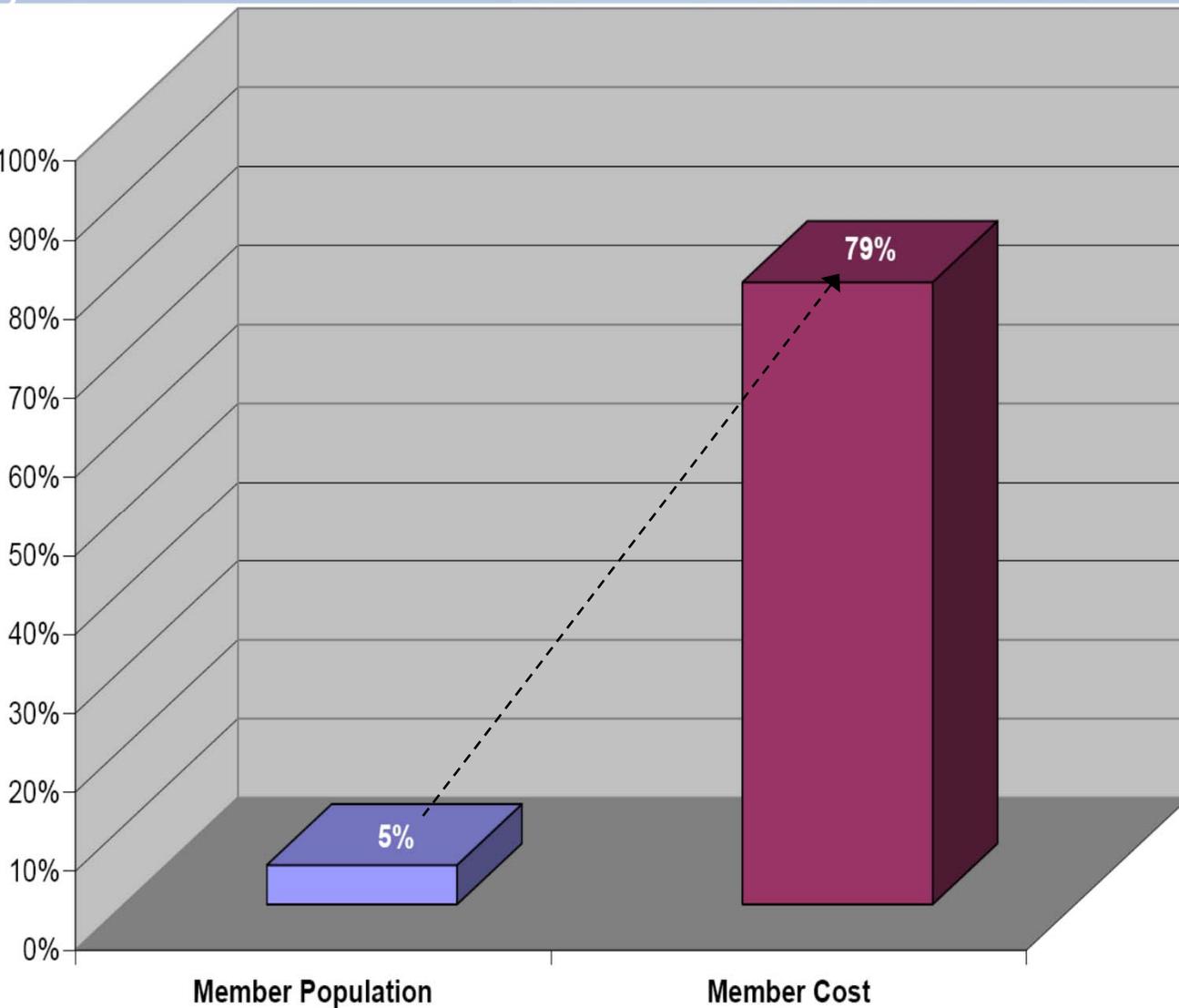
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Sickest Members: Population vs. Cost



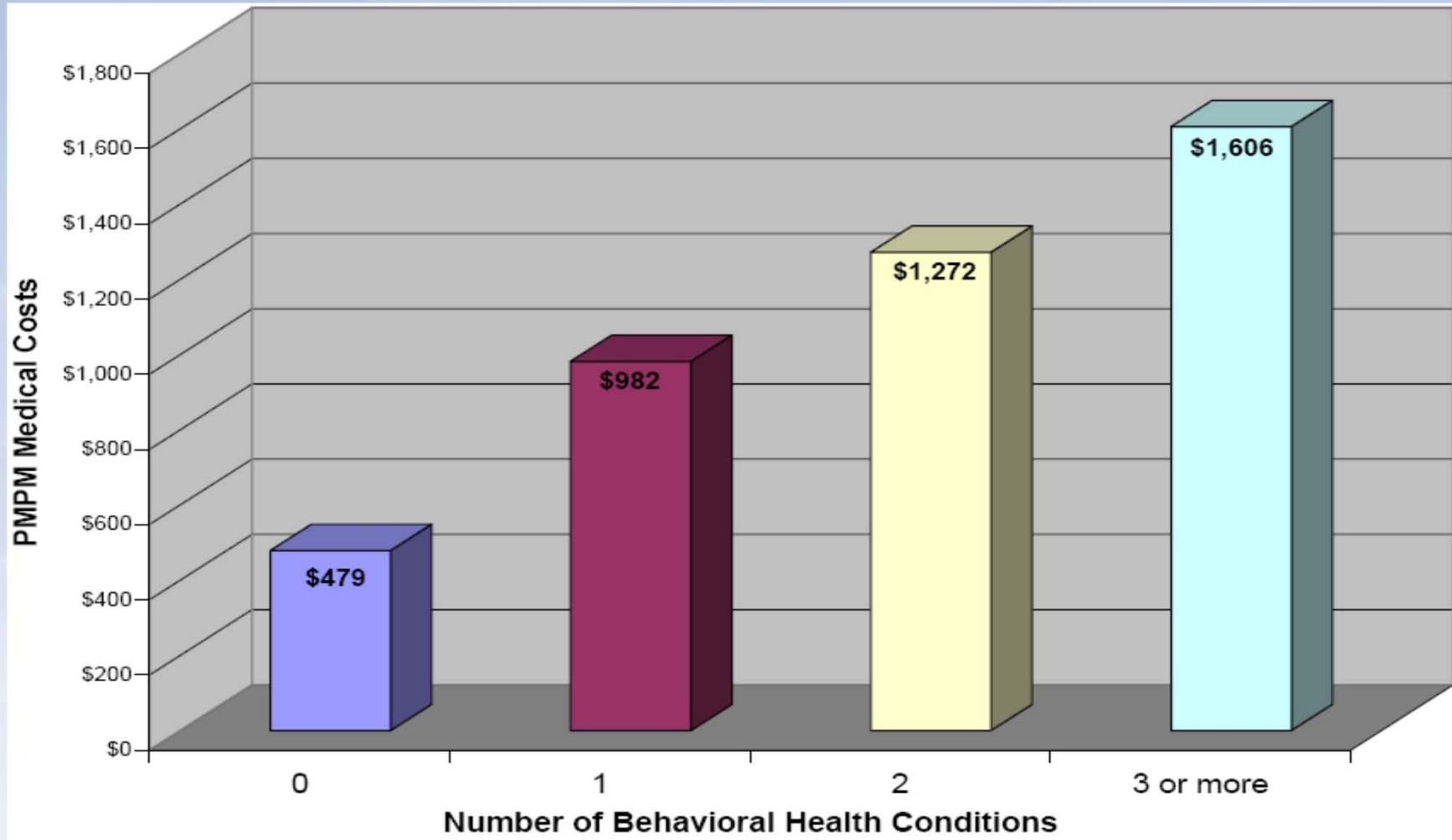
Behavioral Health Diagnosis: Members and Cost Implications

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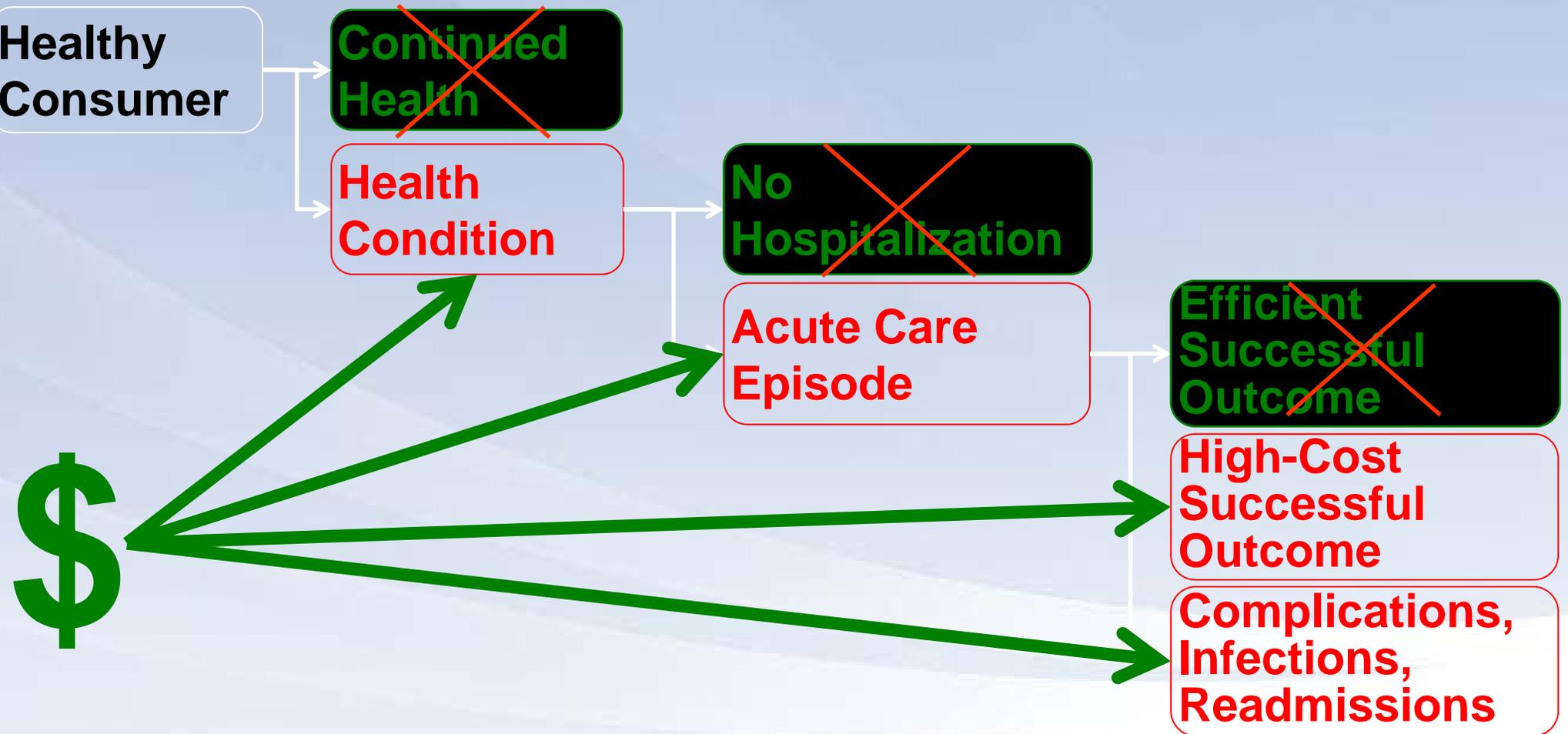


The top 5 percent of Aetna Medicaid members with at least one behavioral health condition account for **79%** of our total health care costs.

Medical Spending: Behavioral Health Conditions in the Chronically ill



Current Payment Systems Penalize Providers for Better Outcomes

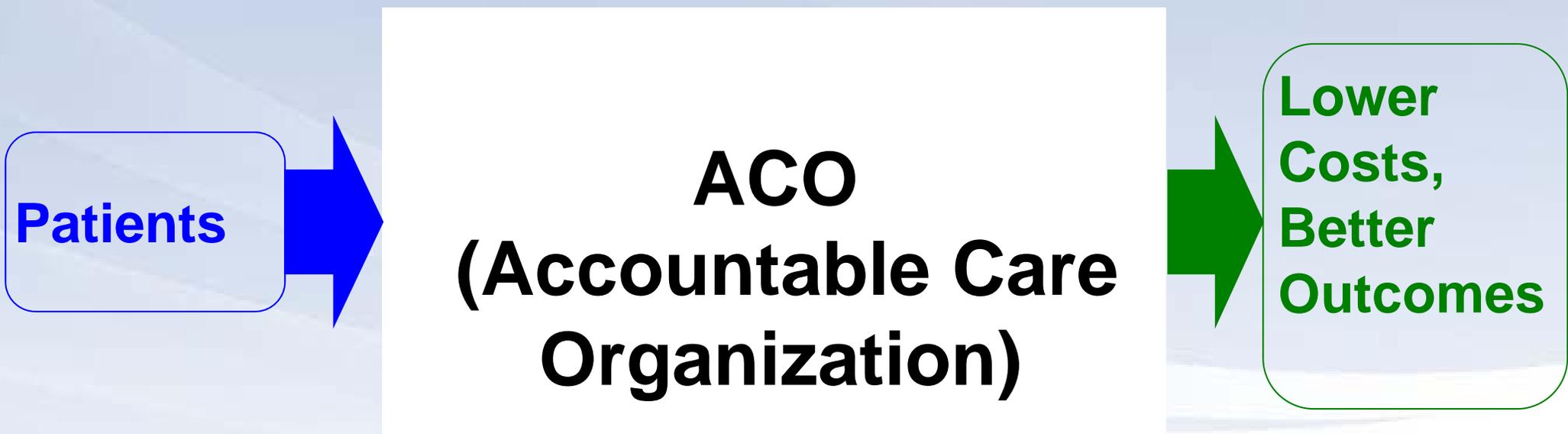


At Carilion

Getting Finance Out Of The Way



Everybody's Talking About "ACOs" to Reduce Health Care Costs



How Will ACO's Be Successful

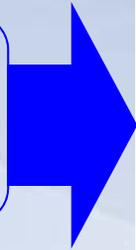
Financial Risk



ACO
("the "Black Box")

**Lower
Costs,
Better
Outcomes**

Patients



**Leadership &
Investment
(Time, Money
& Energy)**



**Organizational Structure,
Data Systems & Culture**



Carilion's Mission

To improve the health of
the communities we serve