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Health Affairs Article Highlights Benefit of Reducing Low Value Health Care Challenge is defining what low value care means

(Washington, D.C., September 20, 2016) – A <u>post published today on the Health Affairs Blog</u> brings to light the importance in reducing low value health care in the United States. According to the Institute of Medicine, in 2013, there was an estimated \$765 billion in wasted health care expenditures due to low value care, which shows that work still needs to be done to reduce its impact on our overall health care system.

The blog post, "Reducing Low Value Care," was written by Beth Beaudin-Seiler, PhD, Health Research Analyst at <u>Altarum Institute</u>; Michael Ciarametaro, MBA, Director of Research at the National Pharmaceutical Council; Robert W. Dubois, MD, PhD, Chief Science Officer and Executive Vice President of the <u>National Pharmaceutical Council</u>; Jim Lee, MS, Vice President Director at Altarum Institute; and A. Mark Fendrick, MD, Director of the <u>University of Michigan Center for Value-Based Insurance Design</u>.

"Further discussions must take place in order to reach consensus on the exact aspects of care that are considered low value," said Dr. Fendrick. "In time and with further research, we will agree on the causes of care that do not provide clinical benefit, diminish the patient experience and contribute to the overall rising costs of care."

"Our work highlights the importance of reducing low value care to the overall health care system in the United States," said Dr. Beaudin-Seiler. "With a deeper understanding and agreement around what constitutes low value care, we can make meaningful change to the health care landscape."

Prior attempts to reduce cost-inefficient and clinically ineffective care, such as the <u>Choosing Wisely</u> <u>initiative</u>, have focused on the areas where there is general agreement. Identifying wasteful or unnecessary medical tests, treatments and procedures has allowed physicians to make better decisions on a patient's care plan based on their unique situation and contributed to a reduction in the cost of care. Now, however, there is a need to move forward and understand where the new consensus exists on defining and measuring other areas of low value care. In the post, based on interviews with experts, the authors identify three areas where that consensus exists to begin further efforts to reduce it and improve quality and lower costs. They include:

- Medical errors, which are the highest priority reduction,
- Pricing failures, and
- Overuse and overtreatment.

"While there is still a lot of work to be done on better defining and measuring this phenomenon, what we learned through these interviews is key to reducing harm to patients and the high spending associated with it," said Mr. Ciarametaro. "In time, consensus around the other aspects of low value care will develop, further reducing its harmful effects."

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Eliminating low value care is important to enhancing the patient experience, improving quality and lowering costs. And the savings gained could be used, for example, to:

- Expand access to insurance for the 27 million uninsured Americans,
- Offer enhanced coverage for high-value clinical care,
- Provide funding for social determinants of health, and
- Establish the means to provide long-term care, services and support that the growing senior population will soon require.

About the National Pharmaceutical Council:

The National Pharmaceutical Council is a health policy research organization dedicated to the advancement of good evidence and science, and to fostering an environment in the United States that supports medical innovation. Founded in 1953 and supported by the nation's major research-based pharmaceutical companies, NPC focuses on research development, information dissemination, and education on the critical issues of evidence, innovation and the value of medicines for patients. For more information, visit <u>www.npcnow.org</u> and follow NPC on Twitter @npcnow.

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