



Servicio Madrileño de Salud



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Why we need to talk about waste

- **Adverse events** occur in 1/10 hospitalisations, add between 13 and 17% to hospital costs and up to 70% could be avoided.
- **Geographic variations** in rates of **cardiac procedures** (x3) and **knee replacements** (x5) are for a large part **unwarranted**.
- Up to **50%** of antimicrobial prescriptions are unnecessary.
- 12% to 56% of **emergency department visits** are inappropriate.
- **Administrative expenditure** on health **varies more than six-fold**, with no obvious correlation with performance.
- **Loss to fraud and error** may average to **6%** of payments for health care services.



What exactly is wasteful spending?

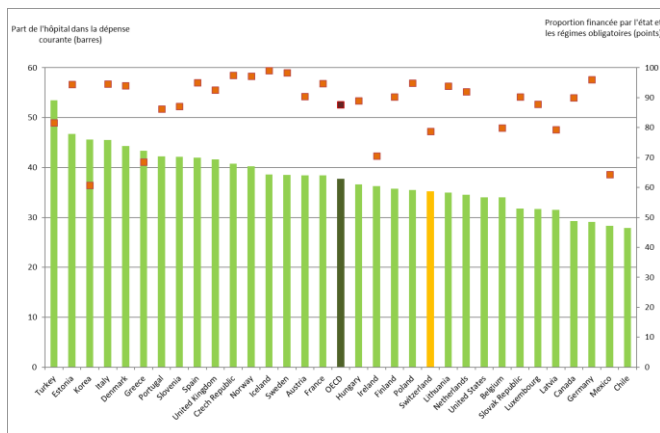
A pragmatic definition

- Services and processes which are either harmful or do not deliver benefits;
- Excess costs which could be avoided by replacing them with cheaper alternatives with identical or better benefits.

Up to a fifth of health spending in OECD countries is at best ineffective and at worst, wasteful

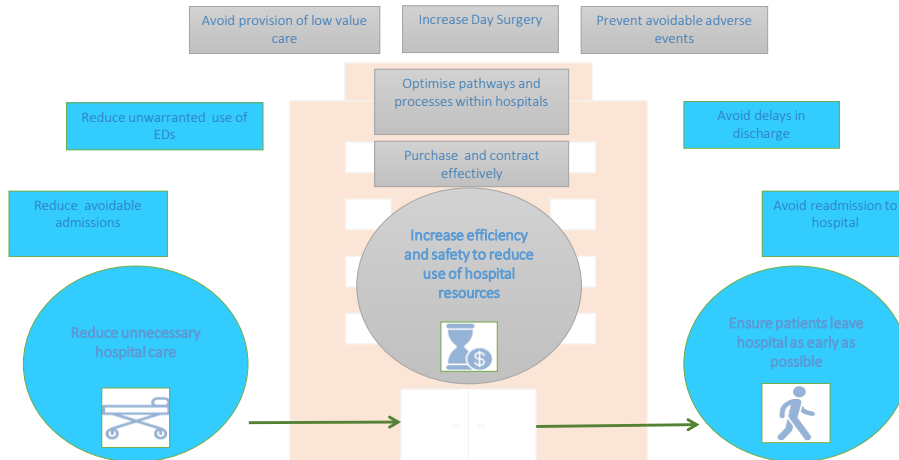


Why we need to talk about waste in hospitals





Pressure points



Levers and solutions

1. Acknowledge

All OECD countries are explicitly or not already engaged in activities which aim to tackle waste

A difficult but worthwhile conversation

2. Inform

Simple comparisons are a good starting point

- Atlases variations in the volume of services (10 countries)

- Atlases of price variation UK NHS Atlas (2014) identification wristband for hospital patients - two-fold, needles 47% variation

Reporting and learning systems of adverse events

More robust and rich information systems

- Limitations of many administrative data systems

- PROM-PREM: Value and safety from the perspective of care recipient

Data

Making information public can effectively support behaviour change



Levers and solutions

3. Pay

- Coverage decision
- Payment systems (bundled payments)
- Procurement
- Invest

4. Persuade

- Importance of behavior change
 - Public campaigns
 - Choosing Wisely® campaign in a third of OECD countries
- Combined with individual-level interventions: clinical guidelines, audit, feedback
 - Importance of engaging stakeholders
 - patients and encouraging self-management
- Supporting tools (eg e-prescription, decision aids)



Steps towards high value care

Step one: Understand the benefits, harms, and relative costs of the interventions that you are considering

Step two: Decrease or eliminate the use of interventions that provide no benefits and/or may be harmful

Step three: Choose interventions and care settings that maximize benefits, minimize harms, and reduce costs (comparative-effectiveness and cost-effectiveness data)

Step four: Customize a care plan with the patient that incorporates their values and addresses their concerns

Step five: Identify system level opportunities to improve outcomes, minimize harms, and reduce health care waste



Uncertainty Increases Resource Use

“We show that increased physician anxiety due to uncertainty and increased concern about disclosing uncertainty to patients translate into higher charges.”

“Even after adjusting for multiple confounders, each standard deviation of change in several uncertainty scales corresponded to a change of mean charges of between 5% and 17%



Summary

- Health care waste is a multi-billion euro problem
- Every provider must carefully weigh costs (including downstream costs), harms, and benefits and order only those interventions that add value to a patient’s care
- Eliminate “routine” testing by using the high value care framework
- Avoid unnecessary use of emergency department and hospital services wherever possible
- Acknowledge the role of diagnostic uncertainty
- Recognize the value of validated decision support tools