



First, Do No Harm

Calculating Health Care Waste in Washington State

February 2018

www.wacommunitycheckup.org

About the Washington Health Alliance (The Alliance)

- **14 year history.** Grassroots efforts gave the Alliance its start in 2004
- **Multi-Stakeholder.** 185+ members organizations representing healthcare purchasers, plans, provider, and other health partners across the state
- **Purchaser-led.** The majority of our governing members represent employers and union trusts
- **A convener.** The Alliance is the place where those who give, get and pay for care come together to align their efforts to lead health system change
- **Data and public reporting.** The Alliance has a robust database with ~4 million insured lives in WA including Medicaid and commercial

We publicly report on measures of underuse, overuse and patient experience.



Medical tests, treatments and procedures that *have been shown to provide little or no benefit to patients* in particular clinical scenarios and, in many cases, have the potential to cause harm.

What is the “Health Waste Calculator?”

- Milliman MedInsight tool
- Software that analyzes claims data to identify wasteful services as defined by national initiatives such as Choosing Wisely® and the U.S. Preventive Services Task Force
 - Version of the HWC tool used for this report included **47 measures**
 - Tool will change and expand over time.
- Not formally endorsed by Choosing Wisely®



What is the “Health Waste Calculator?”

- Analysis done at the claim line level for quantification of units and dollars – each claim line marked for its role in the logic
- Includes facility and professional services
- Offers clinical nuance – situational intelligence creates “degree of wasteful certainty”
 - **Necessary**: Indicates appropriate services were administered
 - **Likely Wasteful**: Indicates the need to seriously question the appropriateness
 - **Wasteful**: Indicates the service should not have occurred based on guidelines/recommendations
- “Waste Index”= (# of likely and wasteful services) divided by (total # of services)
- Designed to be a **conservative estimate** of waste

Our results from the Health Waste Calculator

- Results based on commercially insured lives in the Alliance data base (~2.4 million)
- Measurement year: July 2015 – June 2016
- **Utilization reflects actual**
- **Costs estimated** based on Milliman's Consolidated Health Cost Source Database for Washington
 - Unit prices represent the average cost of the services for each item

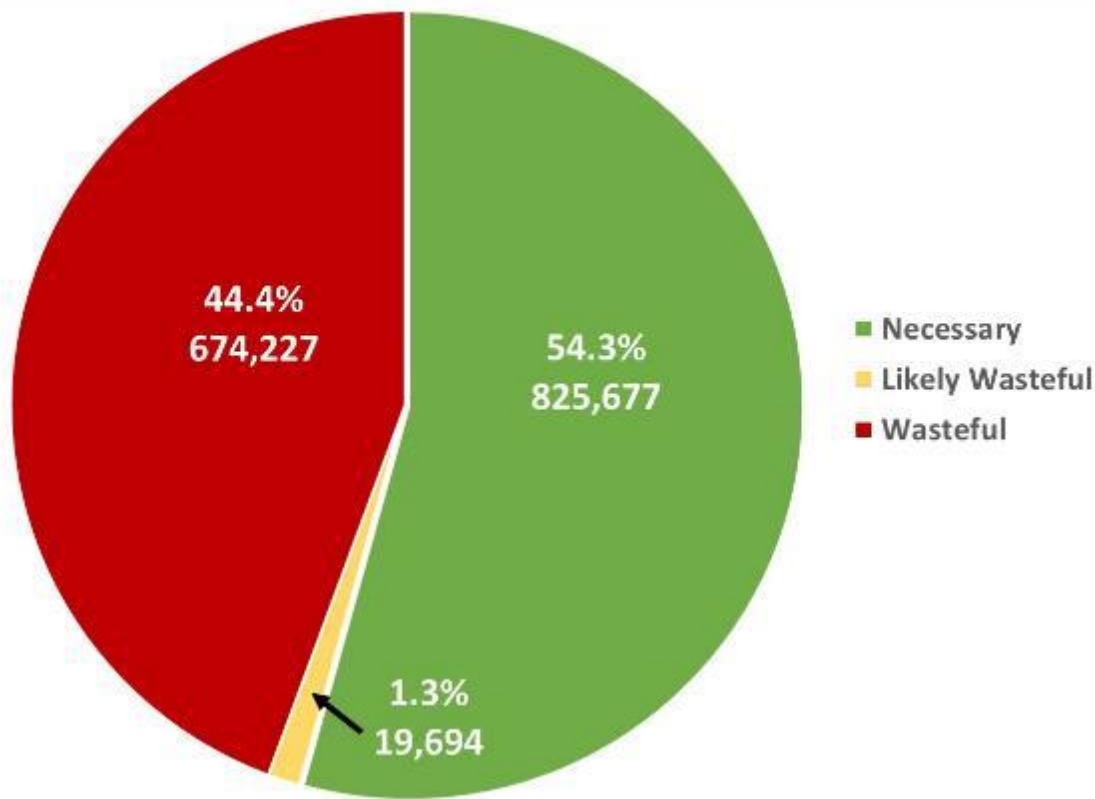
Results powered by:



MedInsight

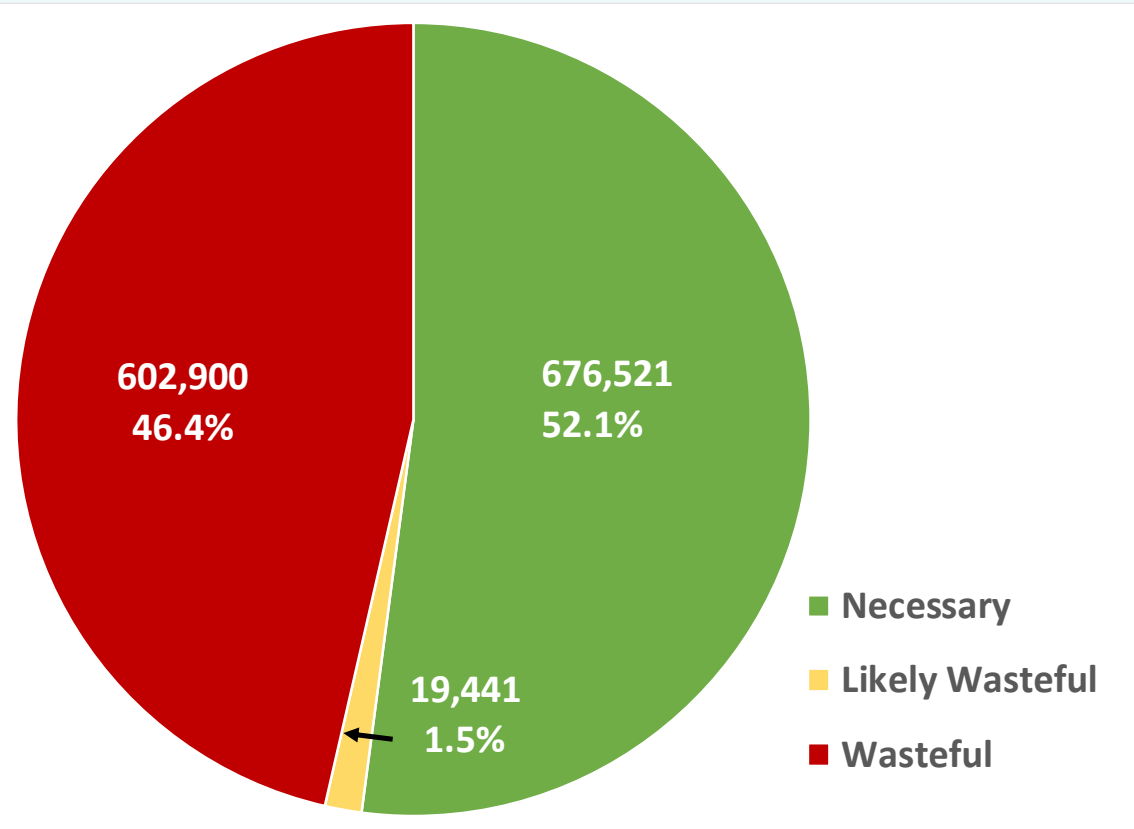
Health Waste Calculator

High level summary – SERVICES



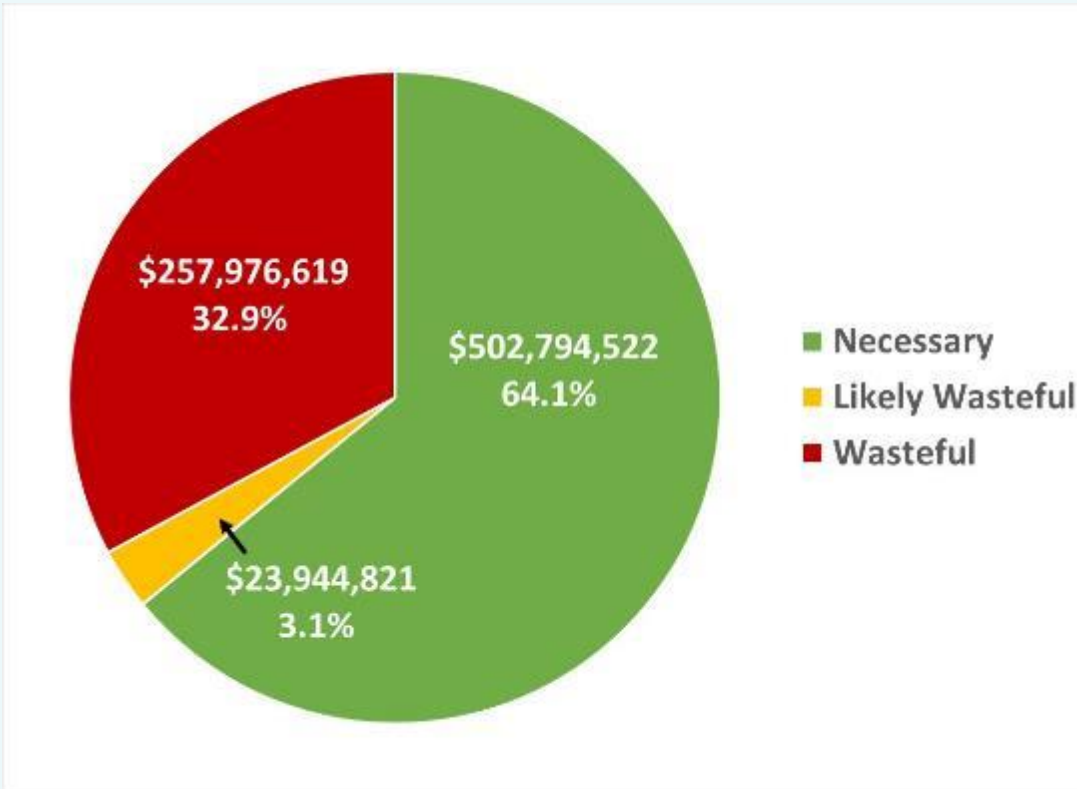
- 1.52 million services were examined (47 measures)
- **45.7%** of examined services were determined to be low value (likely wasteful and wasteful)

High level summary – IMPACTED INDIVIDUALS



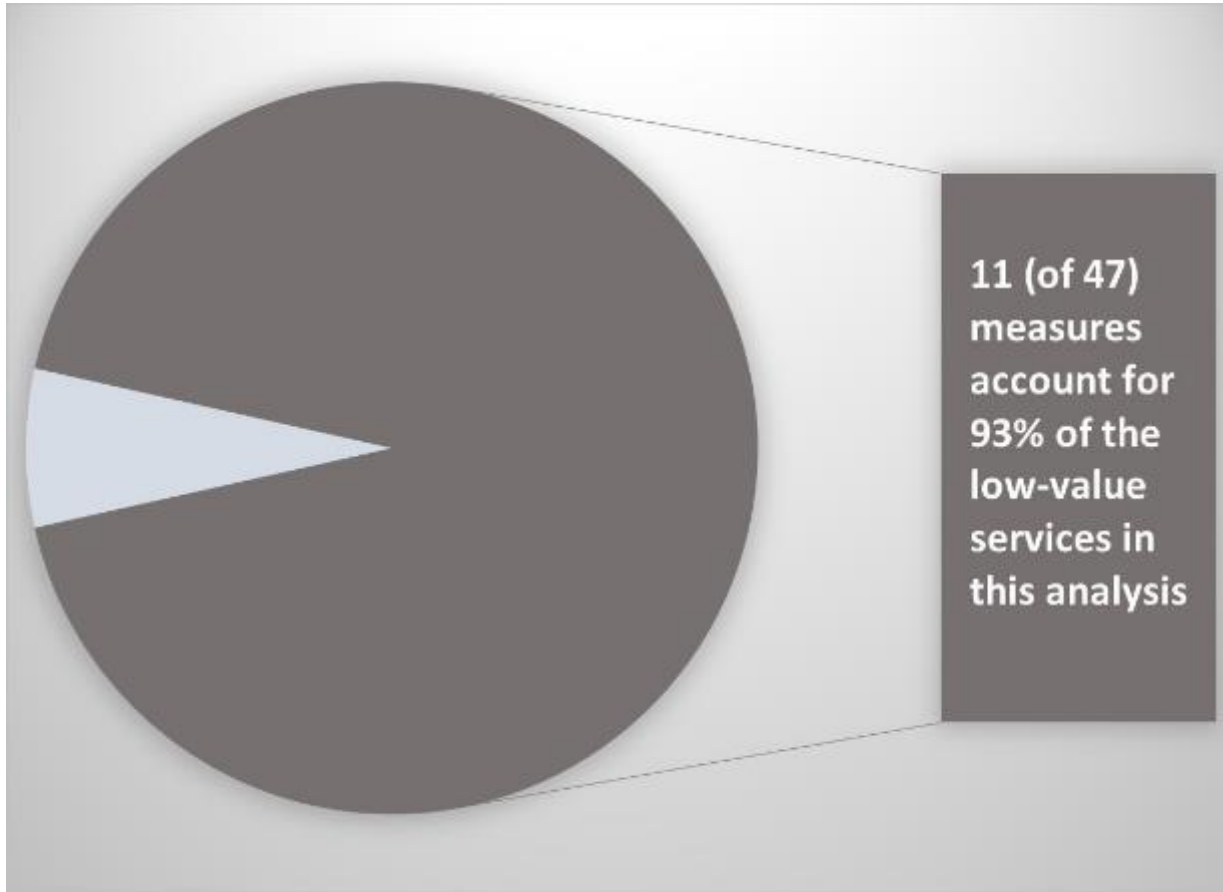
- 1,298,862 individuals received services (47 measures)
- **622,341 (47.9%)** individuals received low value services (likely wasteful and wasteful)

High Level Summary – SPEND ON LOW VALUE



- An estimated \$785 million was spent on services (47 measures)
- **\$282 million (36%)** was spent on low value services (likely wasteful and wasteful)

Targeting key drivers of overuse

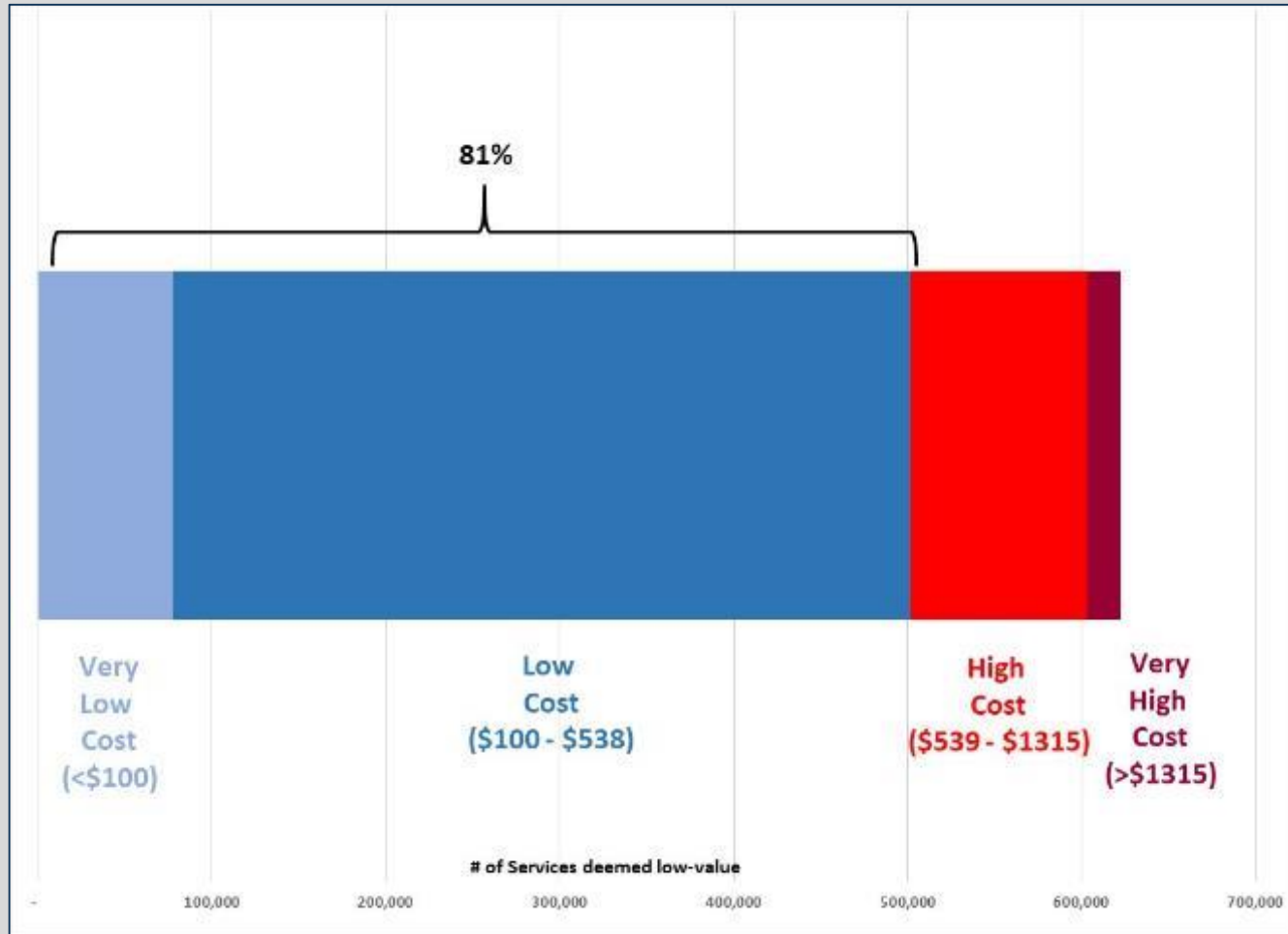


- **These same 11 measures account for 89% of the estimated spend associated with low value.**
- **A total of 578,503 individuals received at least of one of these 11 services.**

11 things to focus on:

- Too frequent cervical cancer screening in women
- Preoperative baseline laboratory studies prior to low-risk surgery
- Unnecessary imaging for eye disease
- Annual EKGs or cardiac screening in low risk, asymptomatic individuals
- Prescribing antibiotics for acute upper respiratory and ear infections
- PSA screening
- Population-based screening for OH-Vitamin D deficiency
- Imaging for uncomplicated low back pain in the first six weeks
- Preoperative EKG, chest x-ray and pulmonary function testing prior to low risk surgery
- Cardiac stress testing
- Imaging for uncomplicated headache

Low cost, low value services are a big driver overall



Call to action in WA: First, do no harm



1. Overuse must become central to discussions of health care value in Washington state.
2. Clinical leaders and medical specialty societies in the state must lead provider efforts to incorporate reduction of overuse into local practice culture.
3. The concepts of choosing wisely and shared decision-making must become the bedrock of provider-patient communication.
4. We need to purchasers and payers to keep their collective “foot on the gas” to transition fee-for-service to paying for value.
5. Payer’s value-based provider contracts must include measures of overuse, and not just measures of access and underuse.

COMMUNITY CHECKUP

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HIGHLIGHTS

Health Care Waste Report

A new report from the Washington Health Alliance, "First, Do No Harm: Calculating Health Care Waste in Washington State" utilized the new Medinsight Health Waste Calculator to produce an analysis of low value health care services across the state.

The findings are significant, showing that just 11 health care services account for millions of dollars of waste in Washington.

[Download the report \(PDF\)](#)

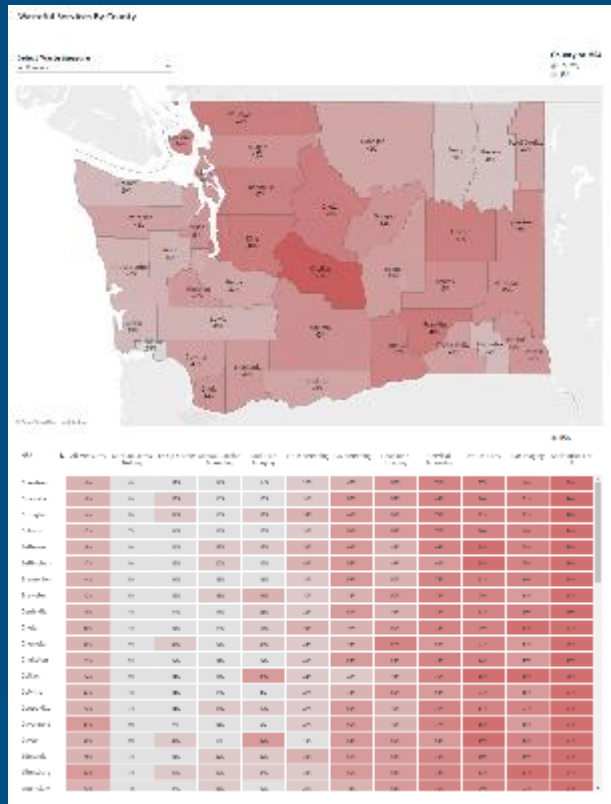
[View the highlight](#)

Highlights of health care in Washington state

- Coverage of the Emergency Room
- Well Child visits
- Opioid Prescribing Rates

The Community Checkup is a resource for unbiased, trustworthy data and analysis of the quality of health care in Washington state.

[View the results](#)



Find report on the Community Checkup website:
www.wacommunitycheckup.org