NEWS RELEASE

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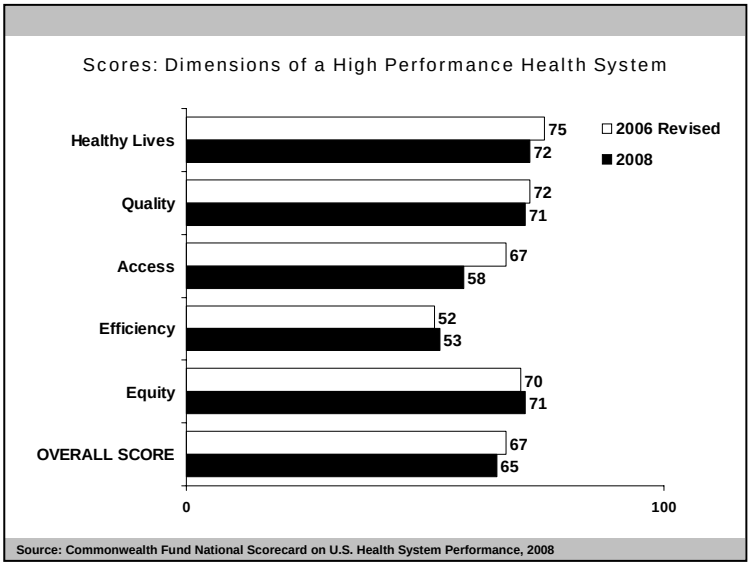
Second National Scorecard on U.S. Health Care System Finds No Overall Improvement; Steep Decline in Access, Scores on Efficiency Especially Low

Nation Scores Just 65 Out of 100 on Key Indicators; Access to Health Care Score Falls Farthest With 42 Percent of Americans Uninsured or Underinsured

100,000 Lives and $100 Billion Could Be Saved Annually With Higher Performing Health Care System

New York, NY, July 17th, 2008—A new national scorecard from The Commonwealth Fund Commission on a High Performance Health System finds that the U.S. health care system has failed to improve overall and that scores on access have declined significantly since the first national scorecard in 2006. Despite spending more on health care than any other industrialized nation, the U.S. overall continues to fall far short on key indicators of health outcomes and quality, with particularly low scores on efficiency.

In the report, *Why Not The Best? Results From The National Scorecard on U.S. Health System Performance, 2008,* the U.S. scored an average of 65 out of a possible 100 across 37 key indicators of health outcomes, quality, access, efficiency, and equity—slightly below the overall score in the 2006 scorecard. The scores compare U.S. average performance to rates achieved by top performers within the U.S. or internationally.



Even more troubling, the health system is on the wrong track when it comes to access and affordability. The number of uninsured and underinsured continues to rise. As of 2007, 42 percent of all working age adults were either uninsured or underinsured—up from 35 percent in the four years since 2003.

The U.S. also failed to keep up with improvements made in other countries, falling from 15th to last among 19 industrialized nations when it comes to premature deaths that could

potentially have been prevented by timely access to effective health care. Comparing U.S. average national performance to benchmarks of achieved performance, the scorecard shows that the U.S. health care system could save 100,000 lives and up to $100 billion annually if it improved performance on key indicators.

"The scorecard tells us that we are losing ground in crucial areas like access to health care," said lead researcher and Commonwealth Fund Senior Vice President Cathy Schoen. "We now have 75 million Americans who are uninsured or underinsured. Poor access pulls down quality and drives up costs of care. The U.S. leads the world on health care spending—we should expect a far better return on our investment."

Wide Variability in Quality and Evidence of Inefficient Care

In addition to scoring poorly on indicators compared to other countries, performance varies greatly from state to state, region to region, and across hospitals and health plans. While the top tier of the U.S. system achieves excellence in some areas, the uneven performance across the country indicates a need for major improvement. Rates at the bottom of the distribution are often well below the leaders and the national average—with as much as a fivefold spread between top and bottom rates.

The scorecard shows substantial gaps between national averages and benchmarks of higher performance across a broad array of quality and efficiency indicators. Efficiency performance remains especially low with a score of 53 out of 100, in part because of widespread delivery of inappropriate and wasteful care throughout the U.S., including potentially avoidable hospital admissions, minimal use of information technology, and high insurance administrative costs.

What Receives Attention Gets Improved

Even though the report finds that the health care system often lost ground or failed to improve, there is also evidence that focusing on specific areas through national initiatives can yield substantial improvement. For example, hospital standardized mortality ratios, a key indicator of patient safety, improved by 19 percent over five years, following broad public and private efforts to assess and improve hospital safety. Chronic care and acute hospital care quality metrics that have been the focus of public reporting, pay for performance, and improvement efforts also showed significant progress. Improvement in some quality metrics was offset by an increase in visits for adverse drug effects, an increase in hospitalization of nursing home patients, and deterioration in patient-centered, timely care.

Improvement is Possible

The scorecard trends present a compelling case for change in the way U.S. health care is financed, organized, and delivered. If all of the U.S. were brought up to the benchmark levels, there would be real benefits in terms of health, patient experiences, and savings. For example:

- Up to 100,000 fewer people would die from causes that could have been prevented by good health care if the U.S. achieved the lower mortality rates of leading countries.

- Thirty-seven million more adults would have an accessible primary care provider, and 70 million more adults would receive all recommended preventive care.
- The Medicare program could potentially save at least $12 billion a year by reducing hospital readmissions or by reducing hospitalizations for preventable conditions.
- Reducing health insurance administrative costs to the average level of countries with mixed private/public insurance systems (Germany, the Netherlands, and Switzerland) would free up $51 billion annually, or more than half the cost of providing comprehensive coverage to all the uninsured in the U.S. Reaching the lowest rate benchmarks (2 to 3 percent of national health expenditures spent on administrative costs) set by the lowest countries—Finland, Japan, and Australia—could save an estimated $102 billion per year.

"It's apparent that, overall, the health care system is performing unevenly and well below its potential," said James J. Mongan, M.D., Chairman of the 19-member Commonwealth Fund Commission on a High Performance Health System and CEO of Partners HealthCare in Boston. "While there are pockets of improvement and excellence, it is clear that we need strong leadership and concerted public and private efforts to achieve and raise standards of performance nationwide and ensure that significant progress occurs in the future."

Additional highlights from the scorecard report include:

- Rates for basic preventive care failed to improve. Currently, only half of all adults receive the recommended preventive health care, including screening for cancer.
- Health insurance premiums rose far faster than wages, rising as a share of median incomes. Yet, insurance protection eroded. By 2007, 41 percent of adults reported that they had medical debt or trouble paying medical bills, up from 34 percent in 2005.
- Readmissions to hospitals within 30 days remained high and variable across the country, with readmissions in high rate regions 50 percent higher than in the lowest rate regions. Hospital admission and readmission rates increased for frail patients in nursing homes.
- Although U.S. primary care doctors' use of electronic medical records increased from 17 percent to 28 percent from 2001 to 2006, the U.S. lags far behind leading countries where 98 percent of doctors have electronic records, often with advanced system capacity to support doctors and patients.
- Wide disparities in health care remain pervasive. Minority, low-income, or uninsured adults and children were generally much more likely than their white, higher-income, insured counterparts to wait to see a doctor when sick, to encounter delays and poorly coordinated care, and to have untreated dental caries, uncontrolled chronic disease, avoidable hospitalizations, and worse outcomes.

"It will take serious public engagement and bold action in 2009 to give Americans the health care system they deserve," said Commonwealth Fund President Karen Davis. "We need to change direction and come together to support policies that aim to improve access, quality, and efficiency. With the upcoming elections, there is a window of opportunity to transform our health system to one that gives everyone the chance to live longer, healthier, and more productive lives."

Methodology: In developing the scorecard, researchers used the Institute of Medicine's framework for quality of care and drew on indicators developed by the U.S. Department of Health and Human Services (DHHS), the Agency for Healthcare Research and Quality (AHRQ), the National Committee for Quality Assurance (NCQA), and other experts. The report also includes many new indicators developed for the scorecard, including efficiency indicators, and is the first to combine indicators for quality, access, efficiency, and equity in one scorecard. Indicators were selected based on areas of concern to the public and policymakers, where improvement could make a significant difference, and where data were available with potential for time trends**.** To score, the scorecard compares national average rates to performance of the top 10 percent of states, regions, hospitals, health plans, or other providers within the United States or top countries. Time trends typically capture two years and as many as five years for some indicators.

The Commission will use the scorecard to monitor change over time, issuing updates, in addition to policy reports, to identify public and private policies and practices that would lead to health system improvements.

The Commonwealth Fund Commission on a High Performance Health System, formed in April 2005, seeks opportunities to change the delivery and financing of health care to improve system performance, and will identify public and private policies and practices that would lead to those improvements. It also explores mechanisms for financing improved health insurance coverage and investment in the nation's capacity for quality improvement, including reinvesting savings from efficiency gains.

The Commonwealth Fund is a private foundation supporting independent research on health policy reform and a high performance health system.