



KHN Morning Briefing

Summaries of health policy coverage from major news organizations

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IOM Report: Estimated \$750B Wasted Annually In Health Care System

The Institute of Medicine offers an analysis of how the money is misspent and some steps that might address these trouble spots.

The Associated Press/Washington Post: Report: About 30 Cents Of Every Health Care Dollar Wasted; U.S. Can Cut Costs Without Rationing

The U.S. health care system squanders \$750 billion a year -- roughly 30 cents of every medical dollar -- through unneeded care, byzantine paperwork, fraud and other waste, the influential Institute of Medicine said Thursday in a report that ties directly into the presidential campaign (9/6).

Kaiser Health News: Report Focuses On \$750 Billion In Inefficient Health Care Spending

With physicians, hospital administrators and insurance companies on often diverging building plans, the idea that the health care system could fall apart like a badly built house is not surprising, according to committee members at a press conference on Thursday. They called for collaboration across different sectors of the industry (Rao, 9/6).

CQ HealthBeat: IOM: Care So Complex Its Cost Can Only Be Cut Through A 'Learning System'

Reports abound on the need for better, cheaper health care in the United States, but Institute of Medicine officials said a new one they unveiled Thursday marks a fresh approach to the problem by fully confronting the complexity of the system. That complexity contributed to about \$750 billion in wasted health care spending in 2009, said the report, released at a Washington, D.C., news conference (Reichard, 9/6).

The Hill: Institute Of Medicine Says U.S. Health Care System In Need Of Giant Overhaul

In a lengthy report out Thursday, the IOM wrote that U.S. medicine wastes roughly \$750 billion per year, permits tens of thousands of needless deaths and bungles its mission in ways foreign to other industries. "Left unchanged, health care will continue to underperform, cause unnecessary harm, and strain national, state, and family budgets," the panel wrote. "The actions required to reverse this trend will be notable, substantial, sometimes disruptive -- and absolutely

necessary." The study comes as President Obama and his GOP opponent for the presidency, Mitt Romney, do battle over ways to reform Medicare. Obama's Affordable Care Act, the most dramatic health care overhaul in decades, also remains divisive with the public. But the IOM found that rising health care costs and limited access to care are only some of the problems facing the system (Viebeck, 9/6).

Politico Pro: Report: Sweeping Changes Needed On Care

According to the report, 75,000 people who died in 2005 might have lived if their states' health care systems were as good as the nation's top performing state at the time. "The ways that health care providers currently train, practice, and learn new information cannot keep pace with the flood of research discoveries and technological advances," according to the report. How health care organizations approach care delivery, and how providers are paid for their services, also leads to inefficiencies and lower effectiveness and may hinder improvement, the report stated. The report recommends sweeping changes to the way doctors and specialists communicate to prevent misdiagnoses and to ensure that breakthroughs in medical technology are adopted more rapidly. It also recommends encouraging new payment systems that give doctors incentives to keep patients healthy, rather than to perform unnecessary or duplicative tests (Cheney, 9/6).

Bloomberg: Health System In U.S. Plagued By \$765 Billion In Waste

The U.S. health care system is plagued by about \$765 billion in annual waste and needs stronger government leadership to coordinate practices as the Affordable Care Act increases burdens on caregivers, federal advisers said. Fully adopting electronic medical records, ushering drug discoveries into use faster and improving physician training are needed most, an Institute of Medicine advisory panel said in a report today. The report recommends the Centers for Medicare and Medicaid Services develop a program to improve learning for doctors and to disseminate ideas for improvement (Wayne, 9/6).

San Francisco Chronicle: Waste In U.S. Health Care System

The U.S. health system wastes more than \$750 billion a year -- or 30 percent of medical expenses -- in unnecessary, inefficient services, and each year tens of thousands of deaths could be averted through better care, according to a report released Thursday by the Institute of Medicine. Despite those sobering figures, the 18-member committee behind the national report, which includes several Bay Area health experts, concluded that improving quality and lowering cost or not only possible but could be done with tools and technologies that exist. "In some ways, the American medical system is the best the world has ever seen. We do things every day that are exceptional, almost miraculous," said the committee's chairman, Dr. Mark Smith, president and chief executive officer of the California HealthCare Foundation, a health care philanthropic group in Oakland (Colliver, 9/6).

Medpage Today: U.S. Health Care Needs Revamp, IOM Says

The American health care system needs to move from one that wastes hundreds of billions of dollars each year to one that pr
 from the Institute of Medicine. 1
 care system that not only incorp
 preference, improved payment
 Smith, MD, president and CEO
 committee that wrote the report
 total U.S. health care costs -- w

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administrative costs, fraud, and other problems. Reform is sorely needed, Smith said, given that health care spending accounts for 18 percent of the U.S. gross domestic product (GDP) -- a higher percentage than in any other country in the world (Fiore, 9/6).

Medscape: Health Care System Wasted \$750 Billion In 2009, IOM Says

An inefficient, extraordinarily complex, and slow-to-change U.S. health care system wasted more than \$750 billion in 2009, according to a new study from the Institute of Medicine (IOM) that calls for a drastic overhaul. Excessive administrative costs on the part of insurers explain some of those squandered dollars, but unnecessary and inefficiently delivered services on the part of physicians, hospitals, and other providers account for the lion's share of the \$750 billion, said the report, which was released online today. This attention-grabbing statistic is reminiscent of the oft-quoted figure for deaths attributable to medical error -- up to 98,000 each year -- found in a 1999 IOM report titled *To Err Is Human: Building a Safer Health System*. That report helped spark an ongoing campaign for patient safety. The new IOM report, titled *Best Care at Lower Cost: The Path to Continuously Learning Health Care in America*, aims to build on the 1999 study and other blueprints for progress from the IOM (Lowes, 9/6).

NBC: U.S. Health Care: It's Officially A Mess, Institute Says

The report, issued just as candidates for Congress and for president make health care reform a central part of the national debate, doesn't pull any punches. The panel of experts assembled by the Institute, an independent body that is supposed to provide a non-partisan last word on important issues, leaves no doubt that U.S. health care now is anything but the best in the world. "The threats to Americans' health and economic security are clear and compelling, and it's time to get all hands on deck," says Mark Smith, president and CEO of the California HealthCare Foundation in Oakland and chairman of the panel. "Our health care system lags in its ability to adapt, affordably meet patients' needs, and consistently achieve better outcomes."... One of the biggest problems is that health insurers, hospitals and health systems don't learn from their mistakes, the report says. Half of all health care professionals still neglect to wash their hands properly before seeing patients, even though it's one of the main causes of infections that kill tens of thousands of patients every year (Fox, 9/6).

ABC: U.S. Health Care System 'Wasted' \$750 Billion In 2009

The U.S. health care system wasted \$750 billion on unnecessary and overpriced medical tests and treatments, administrative fees, medical fraud and missed prevention opportunities in 2009, a new report found. The report, released today by the Institute of Medicine, suggested the money squandered on services that failed to improve Americans' health could have provided health insurance for more than 150 million workers or covered the salaries of all of the nation's first responders for more than 12 years (Wong, 9/6).

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