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Healthcare Reform Needs Change in Mindset along with Innovation

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ABSTRACT

Various sectors have shown tremendous progress in the United States, driven by technological advancements, consumer demand, regulatory changes, and innovation. The healthcare sector has made significant strides in precision medicine, telehealth, and biotechnology, including breakthroughs in genomic sequencing and CRISPR technology. The COVID-19 pandemic accelerated the adoption of telehealth services and highlighted the importance of biotechnology in developing vaccines and treatments. However, healthcare delivery is still the biggest challenge and there is less or inconsistent improvement in the quality of the healthcare. Health care is not only a scientific and social issue; it is an economic and political issue as well [1-4]. Despite consistent efforts, policy changes, and reform models, healthcare quality is an unsolved puzzle. It's a vicious circle and hard to break unless a fresh outlook has not been taken. The healthcare cost is the biggest factor adding fuel to healthcare access and quality. At the same time, Healthcare is not as easy as other sectors which have some finite and tangible aspects. Healthcare deals with the most vulnerable aspects of human existence: birth, death, suffering, uncertainty in the face of disease, evolving human conditions, environmental changes, disease variants, and their biological responses [4]. This paper will focus on reforming the healthcare sentiments to "achieve higher quality with less cost", and this can only be possible by changing our mindset.

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Introduction

Healthcare encompasses the diagnosis, treatment, and prevention of illness, injury, and other physical and mental impairments in people. It is delivered by health professionals and allied health fields, including physicians, nurses, dentistry, midwifery, pharmacy psychology, and other health providers. Healthcare aims to improve the health and well-being of individuals and communities through the application of medical, nursing, and various other sciences and innovations. It ranges from primary care for basic health needs to tertiary care in specialized facilities, along with public health initiatives aimed at preventing health problems in populations.

The quality, accessibility, and efficiency of healthcare services can significantly impact the health outcomes of a society. By any measure, the healthcare sector represents a major segment of our economy. In 2020, U.S. healthcare spending reached about \$4.1 trillion, or approximately \$12,530 per person, representing a significant portion of the nation's GDP. Healthcare spending accounted for approximately 19.7% of the U.S. GDP in 2020. Healthcare spending in the U.S. is projected to continue growing at an average annual rate of around 5.5% and is expected to reach nearly 20% of GDP by 2028. This growth is influenced by the aging population, rising prices for healthcare services, the growing prevalence of chronic conditions, and more importantly due to established mindset that needs change.

The U.S. spends more per capita on healthcare costs than any other developed country in the world, but objective measures of U.S. health quality are relatively low [1]. "Despite higher healthcare

spending, America's health outcomes are not any better than those in other developed countries. The United States performs worse in some common health metrics like life expectancy, infant mortality, and unmanaged diabetes" [1]. The largest categories of healthcare spending include hospital care, physician and clinical services, and prescription drugs. The costs in these areas have been rising due to factors such as aging populations, advances in medical technology, and increasing prices for medical services and pharmaceuticals.

In 1912 Theodore Roosevelt first proposed the idea of national health insurance, it's been 110 years. Healthcare reform is not a new idea, there have been successful and unsuccessful attempts made in the past. The two prominent reforms in recent history are one during President Lyndon Johnson's administration, the creation of Medicaid and Medicare (1960's). The second is most recent during President Barack Obama's administration, culminating with the passage of the Affordable Care Act (ACA) of 2010. Former President Bill Clinton also put together a cabinet-level Healthcare task force aimed at creating a plan for comprehensive reform of the American healthcare system. The law was immediately criticized by Republicans and industry groups, and by 1994 was declared dead, with no chance of passage in Congress [5]. There are tons of articles and enormous research and literature available on how our healthcare system has failed and continues to decline instead of improving. With this article, we aim to understand the nitty-gritty of the healthcare situation and discuss a fresh out-of-the-box outlook. One size may not fit all but "selfless care" may solve the critical piece of this puzzle, which has been unsolved for decades through regulations, policies, and legislation.

US HEALTHCARE GLOBAL POSITION

According to The Commonwealth Fund report published in 2021

– “Health Care in the U.S. Compared to Other High-Income Countries” “ the U.S. ranks last (11th position) on access to care, administrative efficiency, equity, and health care outcomes, but second on measures of care process.

Domains	NOR	NETH	AUS	UK	GER	US
Overall Ranking	1	2	3	4	5	11
Access to Care	2	1	8	4	3	11
Care Process	8	3	6	5	9	2
Administrative Efficiency	1	8	2	4	9	11
Equity	8	5	1	4	2	11
Health Care Outcomes	2	4	1	9	7	11

Figure 1: Commonwealth Fund Analysis

Source: Eric C. Schneider et al., Mirror, Mirror 2021 -Reflecting Poorly: Health Care in the U.S. Compared to Other High-Income Countries (Commonwealth Fund, Aug. 2021). <https://doi.org/10.26099/01DV-H208>.

Care process includes measures of preventive care, safe care, coordinated care, and engagement and patient preferences. The U.S. ranks #2 on this performance domain which includes rates of mammography screening and influenza vaccination as well as the percentage of adults who talked with their provider about nutrition, smoking, and alcohol use [6].

Access to care

The U.S. has the poorest performance on the affordability subdomain, scoring much lower than even the next-lowest country, Switzerland. Compared to residents of the U.S., residents of the Netherlands, the U.K., Norway, and Germany are much less likely to report that their insurance denied payment of a claim or paid less than expected. Residents of these countries are also less likely to report difficulty in paying medical bills [7]. Surprisingly US ranked #9 on the timeline, which shows the counties at #1 likely to be able to get same-day care and after-hours care.

Administrative Efficiency

U.S. doctors are the most likely to have trouble getting their patients medication or treatment because of restrictions on insurance coverage. Compared to most of the other countries, larger percentages of adults in the U.S. say they spend a lot of time on paperwork related to medical bills. For non-emergency care, U.S. and Canadian adults are also more likely to visit the emergency department -a less efficient option than seeing a regular doctor [8].

US healthcare is largely complicated or made complicated without knowing it’s going to be difficult to operate efficiently. There are a large number of stakeholders, various plan options, and complicated adjudication and billing processes, making the whole supply chain unnecessarily lengthy and inefficient.

Discovering the Root of the Cause

The United States is known for having one of the highest per capita healthcare spending rates in the world, and it is growing year by year. Public sources, including Medicare and Medicaid, accounted for a significant portion of healthcare spending, but private spending, including out-of-pocket expenses and private insurance, also constituted a large share. The unfortunate side is that the quality of the care is not meeting the cost, and resources that have been poured into the system. Let’s consider Healthcare as one of the several programs that were run by the state and federal. A program is a sequence of projects, and every project has 3 constraints, time, cost, and quality. Resources help the project to become successful. In this context, Time is not the limitation,

quality is a real issue. So, let’s focus on cost and resources to discover the actual root cause.

The United States with a 331 million population, a 21 trillion-dollar GDP, and 4+ trillion dollars in healthcare spending, does not deserve the sickest population on the earth. The US spends nearly 20% of its GDP on healthcare. So, money/cost is not the issue. As of 2021, there are approximately 6,090 hospitals in the United States. Out of these hospitals, around 2,845 are non-profit organizations (46.7%), 1,234 are for-profit organizations (20.3%), and 1,623 are owned by state and local government entities (26.6%). There are 44,900 Pharmacies & Drug Stores businesses in the US as of 2023, an increase of 3.5% from 2022. As of September 2021, there were just over one million professionally active physicians in the United States. There are over 313,799 pharmacists currently employed in the United States. This industry is served by nearly 385,000 licensed NPs in 2023. There were 22 million workers in the healthcare industry, one of the largest and fastest-growing sectors in the United States that accounts for 14% of all U.S. workers, according to the Census Bureau’s 2019 American Community Survey (ACS).

This indicates cost and resources are not the root cause of poor healthcare delivery. This brings down to only one root cause, the absence of vision, goal, and mission. Due to the absence of important aspects, this whole system is poorly managed, stakeholders are not up to delivering their tasks, there are pertinent issues with communication and coordination and an absence of good governance and transparency.

This is One of the Classical Examples of Consistent Failure

Let’s take a deeper dive to reach the problem and understand the root cause. Let’s understand where exactly this cost is spent, and how much is spent to locate the bigger portion of the problem. As we know, healthcare is divided into two main services, provider services and payer services. Providers are the ones who are responsible for delivering the care and the Payer is the one who pays for those services. Payers can be private payers or the government who pay for Medicare and Medicaid programs.

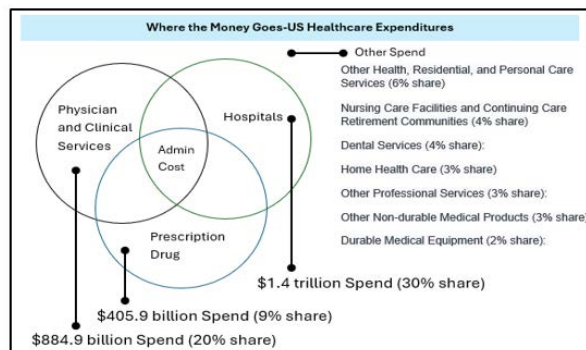


Figure 2: National Health Expenditure 2022. Source: Author

The largest categories of healthcare spending include hospital care, physician and clinical services, and prescription drugs. Among these hospital or inpatient services are 1.4 trillion (30%) compared to Physician and clinical services spending is 20%. Prescription drug is 9% and all these spending share the common administrative cost.

Out of a total of 2.1 trillion in healthcare expenditures, 947 billion (15.2 %) flows to health plans, and the remaining 1.5 trillion (84.8%) flows into providers’ services. The health plans pay back to provider services 803 billion out of 947 billion, which means

health plans keep 144 million (7 %) of whatever comes to their door.

Although hospitals have the highest spending bucket, they are not only the culprit behind consuming most of the cost. Most of the time, patients do not visit hospitals directly, rather they are sent to hospitals through physician referral unless there is an emergency, and the patient decides to admit to the hospital directly. However, it does not mean hospitals are cost-efficient, there is a lot of waste of resources and money as well. At the same time, the costs in these areas have been rising due to factors such as aging populations, advances in medical technology, and increasing prices for medical services and pharmaceuticals.

So, now we funnel everything down to physician/ clinical services and inpatient services where most of the cost is spent and chances of improving the care quality also. In another way, if these services improved in their cost expenditures, that saved cost can be used to widen care access, adding more resources to provide a better quality of care and improve health outcomes. Despite several innovations, IT engagement, standardization in the processes, building regulatory compliance and standards, performance measures, Healthcare access, cost, and quality are still suboptimal. Further, we will try to understand several challenges, the rationale behind the inefficient system, concerns, and areas of improvement.

The Challenges and Concerns

Let's discuss some atypical reasons why healthcare is a continual challenge for decades:

1. The majority of Americans recognize that government has a role in expanding health insurance coverage, but many are ambivalent about fulfilling that role with a government-run system. What it means is, government should be doing the job of governance and not exactly running healthcare programs like Medicare and Medicaid. However, these programs started with good intentions but spurred demand for health services which gave the provider the ability to raise prices which in turn increased health care cost.

2. The uninsured population covered under these state and federal-sponsored programs took the toll on additional expensive care. Hospitals and providers often absorb these costs, leading to a financial strain that can result in higher prices for services to offset the deficit. This cost-shifting contributes to rising insurance premiums for the insured population.

3. On the other side, the rate of chronic illnesses like diabetes, heart disease, arthritis, and chronic respiratory disease has increased an enormous amount. One study finds that more than 170 million Americans could be living with one or more chronic conditions by 2030. Chronic illness treatment is expensive and difficult to treat. These illnesses most likely spur disability conditions among the patients, which double the healthcare cost.

4. Regarding access, one important consideration is that people who are uninsured are not all alike. They include people who have low incomes, people who may not be poor but have costly pre-existing health conditions, those whose employers do not offer group health insurance and who cannot afford to buy insurance in the more-expensive nongroup market, and people who are eligible for Medicaid or other programs but for some reason have not enrolled. Some people who can afford health insurance do not purchase it, presumably because they do not anticipate having

significant medical expenses [6]. Broadening access to health care may thus require us to consider a mix of policies.

5. Another important factor affecting healthcare costs is inefficiency and waste, unnecessary tests and procedures have a notable amount of waste. Clinical waste, administrative waste (redundant and unnecessary processes or absence of standardization), excessive prices, fraud, and abuse all constitute 35% of the total healthcare spending, which can be completely illuminated.

6. For every sector to grow, the availability of human resources and their skill sets plays a crucial role. This profession needs expert-level skill sets and they are not easily or quickly available in the market.

7. Similar to human skill sets, infrastructure also plays a critical role. Compared to the banking industry, setting up healthcare infrastructure like hospitals is more time-consuming compared to installing ATM around the road corner.

However, healthcare entities have been taking a forward step to battle with increasing healthcare concerns in all directions. Some of the efforts being made in IT and medical advancements will pay back time to time in the future.

1. In recent decades there have been huge investments in healthcare IT technology and medical technology, the benefit of this investment will be seen in the coming years. It will take some time to generate returns on investment. This investment in infrastructure will pay back in the future.

2. We should also consider the fact that until 2010 the healthcare system was completely fragmented and divided into isolated pieces without having any streamlined communication between the care services. After the Obama Care reform, which incentivized the EHR program to encourage eligible entities to adopt, implement, and upgrade the Meaningful Use (MU) certified electronic health record technology (CEHRT). This enables the providers (hospitals and professionals) to promote interoperability and exchange of healthcare data. This was the first prominent approach engaging in health IT to improve the quality of care and access to care.

Market Consolidation

There have been significant mergers and acquisitions occurring in the last decades. Providers and Payers are either merging or acquiring each other's services, growing big to keep both sides' profits in their bucket. This market consolidation cost, even though it's a one-time or temporary expenditure, is taxing on insurance premiums. However, we should see the real benefit of this M&A in the coming future.

It's All about Mindset

Healthcare is a noble profession. This perspective is rooted in several key aspects of healthcare work. Healthcare professionals are dedicated to serving others, often putting the needs of their patients above their own. This selfless commitment to the well-being of individuals and communities is a hallmark of nobility in any field. One of the primary goals of healthcare is to alleviate pain and suffering. Whether it's through diagnosing illnesses, treating conditions, or providing palliative care, healthcare workers strive to improve the quality of life for their patients. The ability to ease another person's suffering is a profoundly noble endeavor. Healthcare professionals often save lives or improve the quality of life through their work. Whether it's through emergency care,

surgery, or long-term treatment plans, the impact of their work is significant and life-changing for many people. The healthcare profession is governed by a strict code of ethics, emphasizing principles like confidentiality, informed consent, and the duty to do no harm. Adhering to these ethical guidelines reflects a commitment to integrity and respect for human dignity. Healthcare is a rapidly evolving field, with continuous advances in technology, medicine, and treatment methods. Healthcare professionals' commitment to lifelong learning and improvement to provide the best care possible, reflects a noble dedication to their craft and to humanity.

Despite this empathetic dedication toward this profession, the healthcare system still poses a lot of challenges.

Wide and open studies should be carried out to increase access to healthcare. Greater access to health care will improve health outcomes, but it almost certainly will raise financial costs. Increasing the quality of health care, although highly desirable, could also result in higher total healthcare spending. This is going to be a vicious circle and this whole ecosystem will completely collapse after a certain time. Healthcare needs innovation and more learning from the surroundings. Incentivize health plans, using advanced AI algorithms for example nowadays car insurance premium is not fixed but variable depending on the driver's driving habits. The riskier the driving the more premium, safer driving pays less premiums. The built-in AI technology measures driving habits, quantifies them, reports them, and alarms them. To some extent, healthcare can learn and implement similar in their ecosystem.

I think there is a time to take a step back and focus really on eradicating the problem instead of tackling it.

Every entity in the healthcare system should roll up their sleeves and contribute towards this reform. Each care provider entity, including doctors, hospitals, nurses, labs, ambulances, pharmacists, surgeons, etc. should develop a mindset to provide curable care. Ask questions like how they can provide quality care that can be affordable to every person in the country irrespective of their social, economic, and health status. Ask questions about how the visited patient can be curable at the same place where he is seeking present care. How the patient can be treated without being sent to the next place for additional care, even though it's possible to treat them in the same place? This significant change in the willingness, a selfless feeling to deliver back to society (which was suffering for a long time without any solution and any fault) can only bring change to the current situation. Someone must come forward and break this vicious circle.

There are a lot of reasons healthcare is always in trauma, turbulent and unbalanced situations, and evolving possibilities, which are hardly impossible to correct and reconstruct again by changing the budgetary approach or pouring additional funding. Somehow that money flows somewhere else or produces sub-optimal results. I feel to reform, we should take a step back, think, plan, and then act. These industries need innovative approaches dealing with the whole system and not fixing the patches.

The 'curable care' and 'selfless care' mindset can help improve the issues that we are confronting every day. As an example, the cost of a heart bypass surgery in the United States in 2019 was over 4 times as expensive as a heart bypass surgery in Israel. We must think about these cost and care gaps, and I feel these gaps

can be bridged by changing the mindset and not expanding the spending. Money or funds are consumable elements, adding them more can only be consumed, they do not heal the injuries.

Any major effort to achieve societal goals must also have a well-defined objective. Two frequently cited examples of what a society can accomplish—the Manhattan Project in World War II that produced the atomic bomb and the Apollo space program in the 1960s that sent men to the moon -- had extremely well-defined objectives (along with huge budgets and strong leadership). The objectives for healthcare reform are less straightforward. But one major (and measurable) metric that can be used to measure success, is the views of Americans themselves, and how they feel about healthcare costs, coverage, and quality.

At the same time, we should also expect the government policy reform in all affected areas to support the 'curable care' and 'selfless care' approach. This could be adding incentives, awards, or recognition for high-performing contributors.

Conclusion

Although the U.S. health system has many unique features, there are lessons to be learned from countries that succeed in ensuring access to affordable, quality care. However, it's important to acknowledge that the healthcare system and its professionals face numerous challenges, including resource limitations, systemic issues, and personal burnout. Despite these challenges, the core mission of healthcare—to care for and improve human health—remains a noble pursuit. But we must keep in mind that, for all its problems, the U.S. healthcare system also has many strengths. We must take care that we do not lose what is good about our system as we try to address the significant concerns that certainly exist. In health-care reform, it is certainly easier to pose questions than to provide answers. The high cost of the US healthcare system is its biggest weakness.

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