

Health Care Transformation in PA

Coverage

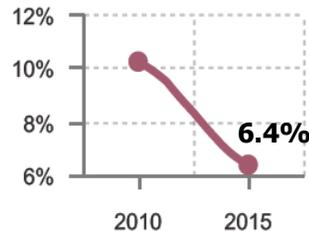


Good progress

1.1 million+ Pennsylvanians benefited from the insurance marketplace, Medicaid expansion, and dependent coverage



Uninsured rate down nearly 40%



Quality and Safety



Good progress



Patient harm down 30% avoiding \$284 million in health care spending

- More than 20,000 harm events avoided
- Nearly 10,000 infections prevented
- Medication errors, falls, pressure ulcers down
- Sepsis mortality reduced by 36%

Economic Impact



Good progress

Hospitals support 1 in 10 PA jobs

- Direct employment = 286,000
- Indirect employment = 339,000
- Total annual economic contribution = \$115 billion

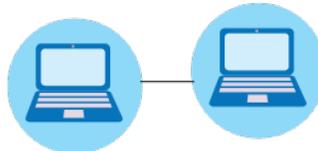
137,000 jobs and \$1.5 billion in economic stimulus attributable to increased health coverage

Innovation



Good progress

90% of PA hospitals have adopted EHRs; 60% exchange clinical data with other providers



Telehealth

- Saves time—more timely treatment and reduced travel
- Saves money—improved quality, improved outcomes, increased efficiency
- Connects patients to specialists
- Brings expertise to rural PA

Payment Reform

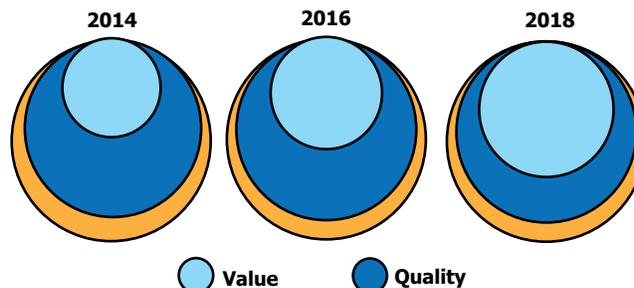


Good progress

6% of a hospitals' annual Medicare payments are based on quality performance

\$65 million saved by 26 ACOs that are providing better-coordinated care in PA

Medicare's plan to pay hospitals for value not volume



Health Care Transformation in PA

Utilization



Some progress

More outpatient care

Nearly half of the care provided by PA hospitals is in outpatient settings

Less intensive, expensive inpatient care

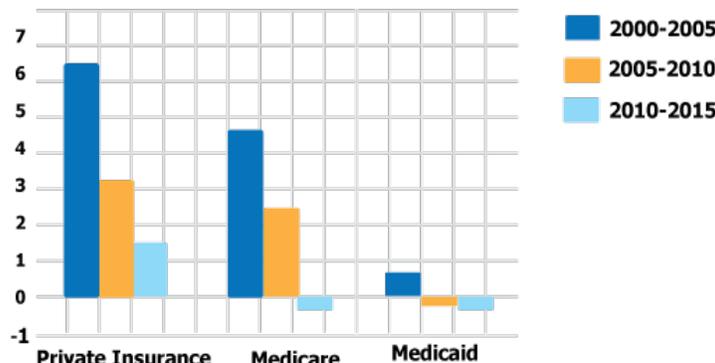
- PA hospital admissions down 12%
- PA hospital readmissions down 8-10%
- More than \$48 million in health care spending avoided

Health Care Spending



Some progress

Annual spending growth per enrollee declining



Source: National Health Expenditure Accounts, Council of Economics Advisors' Analysis

Consumer Implications



Some progress

6,127,383 Pennsylvanians

availed themselves of "free" preventive care (routine checkups and screenings with no out-of-pocket expenses)



Fewer U.S. families have trouble paying medical bills

2011	June, 2016
21.3%	16.2%

But, marketplace premiums in PA are up an average of 32.5% in 2017

Government Implications



Some progress

Investments in health care yield savings and sustainability

- Lowest growth in Medicare hospital spending in 17 years
- Program solvency extended 11 years due to savings achieved by reform
- \$2.76 billion annually in federal investments to support PA's Medicaid coverage expansion
- 78% of PA marketplace enrollees receiving subsidies

PA Hospital Finances



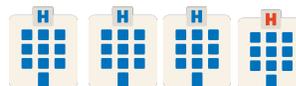
Progress at risk

\$16.5 billion in PA hospital cuts help fund coverage expansion:

- \$1.6 billion in cuts to date
- \$14.9 billion more in cuts scheduled through 2026

Uncompensated care down (9%) for the first time in 15 years

- Total average hospital margins stable at 5-6%
- Still, 1 in 4 PA hospitals in the red overall



Sources:

Centers for Medicare & Medicaid Services
 Commonwealth Fund
 The Hospital and Healthsystem Association of Pennsylvania
 PA Department of Human Services
 PA Department of Insurance
 PA Health Care Cost Containment Council

