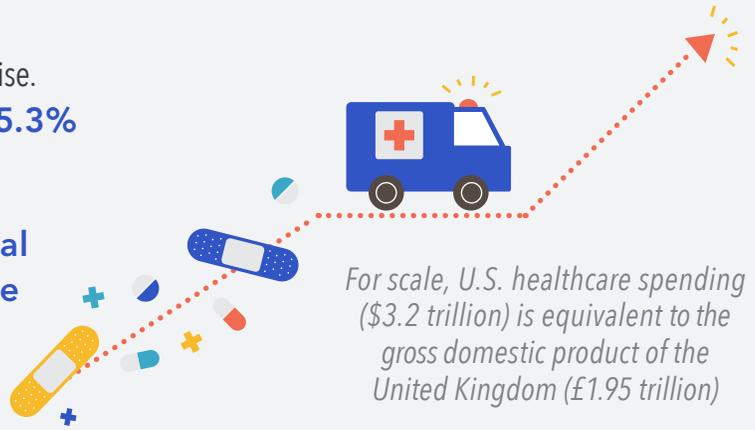# Improving Patient Outcomes With Health Data Analytics

The cost of healthcare in the United States continues to rise.
In 2015, costs are projected to rise by 5.3% to a per capita cost of $9,695.

The challenge is **how do federal, state, & local governments cut the growth of healthcare costs without sacrificing quality?**

For scale, U.S. healthcare spending ($3.2 trillion) is equivalent to the gross domestic product of the United Kingdom (£1.95 trillion)

What's driving up the cost of U.S. healthcare?

Misaligned incentives for fee-for-service healthcare models
Fee-for-service models encourage consumption of health services

Lack of health data available for patients, consumers, and physicians
1 in 4 U.S. hospitals lacks a basic electronic health records system

Aging U.S. population
1.6 million Americans become eligible for Medicare each year

Medical Fraud, Waste & Abuse (FWA)
$60-80 billion in Medicare alone is lost annually to FWA

High readmission rates for chronic conditions
40% of Medicare patients are readmitted within 90 days

Big data analytics offer new capabilities to control costs and improve quality of care, allowing state governments and healthcare providers to

Identify → **Integrate** → **Compare** → **Empower**

Identify
the most high risk populations and prioritize preventive care

Integrate
new sources of health data to build a more complete medical history for patients

Compare
the most effective treatments for chronic conditions

Empower
providers to benchmark and evaluate the relative cost of care provided

SUCCESS STORY:

Arkansas Healthcare Payment Improvement Initiative (AHCPII)

Facing a $140 million budget shortfall in 2011, Arkansas introduced an innovative episode-based payments model and data analytics, yielding a program savings of $720 million while expanding coverage to hundreds of thousands of uninsured Americans.

Medicare cost growth has fallen from 8% per year to 2% per year

ACHPII has issued 19,000 performance reports to 2,000 providers reflecting 3.18 million medical claims

73% of Arkansas Medicaid providers have improved cost performance or remain in good standing

ACHPII was recognized by CMS as an innovative model for payments transformation

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