

OUTSIDE LINES

THE VALUE CONUNDRUM

Remember Atul Gawande's ["The Cost Conundrum"](#) six years ago and the story about McAllen, Texas? Well, he is at it again, with a new article called ["Overkill,"](#) published in the May 11, 2015 issue of *The New Yorker*. If you haven't seen or read it yet, go get it. While he provides an update on McAllen and what happened there after his article put a national spotlight on the town – including decreased costs of \$3,000 per Medicare patient between 2009 and 2012 – in "Overkill," he takes a deep-dive into a new topic, focusing on what he calls "low-value care" and "no-value care." Here are a few excerpts:

- A study of more than a million Medicare patients found that 25-42% of Medicare patients received at least 1 of 26 tests and treatments that scientific and professional organizations have consistently determined to have no benefit or to be outright harmful, or in his words, "a huge proportion had received care that was simply a waste."
- "Virtually every family in the country, the research indicates, has been subject to overtesting and overtreatment in one form or another. The costs appear to take thousands of dollars out of the paychecks of every household



Kim Athmann King, MBA, FACHE
Founder & President
[Strategy Advantage](#)
kking@strategyadvantage.com



Millions of Americans get tests, drugs, and operations that won't make them better, may cause harm, and cost billions.

each year ... Millions of people are receiving drugs that aren't helping them, operations that aren't going to make them better, and scans and tests that do nothing beneficial for them, and often cause harm.”

Dr. Gawande, in his polished style, makes sure to balance his “Overkill” argument with the realities of medical training, patient demands, liability concerns, and other factors that contribute to the reasons for “over-diagnosing, overtesting, overusing, overprescribing, and overtreatment.” Also, he profiles two programs that, in his view, are showing ways to take action against no-value care.

“Overkill” is sure to be one of the year’s must-reads. It will spur even more national attention – including consumer awareness and questions – on the value-based care impediment, and it will bring more focus to “take action” programs, including those Dr. Gawande highlighted and many others. And hopefully, the “Value Conundrum” challenge will do for the nation what the “Cost Conundrum” challenge did for McAllen, Texas – help us to dig deeper, further change our ways, and motivate more of the type of “startling results” achieved in McAllen.

Always looking ahead,



Kim Athmann King, MBA, FACHE

NEWS ALERT! WHAT'S HAPPENED THIS WEEK

Ascension Health, in an [HHN Magazine article](#) on May 12, 2015, announced its shift to “person-centered care,” noting that in their dedication to support lifelong health and well-

being, they are serving entire communities of individual “persons”, many of whom are not in fact “patients.” In the interview, President & CEO Anthony Tersigni shared that of Ascension’s \$21 billion in revenue in 2014, 51% came from non-acute care services. Accordingly, the large hospital system is re-orienting its continuum of care, re-thinking its partnership strategy, and re-framing the longitudinal care it will provide under population health management. Patient-centered care is no longer enough. Provider-centric care is the old model. Consumer-directed care is still being ushered in. So, for now, person-centered care it is! Let’s see if others jump on the bandwagon.

WHO WE'RE WATCHING

Some 20 years ago, while a Strategic Planning Manager at Saint Agnes Medical Center in Fresno, California, my colleagues and I talked a lot about when, where, and how the big health systems in Northern and Southern California would make their moves into Central California. So it is interesting to watch what is unfolding with Dignity Health – formerly Catholic Healthcare West – based in San Francisco. For many years, since 1996, Bakersfield Memorial hospital has been a Dignity affiliate. Recently though, in October 2014, Saint Agnes signed a letter of intent with Dignity to create an integrated health care delivery network and provide management and clinical integration services for physicians. There are many dots still connecting, but the “biggie” seems to have landed, and consolidation is re-shaping another key California market area.

WHAT'S TRENDING

About four years ago, one of my research staffers sent an obscure white paper on the topic of wearable health devices. I thought it was too “out there,” so I filed it away. What a mistake! This week, [many media outlets reported](#) that Fitbit – the maker of a line of wearable fitness-tracking devices – filed for an IPO worth \$100 million. Since 2011, Fitbit has sold 21 million devices, with more than 50% of them sold in 2014. Revenue in 2014 was \$745 million, almost triple its 2013 total, and this same pace of growth continues in 2015.



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