One is the Loneliest Number (Part 2 of 2)

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In the companion post to this article, "One is the Loneliest Number (Part 1 of 2)," we focused on important healthcare statistics to know as we prepare for 2017. Here in Part 2, we discover that the following lyrics in Three Dog Night's song "One" can also be true:

"Two can be as bad as one, It's the loneliest number since the number one"

This blog post highlights the costs associated with hospital, physician, and prescription drug spending and life expectancy in the US. Healthcare is changing at a rapid rate, projections through 2025 demonstrate that two data points may still fall short of benchmarking comparisons.

Hospital Findings

- Total hospital spending is projected to accelerate from 2016-2025, averaging 3.0 percent per year. ¹
- Pneumonia is the most common of all healthcare-associated infections, with 21.8 percent prevalence, according to a survey published in *The New England Journal of Medicine*.
- Expenditures for hospital care accounted for 37.9 percent of all personal health expenditures in 2014.²
- 96 people per 100,000 die annually from conditions considered amenable to healthcare.³
- 155 out of 306 hospital regions saw meaningful reductions in 30-day readmissions (of at least 5.3 per 1,000 beneficiaries) between 2012 and 2014.⁴

Life Expectancy and Mortality

- Life expectancy in the US is 78.8 years⁵
- Heart disease has remained the number one cause of death since 2000.6
- Suicide death rates in the US continued to increase from 2000-2014 to 13 percent.⁷
- Between 2004 and 2014 the drug poisoning death rate involving heroin increased more than five times to 3.3 deaths per 100,000 resident population.⁸

Out of Pocket Expenditures

- Growth in out of pocket expenditures is expected to begin accelerating in 2015 to average 5.5 percent by 2025.
- Despite accelerated growth in out of pocket expenditures, the out of pocket share of the national health expenditures is expected to fall from 12 percent to 9.6 percent by 2020. 10
- Employer sponsored health benefits for family coverage will increase to \$17,362 in 2015, a 30 percent increase from 2005. 11
- Single coverage for employer sponsored health benefits will increase to \$7,368 in 2015, a 13 percent increase from 2005.¹²
- A couple retiring in 2016 at 65 years of age would need \$560,000 to supplement healthcare costs, if they lived the average lifespan.¹³

Physician Findings

 Growth in physician spending is expected to accelerate as more consumers acquire coverage through private health insurance plans or Medicaid.¹⁴

- Medicare growth in physician expenditures is expected to average 5.7 percent annually from 2015-2020. 15
- Medicaid growth in physician expenditures is expected to average 5.6 percent annually from 2015-2020. 16
- Across all specialties, approximately 21 percent of physicians are employed by a hospital. 17
- 83 percent of adults and 92 percent of children had contact with a health care professional in 2014. 18
- By 2025 the US is expected to be short 130,000 physicians. 19
- Expenditures for physician and clinical services accounted for 23.5 percent of total personal health care expenditures in 2014.²⁰

Prescription Drugs

- Prescription drug spending is projected to grow an average of 6.7 percent per year for 2016-2025.²¹
- More than 11 million antibiotic prescriptions written for children each year may be actually be unnecessary, according to a study in
- Of 63,418 total prescribed antibiotics, 12.4 percent were prescribed over the phone, according to a study in *Pharmacoepidemiology and Drug Safety*.
- Expenditures for prescription drugs accounted for 11.6 percent of the total personal health care expenditures in 2014.²²
- Medication errors cost the US over \$3.5 billion annually.²³

Notes

- 1. Centers for Medicare and Medicaid Services. National Health Expenditure Projects 2015-2025.
- 2. Centers for Disease Control and Prevention National Center for Health Statistics. <u>Health, United States, 2015: In</u> Brief. 2016.
- 3. IBM Global Business Services. "The value of analytics in healthcare." IBM Institute for Business Value. 2012.
- 4. Commonwealth Fund. "Rising to the Challenge: The Commonwealth Fund Scorecard on Local Health System Performance, 2016 Edition."
- 5. Health, United States, 2015: In Brief.
- 6. Ibid.
- 7. Ibid.
- 8. Ibid.
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- 10. Keehan, Sean P. et al. "National Health Spending Projections Through 2020: Recovery and Reform Drive Faster Spending Growth." Health Affairs. July 2011.
- 11. Adams, Jim et al. "<u>Healthcare 2015 and US health plans: New roles, new competencies</u>." IBM Global Business Services. 2007.
- 12. Ibid.
- 13. Ibid.
- 14. National Health Expenditure Projects 2015-2025.
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- 16 Ibid
- 17. Barnet, Shannon. "100 healthcare statistics to know." Becker's Hospital Review. October 17, 2014.
- Centers for Disease Control and Prevention National Center for Health Statistics. <u>Ambulatory Care Use and Physician office visits</u>. <u>Summary Health Statistics Table 2014</u>.
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