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## Why It's Not Working – Answers From Science

Our popular theories on controlling health care costs have a hazardous side effect: higher costs. Where did it go wrong? Epidemiology has some surprising answers.

One theory is that plans should encourage medical services and therefore patients will get treated for serious conditions early, avoiding serious and expensive illness later. The stomach ache that turns out to be ulcers could be diagnosed and managed in a physician's office, and a costly hospital stay would be avoided.

In practice, this approach creates a mountain of expense from a molehill of minor health complaints. To see how this happens, let's follow one stomach ache.

### THE CAREER OF A STOMACHE ACHE

<b>Item</b>	<b>Cost</b>	<b>Description</b>
<i>Physician Office Visit</i>	\$100	Patient pays only \$10 co-payment.
<i>Laboratory Test for peptic ulcer</i>	\$35	Patient gets a false positive (17 out of 100 positives are false for this particular test.)
<i>Antibiotics (10-day course)</i>	\$40	Patient takes drugs on empty stomach, and has stomach pain for two more days.
<i>Upper GI Xray</i>	\$175	X-ray shows no ulcers, but physician chalks it up to poor imaging. He refers patient for an endoscopy.
<i>Prescription drug for heartburn (30 days)</i>	\$130	Patient suffers a common side effect of drug: abdominal pain.
<i>Endoscopy</i>	\$500	Procedure requires patient to be sedated while scope is inserted down throat. Patient loses a half day of work.
<b>Total Cost</b>	<b>\$980</b>	

Treating 100 stomach aches – the vast majority of which will resolve with no medical help – is more expensive than the two hospital stays that get prevented. Nor does this medical care create more health for a person or for a health plan.

Successful cost management strategies build upon ideas that are truly foundations for health, not just props for a benefit plan design.