



Uwe Reinhardt

Professor Reinhardt Predicts Long Struggle to Reform Healthcare

By Alice Goodman

Taking a sweeping view of the economic trends in US healthcare, Uwe Reinhardt, PhD, James Madison Professor of Political Economy and Professor of Economics and Political Affairs at Princeton University, paints a cautiously optimistic view of healthcare spending reform. Delivering the Simon Dack Lecture at the 2009 annual meeting of the American College of Cardiology (ACC), Dr Reinhardt predicts some progress in the near future but says getting healthcare spending down will be a prolonged struggle that will take more than 1 or 2 years.

Discussing the current economy, he describes economists as “sleeping into the current recession. It’s as if we were a group of infectious disease specialists in a town with a ravaging infectious disease, but we said, ‘there’s just a cold going around.’” It is important not to cut healthcare jobs in the current economic climate. “Healthcare is the locomotive that drives the American economy, bar none. Healthcare is a job machine. It has added 1.7 million jobs to our economy since 2000.” Because healthcare “is propping up the economy, now is not the time to jam on the brakes and increase unemployment,” says Dr Reinhardt.

Because consumer and business spending and exports—sectors of the gross domestic product (GDP)—are down, government spending has to go up. Healthcare currently comprises 16.5% of the GDP. If healthcare growth keeps up at its current rate of 2.2% annually, it would account for 40% of the GDP in 50 years. Dr Reinhardt says that if we could get the annual rate of growth down to 1%, it would account for 20% of the GDP, which is more affordable.

The US healthcare system is inefficient, with some built-in waste, fraud, abuse, and improper out-of-control spending, he says. For every dollar spent in the United States, Europeans spend 63 cents, yet they enjoy better healthcare. “We are not getting commensurate value for our dollars. There is a gap in value compared to Europe.” He predicts “that within 1 year, the high-spending states [like Florida] will be talking to doctors in the low-spending states about why they spend twice as much money.”

Wages will grow to a much less extent than healthcare costs over the next 10 years, Dr Reinhardt predicts. If healthcare costs continue to increase at the present rate, by 2018 more than half of people’s wages “will be chewed up by healthcare.” The number of uninsured will swell at a rapid pace. “The choice would appear to be between higher taxes or a system that rations healthcare by income class. The

ACC needs to think about whether this is a world where cardiologists want to practice.”

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“The battleground will be between liberals who want Medicare-like plans and professionals who consider this the ‘kiss of death,’” says Dr Reinhardt. “I am not hopeful that the problems will be solved in the near future. I don’t know how the government will finance a public plan. It has proposed revenues of \$318 billion from increased tax revenues from those who earn more than \$250,000 annually, as well as \$316 billion saved from cuts in healthcare spending. This is like having 634 billion sparrows in a tree. Climb up and try to catch them. I wouldn’t bet even 1000 AIG shares on getting this money,” he jokes. ■

Challenges to Cardiologists

ACC President W. Douglas Weaver, MD, exhorted cardiologists to meet the challenge of improving healthcare delivery quality and reducing inefficiencies. Despite being the most expensive healthcare system in the world, “we are truly almost Third World in performance,” Dr Weaver says. He set the following goals for cardiologists:

- Reduce inappropriate cardiac imaging by 10% to 15%
- Reduce the rate of rehospitalization for heart failure within 30 days by 20%
- Reduce the geographic variation in revascularization by 50% in 2012
- Ensure 90% or greater adherence to 5 published measures of quality for heart failure, myocardial infarction, and atrial fibrillation in 1 year
- Double the number of grandfathered cardiologists pursuing board recertification within 3 years
- Form a Quality Network of 500 hospitals and practices implementing ACC registries and reporting, and compare their performance within the next 18 months.