To Lower The Cost Of Health Care, Invest In Social Services

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Editor’s note: This article is part of a series of blog posts by leaders in health and health care who participated in Spotlight Health from June 25-28, the opening segment of the Aspen Ideas Festival. This year’s theme was Smart Solutions to the World’s Toughest Challenges.

A repeated refrain of politicians is that health care spending in the United States is utterly out of control. We spend almost $9,000 per person per year, amounting to nearly 17 percent of Gross Domestic Product (GDP), far more than any other country, but get a poor return on investment. Life expectancy in the United States ranks 27th of the 34 industrialized nations that are members of the Organisation for Economic Co-operation and Development (OECD). Only three OECD nations have a higher infant mortality rate.

How is it that an abundance of advanced medical care can deliver such disappointing results? The answer lies in the fact that other developed nations do a far better job than the United States of preventing their vulnerable populations from suffering serious illness, by investing substantially more in social services that impact health. OECD nations on average spent about $2 on social services for every dollar of health care spending, compared to only about 55 cents per dollar in the United States, according to a study of 2009 data by Elizabeth Bradley of Yale University and Lauren Taylor of Harvard University. Factoring in these expenditures presents a new perspective: the United States is pushed down to 13th among OECD countries in total health care outlays.

The Basic Necessities of Life

We need to think in broader terms about investment in health. While extensive batteries of tests and high-tech medical devices help us pinpoint illnesses and cure patients, low-tech social services also should be considered a key factor in our health care equation. The OECD data point to the fact that social services substantially improve population health outcomes while lowering spending on more expensive traditional medical care.

That’s because social services focus on the basic necessities of life, helping ensure that individuals receive adequate nutrition, proper shelter, and a subsistence income, all of which are essential to maintaining good health. When such fundamental needs are unmet, disease and illness often follow, and even after care is administered patients are highly vulnerable to relapse. Nearly one in five Medicare patients discharged from a hospital is readmitted within 30 days, resulting in an annual cost of more than $26 billion.
This is among the great cost drivers of medicine in the United States. Many of these patients, who may also be frequent visitors to the emergency department, face difficulty not just securing housing and food, but also maintaining proper hygiene, obtaining and properly taking needed medications, and regularly visiting a doctor. Such challenges can stem from a mix of underlying problems, including poverty, language barriers, and social isolation when there is no family member, friend, or caregiver who can offer assistance.

A Continuum of Care

Enter the caseworker who ensures a patient has adequate heat in a home, makes sure an individual can purchase or receive healthy fruits and vegetables, and arranges support for the family caregiver whose health has severely deteriorated because she has ignored her own needs.

To achieve our goal of better health outcomes, especially for the needy, we must provide a continuum of care, integrating social services with medical treatment to ensure patients remain healthy. Outreach from a concerned caseworker dedicated to resolving non-medical problems can serve as a de facto first line of preventive care for at-risk individuals, and can be an effective strategy for lowering the cost of health care by proactively providing services beyond the walls of the hospital.

Caseworkers examine a patient’s lifestyle to assess psychosocial factors impacting health. That may involve house calls to see if the home environment either causes or exacerbates health problems, as several real-life examples illustrate:

- An emphysema patient returns from the hospital to a moldy apartment, which then aggravates his condition. The caseworker pressures the landlord to promptly address the problem.
- An elderly patient is discharged after treatment for heart failure. Soon after, the elevator in his apartment building breaks down. Lacking the ability to climb stairs, he becomes a prisoner in his own home, unable to go out for a walk, shop for fresh food, and visit his doctors for follow-up care. The patient advocate pushes for an expedited elevator repair.
- A patient suffering from a variety of medical ills including hypertension, shortness of breath, and a paranoid fear that strangers are entering his apartment is a frequent visitor to the emergency department. The social worker visits him at home to find he had fashioned a makeshift lock because he was unable to afford a new one. She arranges for a locksmith to install a new lock and provides the patient with psychological counseling.

In some cases, social services can dramatically reduce the need for expensive medical care. Consider patient “E” who over the course of six months visited his local hospital’s emergency department 12 times and was admitted eight times. The patient was alcohol- and drug-dependent, suffering from major depression, obsessive-compulsive disorder, chronic migraine headaches, and a fractured jaw.

Caseworkers arranged for “E” to receive government income assistance and benefits from the Supplemental Nutrition Assistance Program, housing and transportation aid, entry into a substance abuse treatment program, mental health therapy, and examinations with primary and specialty care physicians. They enrolled the patient in a “back to work” program, helped him replace identification documents that had been stolen when he was mugged, and provided a cell
phone for the purpose of contacting his caseworkers. In the six months since intervention, “E”’s only hospital care has been for an ankle injury, addressed during two emergency room visits.

Providing services for the general population, not just the indigent, can result in a healthier society with less need for medical care. In Sweden the average life span is more than three years greater than in the United States even though medical spending amounts to just 9.6 percent of GDP, more than 7 percentage points below that of the United States.

The difference, again, is expansive social services and benefits that are available to all Swedes, including more than a year of maternity leave, publicly subsidized child care, free higher education that helps individuals boost their income prospects, and for seniors, subsidized housing, transportation, home-delivered cooked meals, and home aides. Yes, the Swedes pay high taxes during their working years, but the services they receive as seniors help them remain healthy in their own homes.

**The Long-Term Financial Impact of Shortchanging Social Services**

Evidence overseas and at home tells us social services should be considered a component of overall health care spending. Because government in the United States allocates far less for social services than other industrialized nations, many hospitals are making the investment instead. For those serving indigent communities, it can be a substantial sum of money. Adding to financial pressure on hospitals is the transition from a fee-for-service payment system to population health management, which will require hospitals to assume responsibility for the cost of caring for patient populations; when the price exceeds targets, hospitals will bear the expense, a consequence of our nation’s frayed social safety net.

The burden falls on hospital systems too frequently because many low-income patients enter the care delivery system in bad shape, suffering from serious illness and disease that requires extensive and extended intervention. Hospitals are dedicated to treating these patients, like all others, but it’s expensive and can become a financial drain not only for individual hospitals but also for society.

To ease the strain of the high cost of medicine, the United States must sew a tighter social safety net. Enhancing health counseling, expanding nutritional programs, increasing the availability of quality affordable housing, and engaging more caseworkers in patient outreach all can have societal impact beyond the immediate benefit to recipients. This kind of smart spending on social services that maintains the well-being of our population is a path to achieving our goal of a healthier nation that spends less overall on health care.