Op-Ed

Public Health Bundles

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WHAT DO INJURIES TO TEENAGERS IN CAR CRASHES, HEART attacks among cigarette smokers, and unintended pregnancies have in common? These conditions are often preventable and always expensive, accounting for billions of dollars in avoidable medical costs each year.

Reducing the number of often preventable and always expensive outcomes is a key purpose of payment reform in health care. The idea is to set incentives to reward clinicians when their patients are healthier. For example, surgeons win under bundled payments for specific procedures as higher quality reduces complications, and primary care physicians succeed in medical home models when they effectively coordinate the care of patients with chronic illness, reducing avoidable admissions.

Extending the potential rewards of payment reform to partners outside the health care system might open the door to new approaches and even better results. The next big thing in payment reform might be called public health bundles.

Consider the common problem of teenagers and motor vehicles. In 2015, more than 200,000 injured teenagers visited the emergency department—and more than 2,300 died—with associated costs in excess of \$10 billion a year.¹ Many of these tragedies could be prevented with more wearing of seat belts, less drinking, and less texting. In addition, at the policy level, the Insurance Institute for Highway Safety has estimated that strengthening graduated licensing programs, which require teenagers and young adults to gain experience at each stage before gaining privileges on the roads, would prevent thousands of crashes among young drivers.²

Enter the public health bundle: A state or local health department establishes a fund to receive annual payments from participating payers based on anticipated hospital costs of injuries to teenagers in motor vehicle accidents. The fund then is responsible for reimbursing payers for the actual care provided. To reduce payouts, the health department

convenes a community coalition of public and private partners devoted to traffic safety. A portion of the fund is spent on prevention, including on campaigns to encourage seat belt use and discourage texting, on peer-led programs on drinking and driving, and on advocacy for state adoption of best practices for graduated licensing. As the number of injuries falls, the fund accumulates savings, which the health department reinvests in additional prevention efforts.

Heart attacks among smokers are another promising target for public health bundles. The US surgeon general has estimated that each year 719,000 smokers experience myocardial infarctions.³ Access to smoking cessation therapy helps smokers quit, substantially reducing their cardiovascular risk—and policy options such as cigarette taxes and clean indoor air laws both encourage cessation and prevent tobacco use in the first place.

Here again, the public health bundle. In this case, the health department establishes a fund that receives expected costs for the acute care of heart attacks in smokers. The fund then reimburses payers for actual costs while investing in efforts to promote smoking cessation and strong tobacco control policies across the community.

Nearly 1 in 2 pregnancies in the United States is unintended, with nearly half of unintended pregnancies unwanted.⁴ Consequences include low birth weight, prematurity, and a wide variety of negative health consequences for children—in addition to hospital costs that run about \$10,000 per delivery. Healthy People 2020 has set a national goal of reducing unintended pregnancies by 10%, yet millions of US women lack access to the full range of contraceptive options.⁵

Hello, public health bundle. Using the same structure as the others, the coalition trains a broad range of health care providers and establishes innovative programs to improve awareness of and access to contraception.

Public health bundles have the potential to spread the incentives of payment reform far outside the walls of health care facilities. They will work best when, as in these 3 cases, a specific population and outcome can be readily identified, and where there is evidence that programmatic interventions or policy changes can save costs.

But foolproof plans may not be necessary. That's because public health bundles can be coordinated with social impact bonds, in which investors pay up front for an intervention with the promise of payoff if specific outcomes are met. A public health bundle is well situated to be the guarantor of such bonds.

One important question is whether community-based coalitions can handle the mechanics of budgets that could easily stretch into the tens of millions of dollars. Health care organizations—both clinical and insurance—could be important partners for administration and risk management. Strong evaluation efforts will be necessary, and public health coalitions that fail to make progress should be disbanded or reconstituted with more promising strategies.

It is essential that public health bundles not undermine or work at cross purposes with the incentives for prevention within the health care system. After all, clinicians can promote safer teen driving through conversations with adolescents and their parents, prescribe cessation therapies to help their patients quit smoking, and facilitate access to contraception, including highly effective long-acting reversible methods. An effective public health coalition should include a range of participants from the local health care system and might even offer direct rewards to physicians, nurse practitioners, and others who excel in prevention.

Perhaps the most difficult question is whether a public health bundle is politically realistic. Who would object? Not public health officials or community leaders, who see untapped opportunities for prevention all around them. Not political leaders—at least not those interested in claiming credit for innovative efforts to reduce costs and save lives. Not those officials at the Center for Medicare and Medicaid Services (CMS), such as former Director of Prevention and Population Health Darshak Sanghavi, who told me, “Public health bundles represent the most innovative forms of value-based care, where payments can be directly tied to important population-wide outcomes.” According to Sanghavi, the Innovation Center at CMS has been engaged in a dialogue with providers and community organizations about the idea of paying predetermined amounts for 5-year reductions of regional rates of teen pregnancy and smoking.

The greatest barrier to moving public health bundles from theory to reality may be concerns about removing substantial sums of revenue from the medical sector—reflecting a tension that has long existed between clinical medicine and community health programs. A meaningful decline in the number of unintended pregnancies may reduce the margins in obstetric services, and fewer heart attacks might reduce the demand for acute cardiac care.

In other words, the major challenge to establishing public health bundles is not that they might fail. It is that they might succeed.

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