

High-Performing Physicians Can Save Consumers Over \$700 Billion in Health Care Costs

High-value physicians deliver quality care at lower costs. If all U.S. physicians caring for commercially-insured patients who meet *quality* criteria were to become high value by also meeting *cost-efficiency* criteria in the future, the health care system could save \$710 billion from 2019-2028.

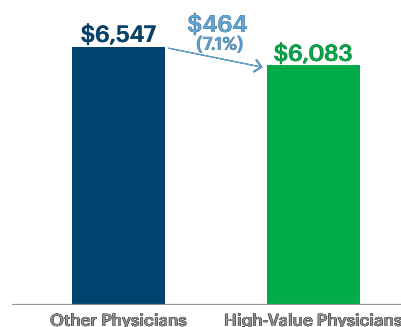
Total Savings by High-Value Physicians: Retrospective and Future Estimates

2017 SAVINGS DELIVERED BY HIGH-VALUE PHYSICIANS

Across the UnitedHealth Premium[®] Program, high-value physicians caring for UnitedHealthcare's commercial members saved \$1.8 billion in 2017 relative to other physicians.¹

- ▶ The average per-patient or per-episode² cost of high-value physicians was \$464 (7.1 percent) lower than for other physicians.
- ▶ High-value physicians cared for 41 percent of patients, yet accounted for only 37 percent of total spending.

Average per-Patient or per-Episode Cost, 2017



UnitedHealth Premium[®] Program

The UnitedHealth Premium[®] Program evaluates the cost and quality performance of physicians from 16 specialties.³ Quality is assessed using national standardized measures from independent quality-assessment organizations such as the National Quality Forum (NQF) and the National Committee for Quality Assurance (NCQA). Cost-efficiency measures are based on local market benchmarks for cost-efficient use of resources and referral patterns in providing care.

Both quality and cost-efficiency benchmarks are set annually and all physicians in UnitedHealthcare's commercial member provider networks are evaluated against them each year. In 2018, 80 percent of these network physicians

met the quality criteria and were designated Quality Care physicians; seven percent of physicians did not meet the quality criteria; and the remaining 13 percent of physicians did not have enough claims data to be evaluated.

Excluding physicians who do not meet the quality criteria, 27 percent of the remaining physicians met both the 2018-2019 UnitedHealth Premium[®] Program cost and quality criteria in 2018 and are designated Premium Care physicians (defined in this brief as "high-value") in UnitedHealthcare's provider directories. The 2018-2019 UnitedHealth Premium[®] Program is referred to as "the program" throughout the rest of this brief.

EXPANDING ACCESS TO HIGH-VALUE PHYSICIANS COULD DRIVE SIGNIFICANT FUTURE HEALTH CARE SYSTEM SAVINGS

If all U.S. physicians caring for commercially-insured patients who meet quality criteria were to become high value by also meeting cost-efficiency criteria in the future, the health care system would save \$57 billion in 2019 and \$710 billion from 2019-2028.⁴ The \$57 billion in 2019 savings represents a 4.4 percent reduction in health care spending among the commercially-insured population.⁵

While the analyses in this brief focus on physicians who care for commercially-insured populations, similar savings opportunities likely exist for other populations, including Medicare and Medicaid, though are not quantified here.

High-Value Physicians Achieve Better Outcomes at Lower Costs

- ▶ High-value physicians who care for patients with UnitedHealthcare commercial insurance have higher rates of compliance with evidence-based medicine and lower rates of complications and revisions than other physicians. For example, from 2016 to 2017:⁶
 - For stent placement procedures, high-value cardiologists had nine percent fewer complications and performed 15 percent fewer revisions than other cardiologists.
 - For knee replacement procedures, high-value orthopedic surgeons had ten percent fewer complications and performed 41 percent fewer revisions than other orthopedic surgeons.
 - For lower gastrointestinal tract removal procedures, high-value gastroenterologists had 19 percent fewer complications and performed 27 percent fewer revisions than other gastroenterologists.

High-Value Specialists Achieve Better Outcomes



Cardiologists for Stent Placement

9% fewer complications

15% fewer revisions



Orthopedic Surgeons for Knee Replacements

10% fewer complications

41% fewer revisions



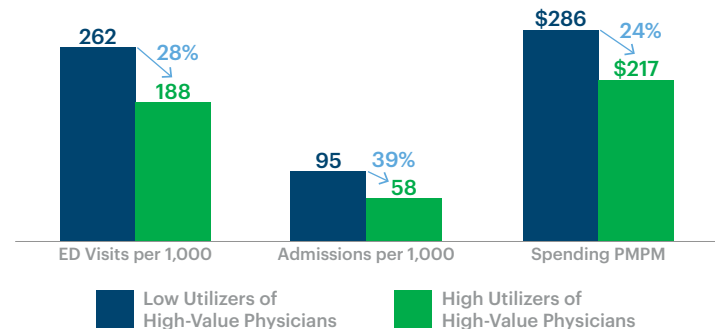
Gastroenterologists for GI Tract Removals

19% fewer complications

27% fewer revisions

- ▶ In the first half of 2018, patients with UnitedHealthcare commercial insurance who saw high-value physicians for more than 75 percent of their care had 28 percent fewer emergency department visits (188 vs. 262 visits per 1,000), 39 percent fewer hospital admissions (58 vs. 95 admissions per 1,000), and 24 percent lower risk-adjusted spending (\$217 vs. \$286 per member per month (PMPM)) than other patients.⁷

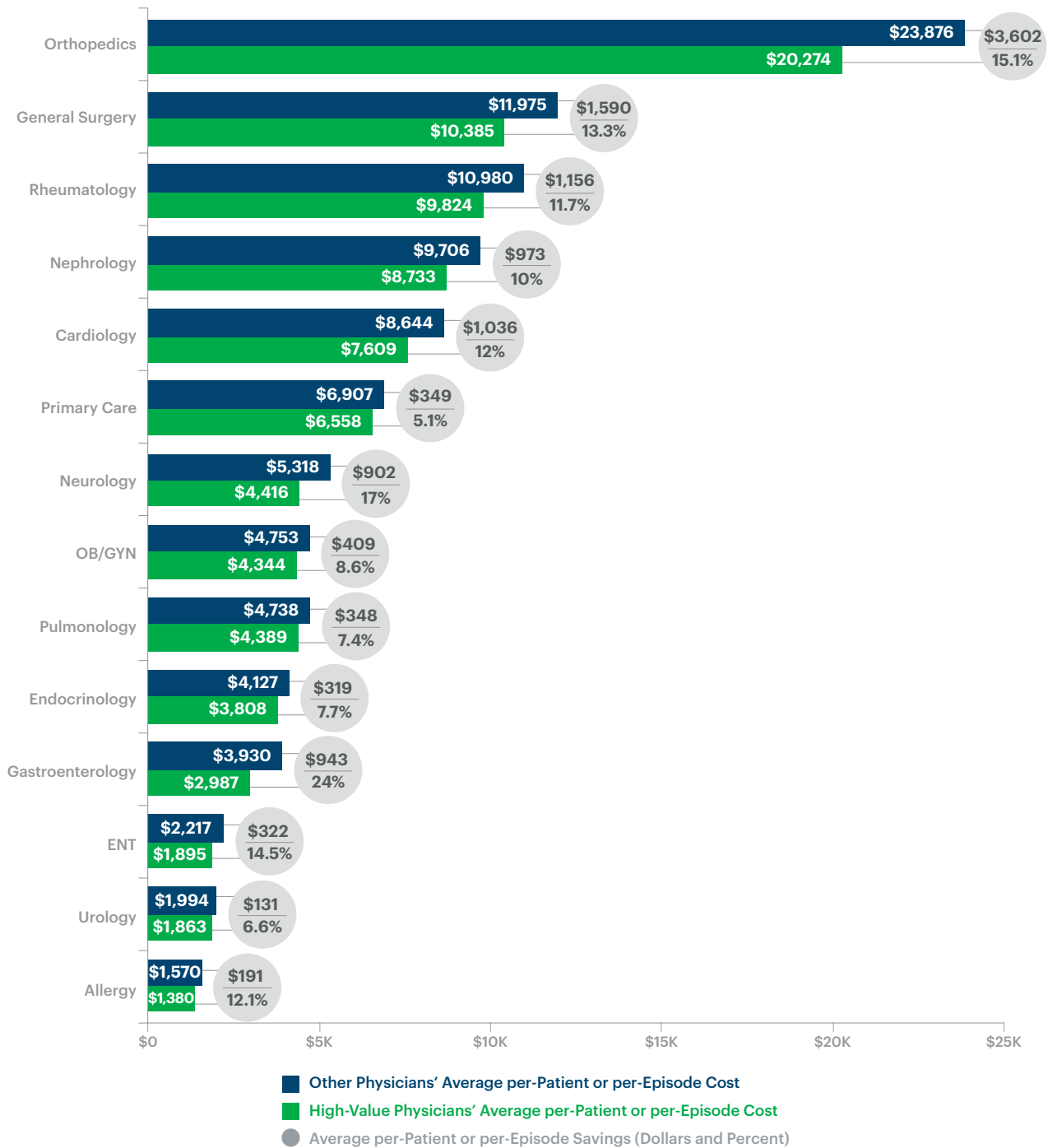
Commercially-Insured Patients' Use of High-Cost Services



High-Value Physicians Have Lower per-Patient or per-Episode Costs

Across the U.S. health care system, the per-patient or per-episode cost of care varies significantly among physicians within the same specialty. This variation in cost, driven by physician practice patterns and payment rates, may be a result of multiple factors including training and education,^{8,9} lack of transparency of cost differences by site of service,¹⁰ and physician employment¹¹ and ownership¹² arrangements. The difference in the per-patient or per-episode cost of care delivered by high-value physicians versus other physicians across the 14 physician specialties evaluated varies.

Average per-Patient or per-Episode Savings by High-Value Physicians, 2017



- ▶ The average per-patient cost of care delivered by high-value primary care physicians was \$349 (5.1 percent) lower than other primary care physicians.
- ▶ Across other medical specialties, the average difference in per-patient cost ranged from \$191 (12.1 percent) lower per patient for high-value allergists to \$1,156 (11.7 percent) lower per patient for high-value rheumatologists.
- ▶ In surgical specialties, the average difference in per-episode cost ranged from \$131 (6.6 percent) lower per episode for high-value urologists to \$3,602 (15.1 percent) lower per episode for high-value orthopedic surgeons.

Specialties with the Greatest Total Savings Opportunities

The significant difference in per-patient or per-episode cost within each specialty evaluated represents an opportunity to improve the cost-efficiency of physicians who already meet the quality criteria, driving substantial savings for the health care system. If all U.S. physicians caring for commercially-insured patients who meet the program's quality criteria were to become high-value by also meeting its cost-efficiency criteria in the future, the health care system would save \$57 billion in 2019 and \$710 billion from 2019-2028.

- ▶ Of all specialties evaluated, primary care physicians see the highest volume of patients (69.6 percent). Primary care represents the greatest total savings opportunity, \$41 billion in 2019 and \$507 billion from 2019-2028, from improving the cost-efficiency of primary care physicians who already meet the program's quality criteria.
- ▶ Improving the cost-efficiency of obstetricians/gynecologists, cardiologists, and orthopedic surgeons who already meet the program's quality criteria could save the health care system \$10 billion in 2019 and \$123 billion from 2019-2028. Collectively, these three specialties represent over 17 percent of the total savings opportunity and 14 percent of the total patient volume.

Savings Opportunity by Evaluated Specialties, 2019-2028

Specialty	Share of Total Patient/ Episode Volume	Total Specialty-Specific Savings, 2019	Total Specialty-Specific Savings, 2019 - 2028*	Share of Total Savings, 2019 - 2028
Primary Care	69.6%	\$41 B	\$507 B	71.4%
Ob-Gyn	9.1%	\$4 B	\$49 B	6.9%
Cardiology	3.7%	\$3 B	\$40 B	5.7%
Orthopedics	1.2%	\$3 B	\$34 B	4.8%
General Surgery	1.0%	\$1 B	\$14 B	2.0%
Nine Other Specialties	15.4%	\$5 B	\$65 B	9.2%
Total	100%	\$57 B	\$710 B	100%

* Specialty-specific 10-year savings do not sum to the total savings due to rounding.

NOTES

- ¹ The retrospective savings are based on comparing cost of care delivered by high-value physicians in the 2017 UnitedHealth Premium Program compared to cost of care delivered by other physicians. "Other physicians" include: physicians who meet quality criteria, but do not meet cost-efficiency criteria; physicians who do not meet quality criteria; and physicians with insufficient claims data to be evaluated.
- ² All spending and savings analyses are conducted on a per-patient basis for medical specialties and a per-episode basis for surgical specialties.
- ³ The 16 specialty groups evaluated comprise 47 credentialed specialties; some specialties like dermatology and oncology were not evaluated for Premium designation due to inability to evaluate on quality and inability to group members in active cancer treatment into homogeneous groups based on claims data. While the 2018-2019 UnitedHealth Premium Program includes 16 specialties, 14 specialties are presented here because the primary care specialty category combines 3 specialties: family medicine, internal medicine, and pediatrics.
- ⁴ The future system-wide savings estimates in this brief are based on the cost and utilization patterns of physicians across 16 specialties in the 2018-2019 UnitedHealth Premium Program, accounting for almost all of the medical spend for UnitedHealthcare's commercially-insured (employer) population. These estimates, derived from approximately 20 million UnitedHealthcare employer-covered members, are applied to national private health insurance spending estimates from the Office of the Actuary in the Centers for Medicare & Medicaid Services, extrapolated to 2028.
- ⁵ While Premium Care physicians saved the health care system an average 7.1% per patient or per episode, future savings estimates assume a more conservative 4.4% savings rate. The lower future savings rate is derived from the percentage of spending that could be reduced by physicians who meet quality criteria but do not currently meet the program's cost-efficiency criteria, the observed impact of practice pattern changes over time (durational wear-off), and the observed ability of physicians to impact 'high-cost' care events (i.e. claims exceeding \$100,000).

Sources for citations 6-12 are available at: www.unitedhealthgroup.com/affordability.