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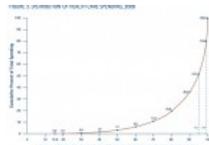
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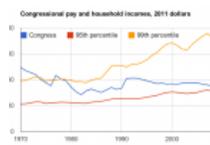
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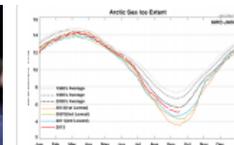
The most important numbers in health



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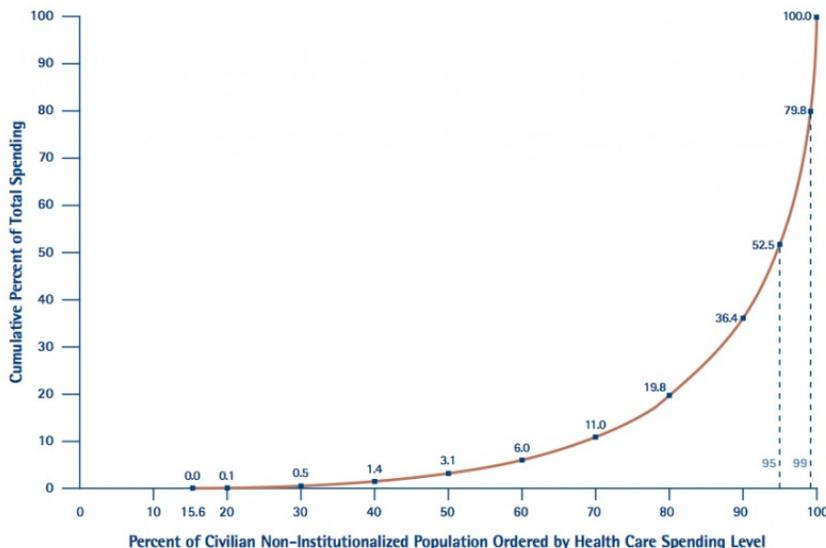
The two most important numbers in American health care

By Ezra Klein, Published: September 19 at 3:42 pm [E-mail the writer](#)

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The two most important numbers in American health care are 5 and 50. Five percent of people account for about 50 percent of the health system's spending.

FIGURE 3. DISTRIBUTION OF HEALTH CARE SPENDING, 2008



This graph is best read from right to left. IE, the top 1 percent in health costs is responsible for all the health spending to their right, which is 20.2 percent. (National Institute for Health Care Management)

Given that health-care spending is almost one-fifth of our economy, that means the health problems of 15 million Americans are consuming almost one-tenth of our GDP -- around \$1.5 trillion.

The conclusion is clear: If you want to cut costs -- and relieve suffering -- you somehow need to help that 5 percent.

I spent Thursday at a conference dedicated to doing just that. "[Promoting Good Care](#)" brings together some of the organizations dealing with some of the toughest, costliest most complex cases in medicine.

There's Health Quality Partners -- you may remember them from "[if this was a pill, you'd do anything to get it](#)" -- which deals with elderly patients who are chronically ill. There's Jeffrey Brenner's Camden Coalition -- you may remember them from Atul Gawande's dive into "[hotspotting](#)" -- which deals with the sickest, costliest patients in one of the poorest communities in the country. There's the Nurse Family Partnership, which works with young, at-risk mothers. The list goes on.

What was amazing about the conference is that though these groups serve the sickest people in the country, the discussion had almost nothing to do with treating actual health problems. It was about treating everything else.

All of these organizations have learned the same lesson: The problem with the 5 percent is not simply that they're extremely sick. It's that they're extremely hard to help.

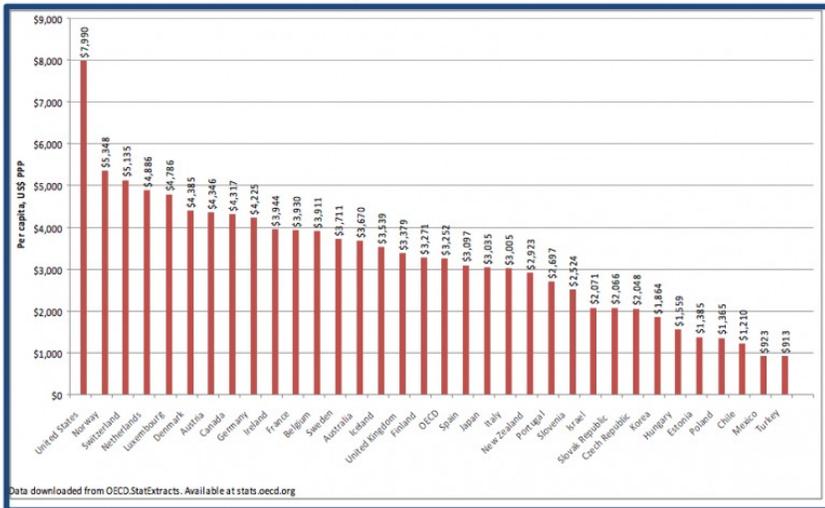
These people aren't just ill. They're poor. They have mental health problems. They're dependent on wheelchairs. They have dementia or brain damage. They live in unsafe homes. They don't have cars. They're agoraphobic. They're worn down by chronic pain. They're stubborn. They're flaky. They're angry and they're fearful. They're bad at talking to authority and working through bureaucracies. They're wary of the medical system and cowed by doctors who don't seem to have time for them. They're locked into bad habits and used to bad environments.



Our health-care system can deal with very sick. Our health-care system is arguably the best in the world at dealing with the very sick. What we're bad at is dealing with everything that happens outside the hospital -- all the things that keep making these people very sick. And so long as all those other things go unfixed, these people keep getting sick, and they keep racking up huge bills -- not to mention facing enormous suffering.

Yale's Elizabeth Bradley conducted a [striking study](#) making this point. She begins with a graph you've seen before. The United States spends much more on health care than does any other developed nation:

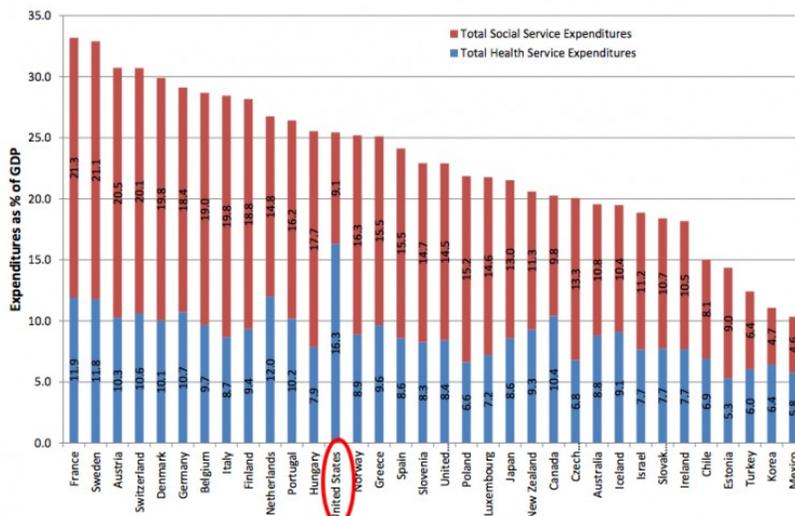
Spending on health care



But our health outcomes don't reflect our investment in health care. We're 25th in maternal mortality; 26th in life expectancy; 28th in low birth weight; 31st in infant mortality.

The reasons behind those low rankings are complex. But one is that even as we spend lavishly on health care we're stingy on the other kinds of spending that support good health:

Total health care investment in US is less



In OECD, for every \$1 spent on health care, about \$2 is spent on social services
 In the US, for \$1 spent on health care, about 55 cents is spent on social services

Other developed countries spend twice as much on social services as on raw health care. The United States spends half as much on social services as on raw health care. Further

research Bradley conducted confirms the result: More social spending is associated with better health outcomes, even when the United States is removed from the sample.

Bradley's research included interviewing medical workers. A common theme, she reports, is that "the health care sector is bearing the brunt of an inadequate social service sector." That's a burden it simply can't bear.

You could hear that clearly from the groups at the conference. They were achieving remarkable health outcomes, but it wasn't because they'd invented new pills, or new surgeries. It was because they were doing the difficult, unglamorous work of providing social services and ongoing support to people who are otherwise very sick and very alone.

They visit them every week. They remind them to take their pills. They help them coordinate mental health care. They watch for signs of domestic abuse. They explain what doctors are too busy to clarify. They answer questions people think are too stupid to ask. They work on all the things that make the 5 percent so difficult for the medical system to help so that the only thing the medical system needs to do is work on what happens when the 5 percent become really, truly sick.

It's easy to hear about the 5 percent and assume all they need is more or better medical care. But that assumption is part of why we're doing such a terrible job managing their health -- and their costs.

Related: [If this was a pill, you'd do anything to get it.](#)



Ezra Klein is the editor of Wonkblog and a columnist at the Washington Post, as well as a contributor to MSNBC and Bloomberg. His work focuses on domestic and economic policymaking, as well as the political system that's constantly screwing it up. He really likes graphs, and is on [Twitter](#), [Google+](#) and [Facebook](#). E-mail him [here](#).



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GMScan1 wrote:
9/20/2013 11:36 AM PDT

There is nothing new here. Many of us have been saying for decades that the usual measures of the health care system -- infant mortality, life expectancy, obesity, etc. -- have next to nothing to do with medical care. They are the result of diet, education, drug abuse, violence, and so on. But the Socialists always plug their ears to avoid hearing that. They have a political agenda to nationalize the health care system and nothing else matters to them.

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steveh46 responds:
9/20/2013 12:11 PM PDT

So you support greater social services?

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1MrUcla responds:
9/20/2013 12:12 PM PDT

Yeah. Well, we'll see when your job gets outsourced, or you get reorganized out, your company bails on your pension and healthcare, when you are denied health insurance for your pre-existing condition after your heart attack, diabetes, emphysema, high blood pressure, injuries from a car accident, when you are unable to work from a back injury sustained doing work on your house, when your spouse dies and your kids live too far away to help you get to the doctors, when there is no Meals on W/heels to make sure you can get fed, when your 401k and IRA are worth nothing after the next financial crash, when your house gets hit by a falling tree in a storm and you don't have the money to repair it, when your friends have all gotten too sick, died off or moved to Arizona, when you have no one and nothing, when your eyesight and hearing go bad and you miss payments on bills you can't read, when your dementia from Alzheimer's kicks in and you can't remember to take your pills, or you take too many, or your arthritis prevents you from being able to open the pill bottles on your heart medication..we'll see. The odds are really good you are going to wind up in that 5%. Then we'll see. And, if you are lucky enough to avoid any or all of that, then you can help your mom, dad, brother, friend, sister, or even your partner through it. You would do well to read the 115th Psalm and pray for your eyes to be opened.

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Wil Lobach wrote:
9/20/2013 9:44 AM PDT

This is when a general knowledge of statistics comes in handy. The first thing one might consider when looking at dramatically skewed graphs is the increments in which they climb by (X or Y). It's easy to make a mountain out of a mole hill. I probably should note that I'm neither democratic nor republican, since the ironic thing is that I'd be accused of bias when describing bias in this report.

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steveh46 responds:
9/20/2013 12:14 PM PDT

Which graph are you speaking of, or is it both? The first graph is pretty clear.

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Paco Piblasso responds:
9/20/2013 1:56 PM PDT

The graphs seem very clear. However, the steps leading from the first graph (top 5% consume 50% of resources) to the conclusion (we need more social services) leave out a few things.

1) what does that first graph look like for other countries? is this top5% issue unique to the USA, or a common one?

2) who are the top 5%? Are they people who have great health insurance who live to be 90 on heroic lifesaving equipment after multiple elective procedures and organ transplants, or are they people who fall through the social net and end up costing us a ton down the road? The article asserts the latter but I see nothing offered to back that up.

It's visually compelling, but let's not skip the numbers.

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Rickthinks wrote:
9/20/2013 9:01 AM PDT

Does the same statistics on social service and health costs apply to education as well???

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Liz_B wrote:
9/20/2013 6:39 AM PDT

An eloquent description of how so many people end up in the 5%. Makes me wish Congress and the White House weren't raiding the Public Health and Prevention Fund for other purposes -- this money supports community-based prevention efforts (tobacco cessation, increasing physical activity, etc.) and other public health initiatives that would give future generations a better shot at avoiding the spiral of disease and disability. <http://scienceblogs.com/thepumhandle/2011/04/14/h...>

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platon201 wrote:
9/20/2013 6:19 AM PDT

Ezra's post is solid. My question -- since we know that social welfare has a lot to do with health, why is the US medical system being blamed for poor outcomes? The blame resides with the social welfare system, not the medical system.

Is it really the responsibility of the doctor to find out why the patient doesn't have a car or why they don't have enough food at home? That's a waste of the doctor's time. A social worker would be a FAR BETTER person to deal with that stuff. Do you think doctors in Europe actually spend time going into that stuff? Of course not.

The US healthcare system is being blamed for poor outcomes that have nothing to do with the actual care provided.

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peterschamberlain responds:
9/20/2013 12:37 PM PDT

The patient doesn't have a car because he has a vision problem and can't get a driver's license or drive without one as so many others do. The reason the patient has mental health issues just may, in my professional experience, be traceable in part to the fact that her father raped her as a child and she never got the help she needed because the "powers that be" didn't want to have to admit what half the town knew and the other half should about their politicians. There isn't enough mental or other health care available, despite our wild expenditures (which mostly go to overhead and buildings and profits) for children, for example, for love or money. A child can get contraceptives or an abortion but

can't get protection from abusive wealthy parents, teachers, officers, etc., or care and treatment for mental health issues or much else. Have you ever tried to get protection or health care for a child client? God help the kid if he or she also happens to be born poor or to parents who have been offshored out of the self-supporting work force.

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INretiree wrote:

9/19/2013 11:57 PM PDT

Thanks Ezra, for both this article and your "if this was a pill" article. My parents are both around 90 years old, and the scenarios you described, and especially the older folks described in the "pill" article, just hit me like a sledge hammer. My parents are fighting like hell to retain their independence, but are rapidly getting to the point that I am going to have to be the bad guy I don't want to be (I've been determined to give them their independence for as long as I could). It would be so nice to have an advocate, a medical person, to help ease their transition into an assisted facility, and to make sure that they are taking their meds in the proper manner, among other things. I'm retired, and go to their house every day without fail, but still, I don't always know what's going on. In no way do I want to see layoffs resulting from the shutdowns of hospitals, but yet, if there is a better way of treating the elderly and the "5%" you describe, some progress must be made. After all, most of us will be there ourselves one of these days.

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Mozartman wrote:

9/19/2013 6:09 PM PDT

It would be interesting to overlay the wealth distribution chart of the US to the first chart. Probably looks the same. Neither chart makes for a healthy society, literally and figuratively.

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drpati wrote:

9/19/2013 4:31 PM PDT

This is true, but it leaves out the fact that the 5% change year to year. It's not that 5% of our population will overuse health care throughout their life. It's five % a year, and your chances of ending up in that 5% over 20 years are closer to 100% than 5%. Everyone will eventually end up in that sector unless they die suddenly of an unexpected reason (trauma, etc.). So this is a relatively faulty statistic. If you follow a "normal" trajectory, you will eventually spend a year or two in that 5%.

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XCONSERVE responds:

9/19/2013 5:51 PM PDT

I'm not certain at all, that you are correct. I've read reports where many of these folks live for 5 years and more, and we pay for them indefinitely.

And for most of us, the big spending is on the last months of our life, and that doesn't last two years for everyone.

So you are partially correct, but you over generalize. An unhealthy diabetic can live for a decade!

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Paco Piblasso responds:

9/20/2013 1:58 PM PDT

So, the chart is ambiguous as presented. I wonder which it represents, annual or lifetime.

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thoen wrote:

9/19/2013 3:39 PM PDT

Simply listen to the people of Texas at the Republican debate" "Let him die."

Get used to hearing that. The America people have become one of, if not the most selfish people on earth.

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peterschamberlain responds:

9/20/2013 12:48 PM PDT

It wasn't "the people of Texas." It was current Governor and would-be Presidential candidate Rick Perry caught in an unguarded moment.

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daveandglenda responds:

9/20/2013 10:49 PM PDT

who were elected by Texans.

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pdquick wrote:

9/19/2013 2:05 PM PDT

What's missing from this otherwise excellent article is that the very tools that have been implemented far and wide to reduce costs--restrictive networks and formularies, deductibles, and copays--actually tend drive costs up in this segment of the population. Follow the link above to Atul Gawande's article on hotspots for a better treatment of this. The PPACA favors these approaches to cost control, and might paradoxically drive costs up.

Single-payer Medicare for all would have the benefit of removing these particular barriers to care. It would also reduce costs to state and local governments, for whom insurance for employees is a major constraint on provision of services. A consequence of this cost savings could be that state and local governments are in a better position to provide the social services desperately needed by vulnerable people.

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peterschamberlain responds:

9/20/2013 12:52 PM PDT

I agree with the first paragraph. These Draconian measures have still left us with high costs and worse care than other countries' less costly outcomes.

"Single payer" totally socialist health care, with the decisions made by the politicians and beaurocrats who are much of the problem, is not the best answer unless you have political "suck." But if you've dealt with both private insurance and financial conglomerates and state and federal politicians and beaurocrats, you end up wanting to consign both to the same prison cell.

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kerrrh wrote:

9/19/2013 1:05 PM PDT

Holy cow, I wish this was the direction the debate had taken after ACA passed, but alas...maybe next (? year, decade, lifetime).

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justaguy22 responds:
9/19/2013 2:06 PM PDT

Or better than that would for the debate have been about this prior to Obamacare passing.

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db_in_va responds:
9/20/2013 10:48 AM PDT

Obamacare was based on the assumption that new ways of delivering care were necessary (not to mention on financial models developed by Republicans decades ago). There are several billions of dollars of research being funded in demonstration projects and comparative effectiveness research that looks at how well non-traditional care models work to improve outcomes and control costs.

Unfortunately, all that got called rationing and death panels...so much for honest dialogue.

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michaelsbertrand wrote:
9/19/2013 12:50 PM PDT

good post - and a welcome breather from the political debates over health care. To borrow Dillinger's phrase, you gotta go where the money is!

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