Sometimes a change in perspective can lead to dramatic advances in healthcare. While much attention is focused on breakthrough scientific discoveries, often a simple shift in the way we look at a problem or collaborate on a solution can lead to better outcomes and reduce costs.

Take diabetes and heart failure, the top two chronic conditions for which better attention to the entire continuum of care is needed. In 2012, the United States spent a total of $276 billion treating these two diseases. If we could improve the management and control of both diseases, there is a potential savings of 196 billion over the next two decades.

Among patients with diabetes, foot ulcers are the most common cause of hospitalization. A surprising one-third (33 percent) of the $116 billion in direct costs of diabetes care in 2007 went toward treating these sores. Yet a 2011 analysis showed that the cost to treat patients (in commercial health plans) who received care from a podiatrist was $13,474 lower than among patients who didn’t receive podiatric care. This demonstrates how just one conversation between a doctor and patient can prevent costly healthcare utilization and ultimately improve outcomes for patients. Imagine if we could find ways to optimize all clinical care pathways with such a result.

Like patients with diabetes, those with heart failure also could benefit if the healthcare system paid more attention to value for patients through the entire continuum of care. Every year, about 1 million patients are hospitalized with heart failure at a price of $31 billion in direct and indirect costs.

At least half of these patients will be readmitted to the hospital within six months, with the majority of readmissions happening within the first 30 days.

To put this in economic terms, the average total cost of a heart failure hospitalization is $8,184, while the average reimbursement for such a visit is $6,111. That means that hospitals typically lose money on every patient that is admitted for heart failure.
When accounting for changing demographics, the cost to treat this progressive condition is expected to more than double to $70 billion by 2030.

What if a heart failure patient could receive an implantable device that would provide customized therapy in real time, resulting in fewer hospital visits? This has, in fact, become a reality. A new algorithm in Medtronic’s cardiac resynchronization therapy devices allows the device to tailor pacing minute by minute to the natural rhythm of the patient’s heart. In studies, these seemingly minor adjustments have cut heart failure 30-day readmissions rates almost in half, as well as significantly reducing the risk of heart failure hospitalizations.

This innovation in technology not only helps patients, but also makes sense financially for healthcare providers, systems and payers.

Advancing the use of remote patient monitoring and management can also lead to better long-term patient outcomes and reduced costs. Studies have demonstrated improved clinic efficiency, reductions in ER visits and a decrease in length of stay for heart failure patients who are remotely monitored. It can also improve patient-to-physician connectivity, enabling quicker response times to medical needs.

Unfortunately, remote patient monitoring and management has not realized its full potential due to lack of aligned financial incentives and a care delivery model that is still developing.

The increasing financial costs associated with treating chronic diseases require all of us in healthcare to not only adopt new technologies, but also new partnerships and business models. It also requires us to shift our focus from treating immediate, acute medical needs to improving our approach to the broader care continuum. While a change in perspective helps reveal opportunities for value, these types of efforts aren’t always easy. To capture value for stakeholders across the continuum of care, we all have to commit to working across boundaries, expanding our time horizons and taking calculated risks to innovate beyond technology.

Having worked in the area of health economics for more than 20 years, I can say that we are in an unprecedented time in which everyone in healthcare – from payers to providers to patients – is actively working toward the goal of value for patients. Medtronic is committed to tackling these challenges as a partner, not just as a technology developer, in order to ensure that patients with diabetes, heart failure and other chronic conditions receive the best quality care at the lowest cost.

Follow along as thought leaders discuss this critical topic in healthcare. If you would like to learn more about Medtronic’s efforts to innovate for value in healthcare, please sign up here.

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