

Smart Care California: Cut Wasteful Tests & Procedures Save Lives



You may not have heard of [Smart Care California](#), but that doesn't mean it

having an impact on a critical facet of medicine: testing and procedures. SCC is the state's answer to the national campaign known as Choosing Wisely, an initiative to trim superfluous or unneeded tests or treatments in healthcare, thereby saving (potentially long-term) hundreds of millions of dollars, and in some cases, even saving lives.

It's hard to pinpoint an exact figure, but industry experts estimate that around \$200 billion (within the country's \$3.4 trillion healthcare machine) is spent every year on tests or procedures that aren't absolutely necessary. Worse than the financial run-up, though, is the human cost: in far too many instances, unneeded treatment results in severe patient harm. Estimates put that figure at 30,000 fatalities per year.

Choosing Wisely asks practitioners to consider necessity of test and treatment

The American Board of Internal Medicine (ABIM) Foundation began Choosing Wisely in 2012, and one of its first steps was to ask medical societies to name tests or procedures that are often undertaken with little-to-no use for patients or diagnosticians.

Consumer Reports supports the campaign, and recommends that practitioners give their patients wallet-sized cards that include five questions to pose whenever a test or procedure is suggested by a provider. The questions seek to furnish the patient with as much information as possible about the necessity of the test or procedure, including potential risks or side effects of the recommended course of action; safer or simpler options; costs and insurance coverage; and the crystal-clear question, but one patients may overlook or feel sheepish about asking: "What happens if I don't do anything?"

Some California hospitals report savings with new approach...but is it enough?

Cedars-Sinai Medical Center in Los Angeles reported that it trimmed \$6 million in needless spending in 2013, Choosing Wisely's inaugural year. Certainly it's an impressive figure on its own, but when one considers that Cedars-Sinai reported \$3.3 billion in revenue for the fiscal year ending last June, and a net income of over \$300 million, it's clear that there's room to do more.

Sutter Health, a large Northern California hospital chain based in Sacramento, reports that it has implemented over 100 suggestions outlined in Choosing Wisely, along with its own efforts to make care more streamlined and consistent, and as a result it has reduced spending by \$66 million in the last five years. Over the course of those same years, Sutter declared \$2.7 billion in profits. For 2016 alone, it announced a revenue of close to \$12 billion and a profit of \$554 million.

Still, despite the relatively small proportion of savings, these are steps in the right direction and it's not unreasonable to believe

savings — and less risk to patients — will trend upward as SCC and Choosing Wisely are more widely implemented.

Critics say target should be expensive surgeries

Choosing Wisely does have critics within the industry, though, and the main criticism is that the campaign should shift its focus to riskier and more costly procedures like arthroscopic knee operations and some spinal surgeries. Daniel Wolfson is the chief operating officer at the ABIM Foundation; he said that the initial phases of the national campaign are geared at expanding awareness about unnecessary medical treatment or testing. “I think we need massive change and that takes 15 years,” he told *California Healthline*.

Similarly, Smart Care California is in its youth and therefore choosing its focus: for now, exploring ways to cut back on opioid prescriptions, decreasing the number of non-emergency cesarean sections, and promoting less invasive and less expensive treatments for low back pain. One of the provider requirements stipulated by the Covered California insurance exchange is low rates of C-sections, so SCC is certainly speaking to an industry trend of reducing unnecessary procedures.

Dr. Richard Sun is co-chair of SCC; he told *California Healthline* that lower back pain cost the California Public Employees’ Retirement System (CalPERS, an agency at which he is a consultant and that manages pension and health benefits for over a million and a half active and retired state employees) around \$107 million in 2015. “One challenge is developing metrics that everyone can agree upon to measure improvement,” he said.

Cutting waste versus maximizing revenue

Ann Marie Giusto is director of Sutter Health’s office of patient experience. She oversees a team whose job it is to encourage doctors to alter ingrained over-treatment or over-testing patterns. It’s not a job that is easy or straightforward, especially because no matter how amenable to change treating physicians might be, the behind-the-scenes hospital administration often holds the reins on maximizing reimbursement fees.

“We get real excited about a project with [ER] doctors on reducing CT scans for abdominal pain,” Giusto told *California Healthline*. “Then I can hear the administration say that was a fee-for-service patient. I just lost money, right?”

This blog post is provided for educational purposes only and is not offered as, and should not be relied on as, legal advice. Any individual or entity reading this information should consult an attorney for their particular situation. For more information/questions regarding any legal matters, please email info@nelsonhardiman.com or call 310.203.2800.