

## *Addressing the Looming Healthcare Crisis*

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Health care costs are rising at an unsustainable rate. Healthcare systems around the world and in the United States face an inevitable crisis unless circumstances change. Costs are rising rapidly, the quality of care is poor or inconsistent, and access or choice in many countries is inadequate. The current paths of many healthcare systems will become unsustainable by 2015, according to many experts.

Closer to home, the United States spends 22 percent more than second-ranked Luxembourg, 49 percent more than third-ranked Switzerland on healthcare per capita, and 2.4 times the average of the other OECD countries. Yet, the World Health Organization ranks the United States 37th in overall health system performance.

Current approaches to health care fail to address the long-term problems. Financial constraints, counterproductive societal expectations and norms, the lack of alignment in incentives, short-term thinking, and the inability to access and share critical information all inhibit change in healthcare systems. If the willingness and ability to change cannot be mustered, the result will be a scenario in which the situation for virtually all stakeholders in the healthcare system deteriorates.

We need to restructure the health care market for better accountability and management. There is a more positive scenario, but it will require new levels of accountability, tough decisions, and collaborative hard work on the part of all stakeholders. Restructuring the healthcare market to allow better management of technology and health care services offers one way out of the looming crisis. If stakeholders can act with accountability and demonstrate the willingness and ability to change, they can better harness the drivers of change and achieve a positive transformation. These healthcare systems will become national assets rather than liabilities. They can help their citizens lead healthier, more productive lives, and their countries and companies compete globally. They will also help these countries win a competitive advantage in the emerging global healthcare industry

We need to realign health care providers to focus more on prevention and improved health care outcomes. Healthcare providers expand their current focus on episodic, acute care to encompass the enhanced management of chronic diseases and the life-long prediction and prevention of illness.

- Consumers assume personal responsibility for their health and for maximizing the value they receive from a transformed healthcare system.
- Payers and health plans help consumers remain healthy and get more value from the healthcare system and assist care delivery organizations and clinicians in delivering higher value healthcare.
- Suppliers work collaboratively with care delivery organizations, clinicians, and patients to produce products that improve outcomes or provide equivalent outcomes at lower costs.

- Societies make realistic, rational decisions regarding lifestyle expectations, acceptable behaviors, and how much healthcare will be a societal right versus a market service.
- Governments address the unsustainable nature of the current system by providing the leadership and political will power needed to remove obstacles, encourage innovation, and guide their nations to sustainable solutions. ■

## Resources

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["Healthcare 2015: Win-Win or Lose-Lose?" \(IBM Institute for Business Value White Paper\) 2007.](#)



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