Economics of Change
Affordability of a Learning Health System

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April 12, 2013
Fundamental Equation

Total Cost = Cost Per Use x No. of Uses

- Reduce by Provider Process Mapping and (Re)Design, Pay for Outcomes, Etc.
- Reduce by Prevention & Wellness and Chronic Disease Management
Key Challenges

• What is the “As Is” and “To Be” LHS?
• How best to transform “As Is” to “To Be”?
• Investment required for transformation
• Affordability of the transformation
  – Who invests? Who benefits?
  – 20% of GDP available if LHS is whole system
• Public-sector incentive and inhibitions as “tipping points” to motivate private-sector investment and innovation
Research Questions

• What incentives, inhibitions, and information flows sustain the “as is” system?
• What incentives, inhibitions, and information flows would motivate and enable the “to be” system?
• How will the roles of major stakeholders change in the “to be” system?
• How are major stakeholders likely to respond, over time, to pressures for change?
• Who will have what leverage in shaping the transformation of the system?
• What historical analogs can be studied to help understand the likely course of transformation?
• What methods and metrics can provide feedback and guidance over the course of the transformation?