

Wisconsin third-best state for health care efficiency

High-quality care boosts efficiency, patient satisfaction, better outcomes

WHITEWATER (Oct. 13, 2015) -- A new study by the University of Wisconsin-Whitewater found Wisconsin's health care system is the third-most efficient in the country. That is good news for consumers and employers, according to the Wisconsin Hospital Association.

"Wisconsin hospitals and health systems are making steady progress to improve patient safety, decrease readmissions, and improve the quality of care," according to WHA President/CEO Eric Borgerding. "We know that quality improvement also has an impact on efficiency and cost. Our goal is to increase the value of health care, and while we are not there yet, we are on the right path."

The study by Russell Kashian, professor of economics at UW-Whitewater, found that Wisconsin uses its health care delivery system resources more efficiently than all but two states – Hawaii, which was first, and Iowa. Minnesota was the fourth-most efficient state.

Supported by the Wisconsin Hospital Association, the study was designed to provide employers a better perspective on whether their investments in employee health care are providing a good return on the dollars spent compared to other states. Kashian used financial and human resource data along with patient satisfaction scores and studies that measured patients' access to care over a five-year period (2008-2012).

Efficiency is important in all industries because it influences cost, according to Kashian. As efficiency increases, costs decrease. Health care costs are a significant concern for consumers, but for employers, cost is especially relevant.

"Since employers pay a portion of employee health premiums, improvements in how efficiently resources are used in health care help moderate or reduce costs," Kashian said. "High-quality care translates into good health outcomes that ensure employees return to work and to their normal activities faster. That reduces costs associated with absenteeism and creates a positive work environment."

To develop an acceptable comparison mechanism, Kashian and his research team created an index of outputs that were common to all 50 states. The outputs compared how well states were doing on measures related to quality of care, patients' satisfaction with the care they received and health outcomes. It also took

health insurance coverage rates and life expectancy for patients being treated for chronic diseases.

State	Technical Efficiency Rank 2008-2012
Hawaii	1
Iowa	2
Wisconsin	3
Minnesota	4
Massachusetts	5
Maine	6
Utah	7
District of Columbia	8
Nebraska	9
Michigan	10

Media contacts:

Jeff Angileri

UW-Whitewater

262-472-1195

angilerj@uww.edu

Mary Kay Grasmick

Wisconsin Hospital Association

608-274-1820

mgramick@wha.org