

Shared Decision-Making & Racial or Ethnic Concordance Reduces Health Expenditures

CONVERSATION WITH THE RESEARCHER

"These findings present a win-win situation in health care: patients receive care they prefer and health plans save money."



Timothy T. Brown, PhD, University of California, Berkeley

Q: Why are the findings of this study important?

A: These findings present a win-win situation in healthcare: patients receive care they prefer and health plans save money. The findings also present one element of a strong policy and business case for training more Black and Hispanic clinicians.

Q: What are some next steps for policymakers and health care organizations interested in improving SDM and addressing racial and ethnic disparities?

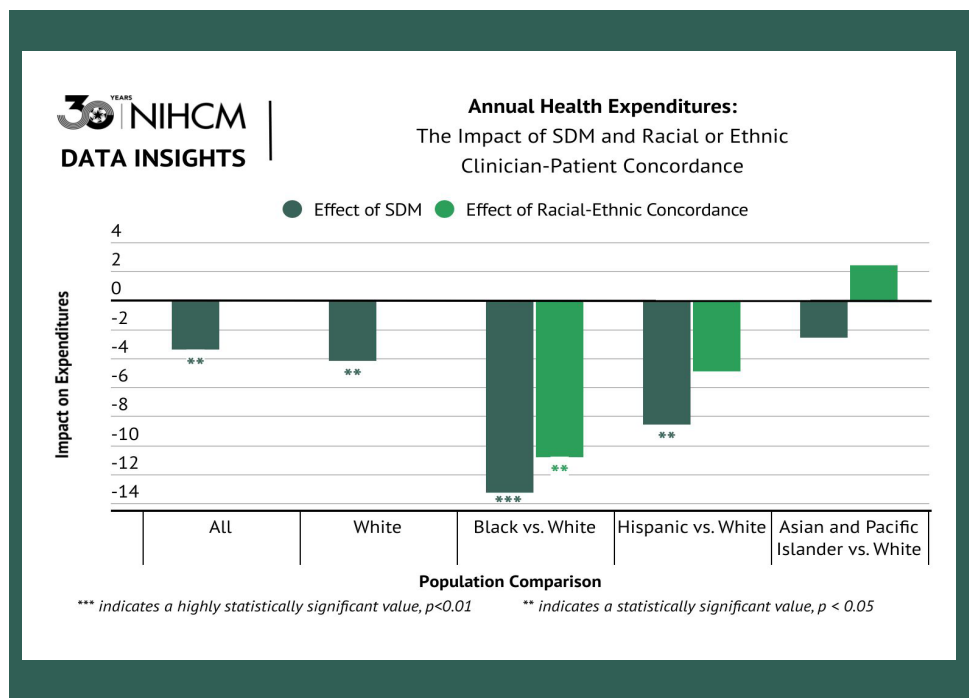
A: There are two key steps. The first is to increase the proportion of clinicians that are Black or Hispanic (this includes physicians, advanced practice nurses, and physician assistants). The second step is for medical organizations to determine the extent to which shared decision making is practiced by their clinicians and provide help to those clinicians who need improvement.

Q: Do you foresee racial and ethnic concordance improving despite health care workforce shortages?

A: Despite shortages, private foundations could rapidly create change, adding additional programs to produce more Black and Hispanic clinicians. But, long-term, government action is needed.

SYNOPSIS

Researchers found that a 3% increase in high-quality, shared decision-making (SDM) is associated with a 10% reduction in health care expenditures. Racially and ethnically concordant patient-clinician relationships increase the reduction, especially among Black patients seen by Black clinicians. The findings may inform policies intended to address disparities in health care and reduce the risk of health care overutilization, without compromising quality of care.



SHARED DECISION-MAKING REDUCES EXPENDITURES

Shared decision-making, or high-quality clinician-patient communication, plays an imperative role in reducing health expenditures by more closely aligning treatment decisions with patient preferences and values. It may also lead to improved clinician engagement, the initiation of superior treatment, and better health outcomes. Yet, only 45% of patients report experiencing SDM at its highest level. These clinician-patient relationships are further benefited when racially or ethnically concordant, when there is a shared racial or ethnic identity between a clinician and patient.

This study may be beneficial to policymakers and health care organizations seeking to reduce expenditures without negatively impacting patient health outcomes. The value of SDM highlights the need for improved evidence-based standards and incentives for health care organizations to adopt this mechanism of addressing racial or ethnic disparities in care. To maximize the value of SDM, efforts should be strengthened to increase the racial and ethnic diversity of the health care workforce to be representative of the populations they serve and to expand opportunities for racially and ethnically concordant clinician-patient relationships.

STUDY METHODS

This study analyzed data from the Integrated Public Use Microdata Series (IPUMS) Medical Expenditure Panel Survey (MEPS) from 2003 to 2017 using instrumental variables regression. Due to survey question changes, 2018 and 2019 data was not included in the study dataset. Each included survey respondent was required to have at least one clinician visit within the prior 12 months. The study may contain random measurement error as answers to the study SDM questions may refer to a single clinician, despite some patients seeing different clinicians.

CITATION

Brown, Timothy T. PhD; Hurley, Vanessa B. PhD, MPH; Rodriguez, Hector P. PhD, MPH; Lee, Jady; Gupta, Neel; Toolsie, Grace; Markarian, Sione BA; Valenzuela, Sofia. Shared Decision-making Lowers Medical Expenditures and the Effect is Amplified in Racially-Ethnically Concordant Relationships. Medical Care | DOI: 10.1097/MLR.0000000000001881

FOR MORE INFORMATION

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KEY FINDINGS

This study used data from 60,584 patients over 15 years, looking at Black patients and clinicians, White patients and clinicians, Hispanic patients and clinicians, and Asian and Pacific Islander patients and clinicians.

Annual General Health Expenditures:

- Higher levels of SDM reduced overall health expenditures. This study found that a 3% increase in high-quality SDM could cause a 10% reduction in annual health expenditures.
Very large reductions were observed among Black patients seen by Black clinicians.

Annual Outpatient Expenditures:

- Racial concordance was found to reduce annual outpatient expenditures for both Black patients seen by Black clinicians and Hispanic patients seen by Hispanic clinicians.
No significant effects were reported for Asian and Pacific Islander patients and clinicians.

Other Outcomes:

- SDM was not found to impact drug expenditures, inpatient care utilization, or patient physical or mental health.
There was a small overall effect reported on emergency department (ED) use, specifically among Asian and Pacific Islanders, who when seen by Asian and Pacific Islander clinicians, were more likely to visit the ED.
Over the study period, levels of racial and ethnic clinician-patient concordance across all groups did not improve.

