ABSTRACT Health investments, defined as formal expenditures to either produce or care for health, in the US are extremely inefficient and have yet to unlock the country’s full potential for equitable health and well-being. A major reason for such poor performance is that the US health investment portfolio is out of balance, with too much spent on certain aspects of health care and not enough spent to ensure social, economic, and environmental conditions that are vital to maintaining health and well-being. This commentary summarizes the evidence for this assertion, along with the opportunities and challenges involved in rebalancing investments in ways that would improve overall population health, reduce health gaps, and help build a culture of health for all Americans.

In 1997 one of the authors (David Kindig) wrote: “Population health improvement will not be achieved until appropriate financial incentives are designed for this outcome.” This statement highlighted the need for Americans to purchase population health through very different patterns of investment. Yet most indicators confirm that US outcomes two decades later are not much better or are getting worse and that Americans have not established strong financial incentives linked to equitable health and well-being.2

The dominant paradigm incorrectly assumes that health is produced when we pay for health care. The sum of the National Health Expenditure Accounts is now approximately $3.3 trillion (about 18 percent of the gross domestic product (GDP)).3 This figure is widely cited as representing total US health expenditures, even though it mainly reflects the costs of care when people get sick or injured, not the balance of investments they depend on to safeguard health and well-being.

The limitations of this partial view of cost accounting are becoming increasingly clear, as decades of research have shown that health is shaped far more by behavioral, socioeconomic, and environmental factors than by clinical care alone.4

Unfortunately, a more inclusive understanding of how to invest in health and well-being—as well as of the mechanisms needed to finance it at scale—is still primitive and not seen by many people as even necessary.

In 2015 the Robert Wood Johnson Foundation embarked on a new path to improve overall health outcomes and reduce gaps by dedicating itself to “building a culture of health for all Americans.”5 Compared to its prior focus on “improving health and health care,” this new direction is much broader and, in practice, depends on having a more balanced health investment portfolio. Consider, for example, the Culture of Health Action Framework, which includes explicit commitments to improving health, well-being, and equity by making health a shared value, fostering...
cross-sector collaboration, creating healthier and more equitable communities, and strengthening the integration of health services and systems. While the elements of a balanced investment portfolio are not yet fully developed in this framework, one of the suggested measures is social spending relative to health expenditure, with the explanation that “when the U.S. better balances and integrates social and health care services, we should see more people living healthier lives.”

In this commentary we address the following questions: What is the evidence that the current national portfolio is imbalanced? What would a balanced portfolio look like? Where are potential sources of funds for rebalancing? What will it take to negotiate better balance? What are the policy opportunities and obstacles? And how could further research inform more-balanced investments?

What Is The Evidence?
In general, it is likely that an imbalanced portfolio will be relatively inefficient (that is, generating less yield for the same level of investment). The US is an extreme global outlier for inefficient health care spending. In 2015 the US spent 17.2 percent of GDP, on health care—more than eight percentage points over the Organization for Economic Cooperation (OECD) average. In the same year, US life expectancy was 78.8 years—two years below the OECD average. Elizabeth Bradley and Lauren Taylor have demonstrated that national portfolios with a better balance between health care and social spending are indeed more efficient in getting better results.

To be clear, this evidence of inefficiency does not mean that all types of health care spending ought to be minimized. It is the expensive and inequitable spending on unnecessary and avoidable services that most need to be reduced through a better-balanced portfolio. The Institute of Medicine concluded in 2012 that the US spends too much—at least $750 billion annually—on certain aspects of health care that are ineffective and sometimes harmful.

What Would A Balanced Portfolio Look Like?
There is no clear consensus on what an optimal investment portfolio ought to be to ensure equitable health and well-being, either for a particular region or for the US as a whole. Robert Evans and Greg Stoddart noted in 2003 that “most students of population health cannot confidently answer with precision the question ‘Well, where would you put the money?’”

Fortunately, an impressive amount of policy guidance has accumulated since 2003 to support confidently proposing a long list of worthy investments. The online appendix contains a list of authoritative sources.

Such resources are indispensable when searching for singular policies and programs that deliver good value for equitable health and well-being. However, that is not the same task as constructing a balanced portfolio, with parts designed to yield even greater value together. There is both an art and a science to making judgments about portfolio design. In most cases, the chief challenge is to balance efforts to maintain a desired health state with efforts to cope with the consequences after health problems arise. Beyond that, it helps to differentiate among at least three levels of analysis.

The first-level portfolio design task is relatively straightforward. When one is focused on a specific type of illness or injury, the tendency has been to invest overwhelmingly in its diagnosis and treatment. Balancing entails making a greater effort to reduce risk and prevent onset in the first place.

At the second level, the task is to design a balanced portfolio for an entire regional health system, using summary measures of health such as quality-adjusted life-years or total cost of care. For example, an analysis using the ReThink Health Dynamics Model recently demonstrated why combined regional investments—encompassing efforts to deliver better health care and reform provider payment, enable healthier behaviors, and expand socioeconomic opportunities—are more likely to enhance health system performance.

A third level of analysis expands the boundary even wider to include all of the sectors that produce health and well-being. Here, too, ReThink Health has created a suite of portfolio design tools that distinguish between spending on urgent services; investments in vital conditions; and the civic muscle needed to alter the flow of money, policy, and power.

In related work, Leavitt Partners profiled several efforts to shift investment portfolios by better understanding the “total spend on health” in a state or region. This group observed that this inclusive level of analysis provides a clearer picture of current and potential allocation decisions.

What Are The Potential Sources Of Funds For Rebalancing?
Going forward, there is little doubt that new or realigned resources are needed to enhance health and well-being. Where might those re-
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**Social and Health Care Spending**
Over the past decade, a bipartisan movement has made “justice reinvestment” a new norm for financing a more balanced public safety portfolio, redirecting billions of dollars into safety and education by reducing costly incarceration and recidivism. A similar commitment to reinvesting gains differently is forming in the health sector, albeit more slowly. Leading reformers, including the Centers for Medicare and Medicaid Services, have begun to restructure both health care delivery and provider payment to deliver higher-value care at a lower cost. At the same time, Jeffrey McCullough and colleagues have sought to define how the eventual “health dividend” might be better invested. In addition, many policy analysts have called for hospitals to redirect approximately $24.6 billion in annual community benefit funding from primarily unreimbursed Medicaid spending to more effective community health improvement.

**Enhance Business Investments Beyond Corporate Social Responsibility**
Employers have a rich history of charity and a growing commitment to social responsibility. But they also have a strong economic stake in having a healthy, productive workforce. Dow Chemical Company’s former chief medical officer, Catherine Baase, has identified the following benefits for businesses when they invest in a more balanced portfolio: attracting and retaining talent, employee engagement, human performance, personal safety, manufacturing reliability, sustainability, and brand reputation.

**Strengthen Governmental Funding for Population Health Improvement at All Levels**
Many aspects of health and well-being are not commodities to be exchanged in a marketplace, but rather goods to be preserved through the commonwealth. Therefore, governments at every level are well positioned to balance investments through the use of tools such as appropriations, tax policies, and mandates. Even though federal, state, and local budgets may be stressed, government investments in population health and well-being are among the more promising opportunities to drive long-term economic and social vitality. In many jurisdictions, elected leaders and voters have come to support increased investments in programs such as early childhood development.

**Focus on Effective Philanthropy**
American philanthropies increasingly invest in long-term strategies to change entire systems, instead of small-scale projects. Many grant makers are also increasingly committed to their roles as economic anchors in their own regions, and so-called health legacy foundations (that is, those created from the sale of nonprofit hospitals) often have a unique mandate to invest in the overall health and well-being of a designated region.

What Will It Take To Negotiate A Balanced Portfolio?
In theory, a balanced portfolio could emerge naturally, as leaders in each sector pursue their respective goals and investments. There is ample evidence that under such current fragmented conditions, few—if any—places in the US are as healthy as they could be, and many appear to be getting worse. Innovators increasingly see multisector partnerships as a promising way to share resources, craft a combined strategy, and achieve common goals. Indeed, the RWJF Culture of Health Action Framework identifies fostering such collaboration as one of its central pillars. It is not easy to launch truly meaningful partnerships across sectors, and new research suggests that if partners want to change the structures that drive system performance (such as governance, goal setting, prioritization, measurement, and others), then they must develop a high level of maturity in at least three areas: broad stewardship, sound strategy, and sustainable financing. Similarly, David Kindig and George Isham suggest that partnerships ought to be designed around a “community health business model” so that they function as “integrators to align investments and activities across the multiple sectors.”

Partnerships must be strategic and interdependent—both operationally and economically. But a balanced portfolio will remain elusive as long as leaders confine their strongest commitments and priorities to separate projects and
organizations. Fortunately, there are reasons to believe that separate actors, even fiercely competitive ones, can steward common resources effectively.25

Landmark achievements in the health arena have demonstrated a similar capacity to channel resources into a portfolio of combined actions—for example, in the cases of smallpox eradication, comprehensive tobacco control, and HIV community planning. In addition, there has been much recent focus on finding win-win investments through health-in-all-policies programs, such as those in housing and economic development.26

Looking ahead, one signal that a portfolio mind-set may be taking hold is the shift from health care providers’ operating largely on their own to their being part of integrated practice groups and accountable care organizations. A new generation of Accountable Communities for Health is emerging to coordinate a vast portfolio of investments for health and well-being for an entire city, county, or region.27

What Are The Policy Opportunities And Obstacles?

One of the main obstacles to balancing the overall pattern of investment is the strong allegiance that many professionals naturally devote to their own organizational and financial interests.

Fortunately, this obstacle can be overcome without denying human nature. Instead, organizational structures and incentives can be designed that use wider definitions of success and new criteria for investment. Consider the growing popularity of place-based health rankings, cross-sector health impact assessments, and health care payment models that reward health value instead of the volume of care. Because these and other innovations concentrate attention on shared performance, as opposed to separate spheres of turf, planners and investors tend to think more about how different parts of a portfolio ought to come together to generate better results over time.

There are many other opportunities to create conditions favoring a more balanced portfolio. Some promising proposals include efforts to establish joint health and social budgeting; create wellness trusts; design tax policies to stimulate the supply of or demand for goods and services that affect health; create analytic tools to estimate risk and return for an entire portfolio, rather than for each separate investment; and train leaders to negotiate vested interests without disregarding their roles as stewards of a common system.

Planners and investors must also question the instinctive call for evidence about return on investment before investing differently. Calls for such evidence are often a thinly veiled attempt to conceal an unwillingness to do anything that might benefit new constituencies or disrupt business as usual.28 There is also often an unjustifiable double standard that demands extraordinary (often unrealistic) evidence for investments in behavioral, social, economic, or environmental conditions compared to a conspicuous absence of concern about the evidence of medical services’ cost-effectiveness.2,29,30

Finally, pressure to balance investment portfolios must come not only from those who endure unnecessary and unfair adversity, but also from those entities that pay the excess costs, such as self-insured employers, county governments, and Medicaid programs. Many economic costs of currently imbalanced investments often land most heavily on these entities, so they have the most to gain from a more balanced portfolio that is better able to safeguard health and well-being, while reducing the demand for the most costly services.

How Could Further Research Inform More Balanced Investments?

The sheer magnitude of human and financial issues at stake brings both practical and ethical imperatives to move now toward a more balanced portfolio. There are also many questions that research funders could prioritize to guide ongoing learning. Several urgent questions are described in more detail below.

WHAT IS THE COMPARATIVE EFFECTIVENESS OF INVESTMENTS? An impressive body of research reveals why health and well-being depend on much more than clinical care.4 However, more empirical studies could make the causal connections clearer for investment choices. Limitations
of data and methodology present challenges for policy-oriented research. But policy makers seldom possess—and rarely require—pristine academic science to craft sound policy. Research goals should be to understand what perpetuates imbalanced investment and to inform judgments about promising alternatives.

**IS IT POSSIBLE TO ESTABLISH INVESTMENT BENCHMARKS AND POLICY PACKAGES?** Researchers ought to assess the level of resources required to achieve expected results (including improving equity) and explore whether certain packages of combined investments are more likely than an isolated initiative to succeed in a particular place. We believe it is time for researchers to establish minimal benchmarks for population health investments. Packages of evidence-based policy options or profiles also could be designed to fit the circumstances of particular communities. For each profile, a set of intervention priorities and minimum investment benchmarks could be developed to guide portfolio decisions.

**WHAT CAN BE DONE TO ENHANCE THE CAPABILITY OF MULTISECTOR PARTNERSHIPS?** As discussed above, a balanced portfolio requires organizational partners that are willing to do business differently across sectors. Two previous issues of *Health Affairs* (November 2016 and January 2018) have highlighted many aspects of current investigation in this area, but the following three pressing lines of inquiry could inform the further evolution of multisector partnerships: What most affects the composition, activities, and effectiveness of partnerships themselves? What kinds of investment best strengthen their collaborative capacity? And what kinds of market or policy conditions best enable partnerships to form and succeed?

**WHAT DOES IT TAKE TO FRAME MESSAGES AND COMMUNICATE EFFECTIVELY WITH ALL AMERICANS?** Effective partnerships often involve people with diverse values and partisan orientations. The field of population health cannot reach its full potential if it is actually or perceived to be dominated only by liberals; therefore, it is necessary to find common ground by understanding and honoring those values that conservatives consider important. Efforts to position health as a shared value might not succeed without research to develop a pragmatic frame for communicating across political and cultural divides.

**Conclusion**

The US health investment portfolio is out of balance, with too much spent on some aspects of health care and not enough spent on more influential determinants needed to produce equitable health and well-being. It is unreasonable to expect a robust culture of health to emerge without a different portfolio of investments. With costs rising throughout the health care sector and so many lives and livelihoods at stake, how long can Americans afford not to make smarter investments? There is an urgent need to balance the country’s total health investment portfolio, building on the policy and research opportunities we have highlighted here.

**NOTES**

10. To access the appendix, click on the Details tab of the article online.
14. Becker S. Where can regions find the money needed for population health initiatives? ReThinker’s Blog [blog


