The US health care system is inefficient and needs rapid and significant change, a report from the Institute of Medicine of the National Academy of Sciences (www.iom.edu/) says. “The system is failing because it is poorly designed,” says William Richardson, chair of the committee that wrote the report, *Crossing the Quality Chasm: a New Health System for the 21st Century*.

The institute says the system’s 3 underlying problems are its failure to use evidence-based medicine, its inability to place the patient at the centre of the system and the lack of collaboration and communication among professions and organizations. “For even the most common conditions, such as breast cancer and diabetes, there are very few programs that use multidisciplinary teams to provide comprehensive services to patients,” says Richardson. “For too many patients, the health care system is a maze, and many do not receive the services from which they would likely benefit.”

The main problem, says committee member Donald Berwick, is that the US system has been designed to treat acute illnesses and today the emphasis has shifted to chronic care.

The report says the system should focus on changes such as a move to electronic medical records and switch its focus from acute care to the 15 chronic conditions that are the leading causes of illness, disability and death.

In an earlier report, *To Err is Human: Building a Safer Health System*, the institute stated that 98 000 Americans die annually due to medical error, but the latest paper says this is just “the tip of the iceberg,” and without substantial change problems will only increase.

It calls for a 3-year, $1-billion fund for pilot projects and information sharing that will focus on topics such as electronic patient records. Berwick, a clinical professor of pediatrics and health care policy at Harvard University, told CMAJ that improving the system will cost far more than $1 billion, but it will be money well spent. “Hundreds of billions of dollars are being flushed away because care isn’t related closely to need,” he says. He says that improved efficiency and better patient information and disease management could save the US system up to 30% of its annual outlay. — Barbara Sibbald, CMAJ