

# Health Care: The Quest for Higher Quality at more Affordable Cost

NATIONAL  
ACADEMY  
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INSURANCE

# John Rother

President and CEO

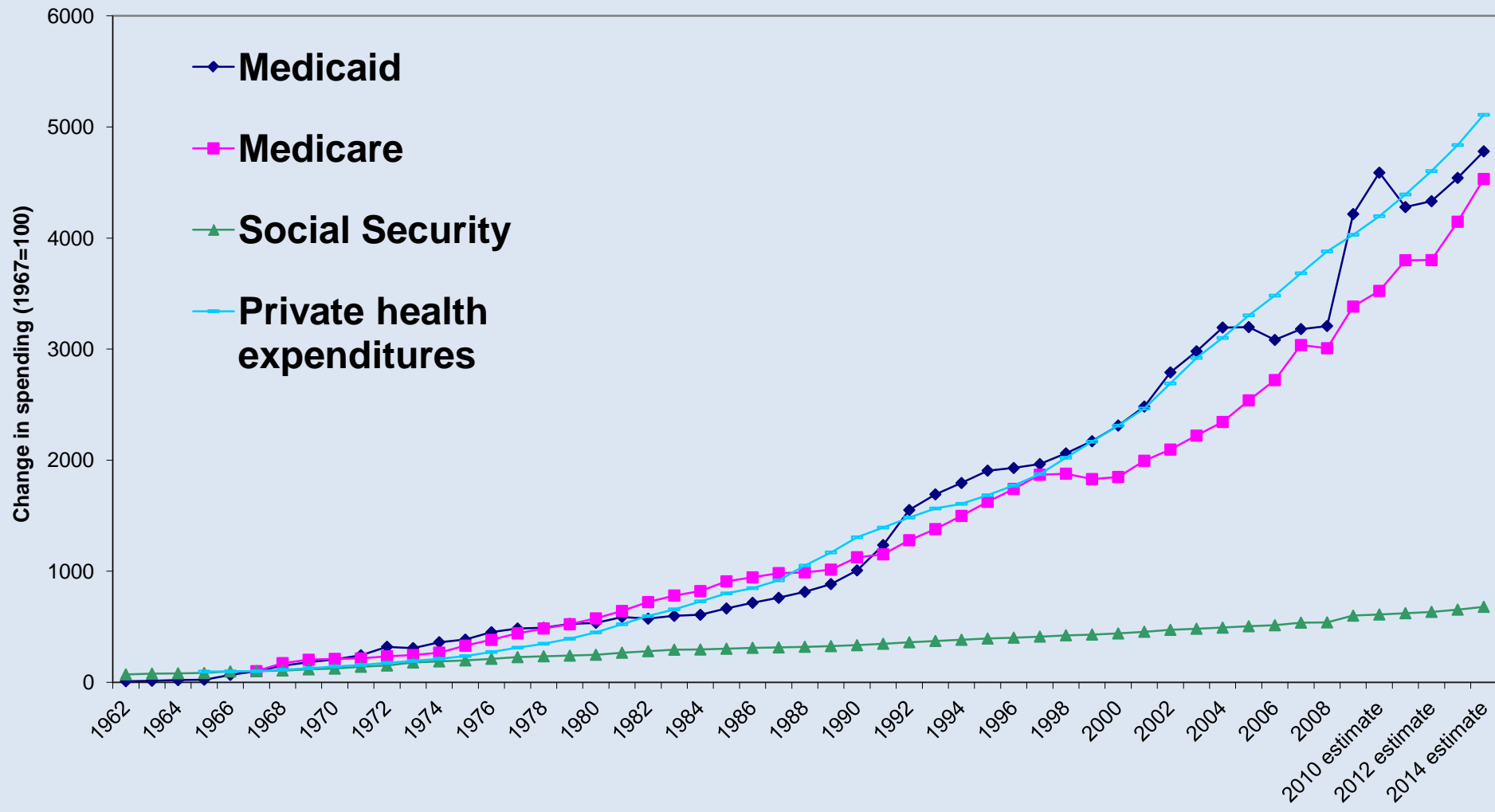


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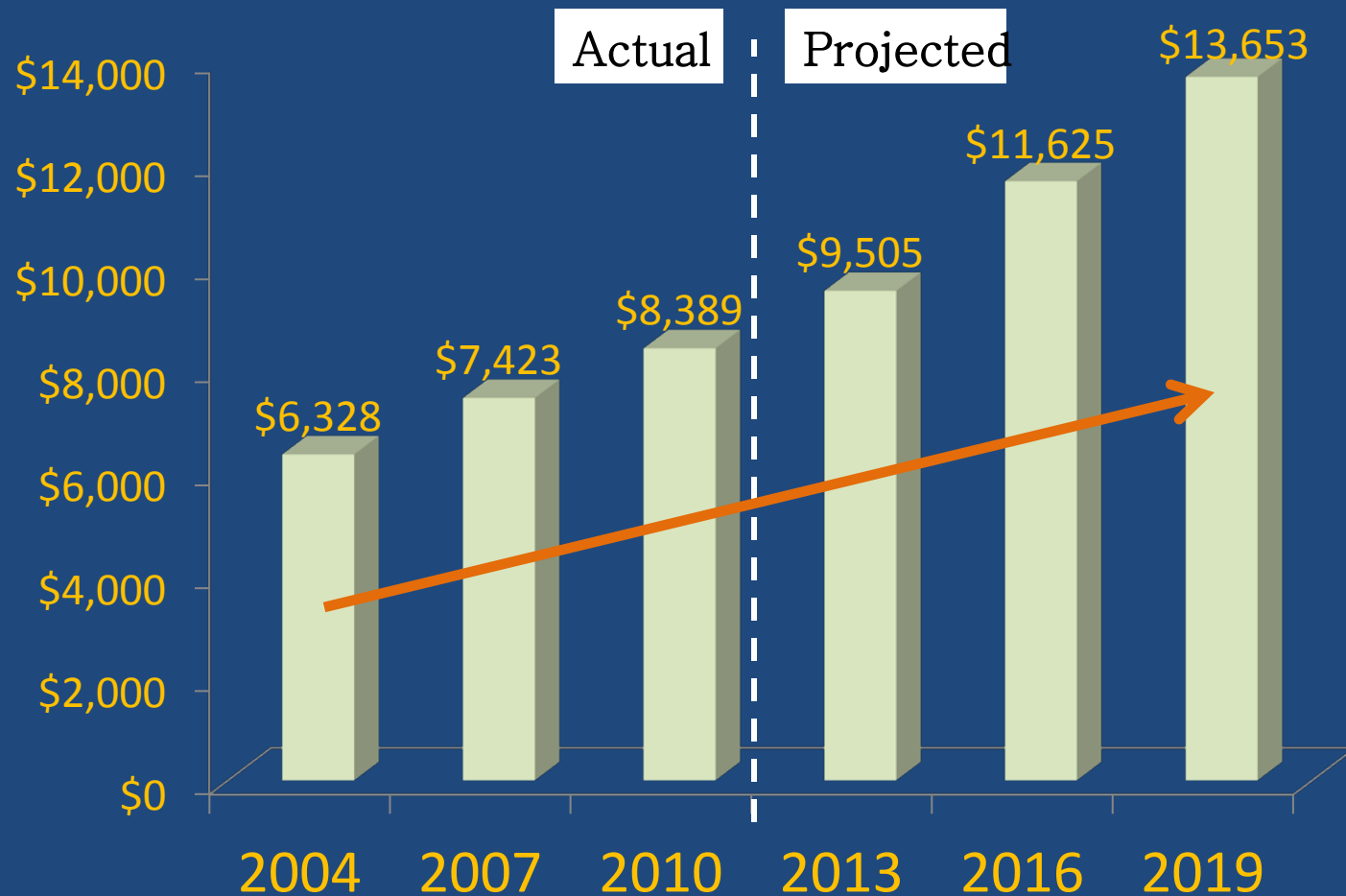
# The Challenge

# Health Care Costs Are Rising Rapidly in Every Sector—Affecting All Americans

**Growth over time in major categories of federal spending**



# Rise in Total Health Expenditure *per capita*

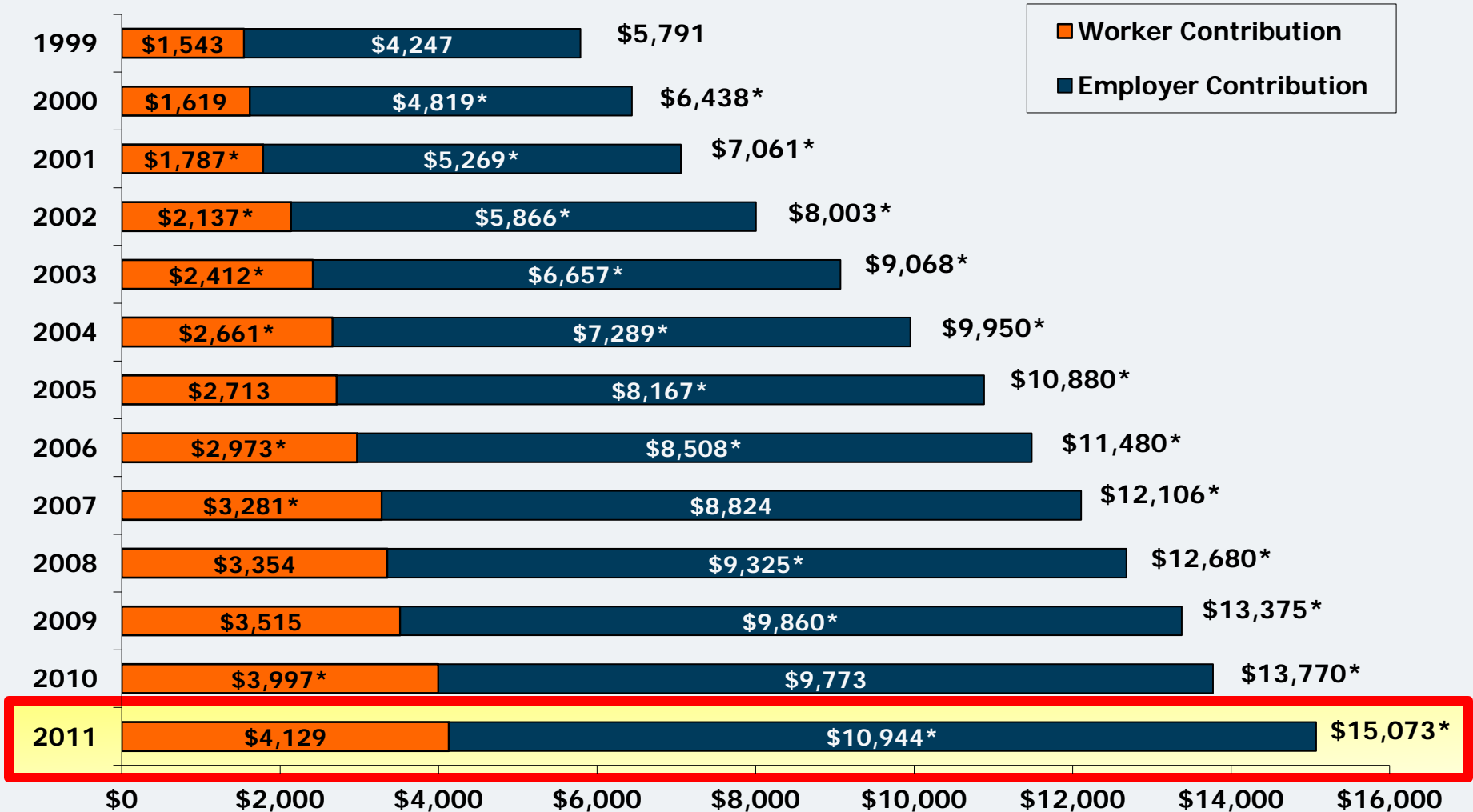


Source: Centers for Medicare and Medicaid Services, Office of the Actuary. Data from the National Health Expenditures, January 2010, accounting for impact of ACA.

# Private Sector Costs

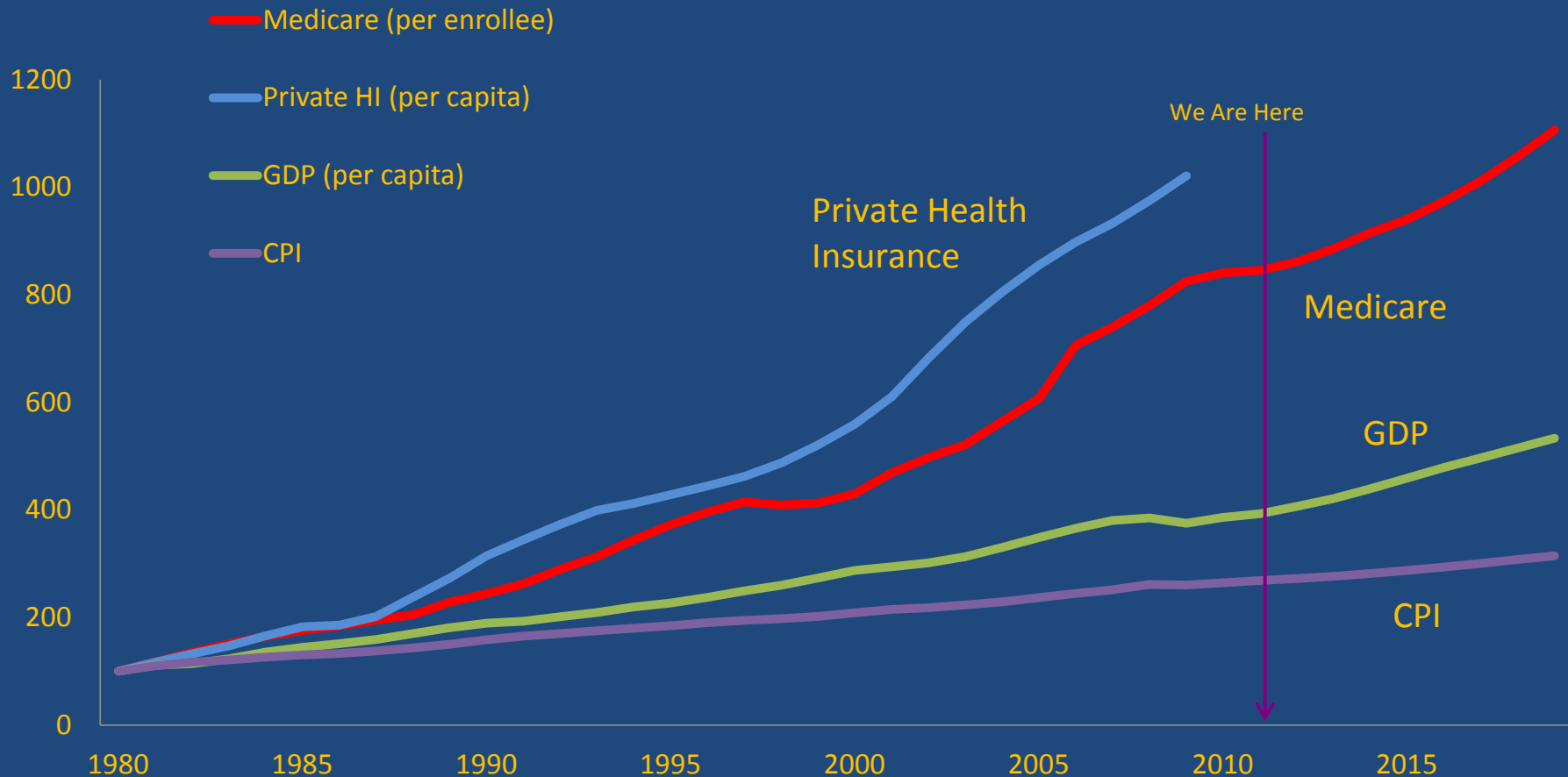


# Average Annual Worker and Employer Contributions to Premiums and Total Premiums for Family Coverage, 1999-2011



\* Estimate is statistically different from estimate for the previous year shown (p<.05).

# Comparing Medicare and Private Health Insurance Growth Rates



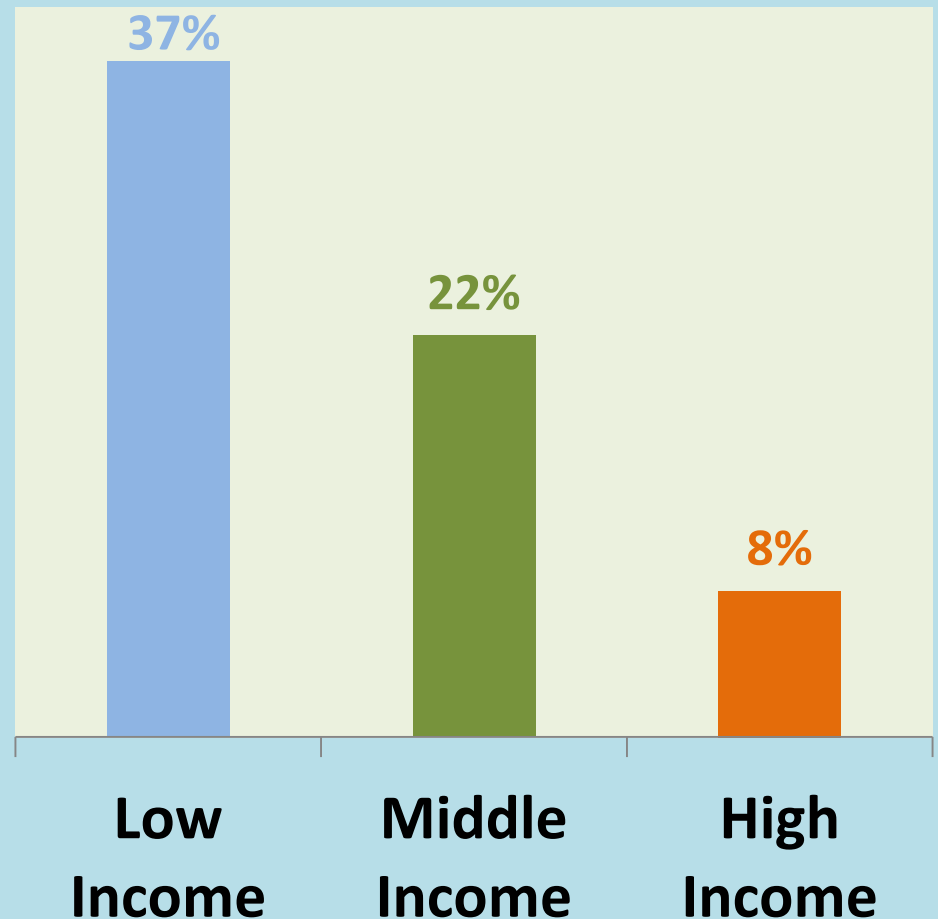


# Out-of-Pocket Burden for Employees

37% of low-income people and 22% of middle income people with private coverage spent

**more than 10%** of their household income on health care, compared with 8% of high-income people.

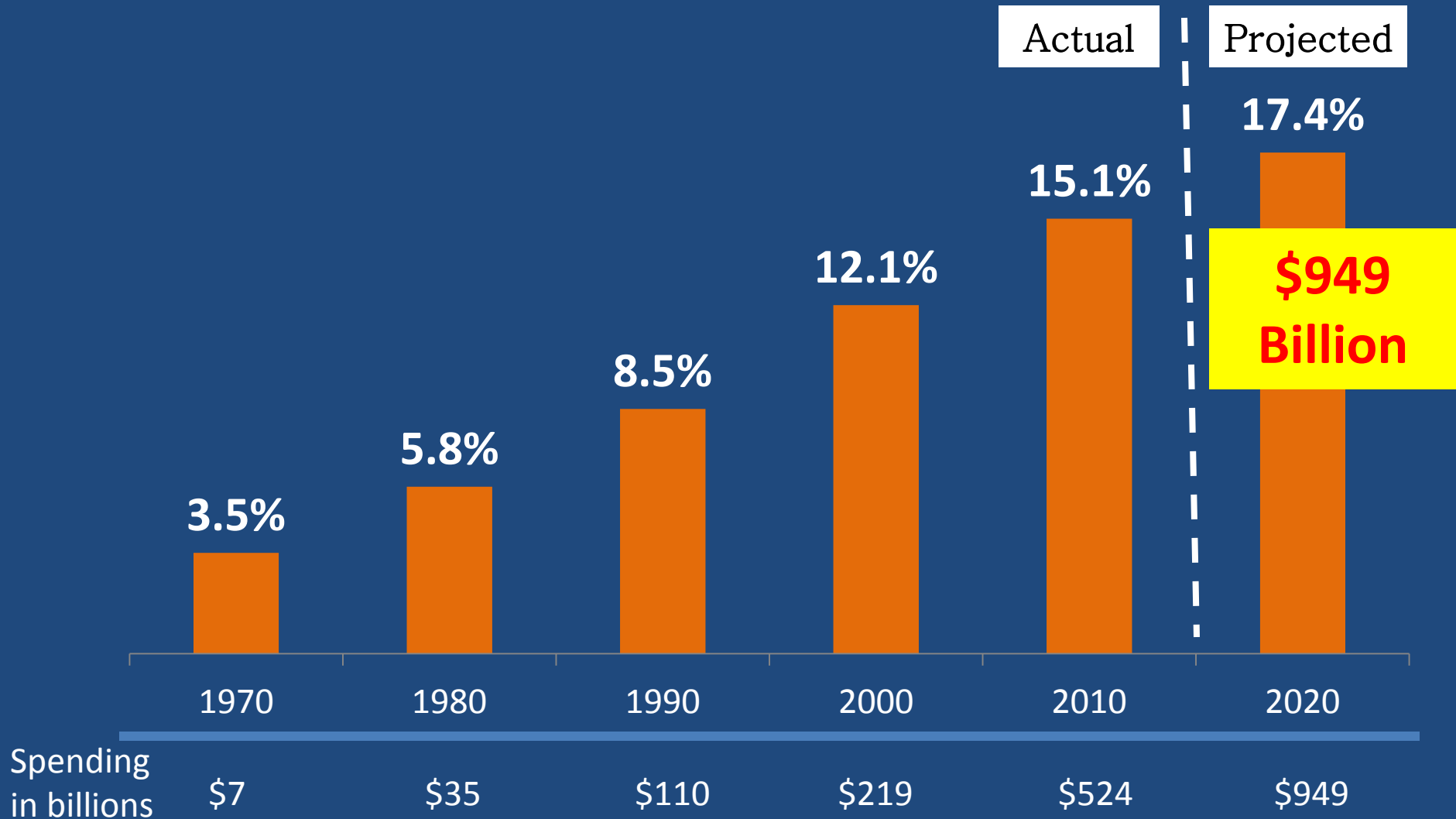
Percent who spent more than 10% on out-of-pocket health care costs as a percent of total income, by income level



# Public Sector Costs



# Medicare Spending as a Share of Federal Budget Outlays, 1970–2020

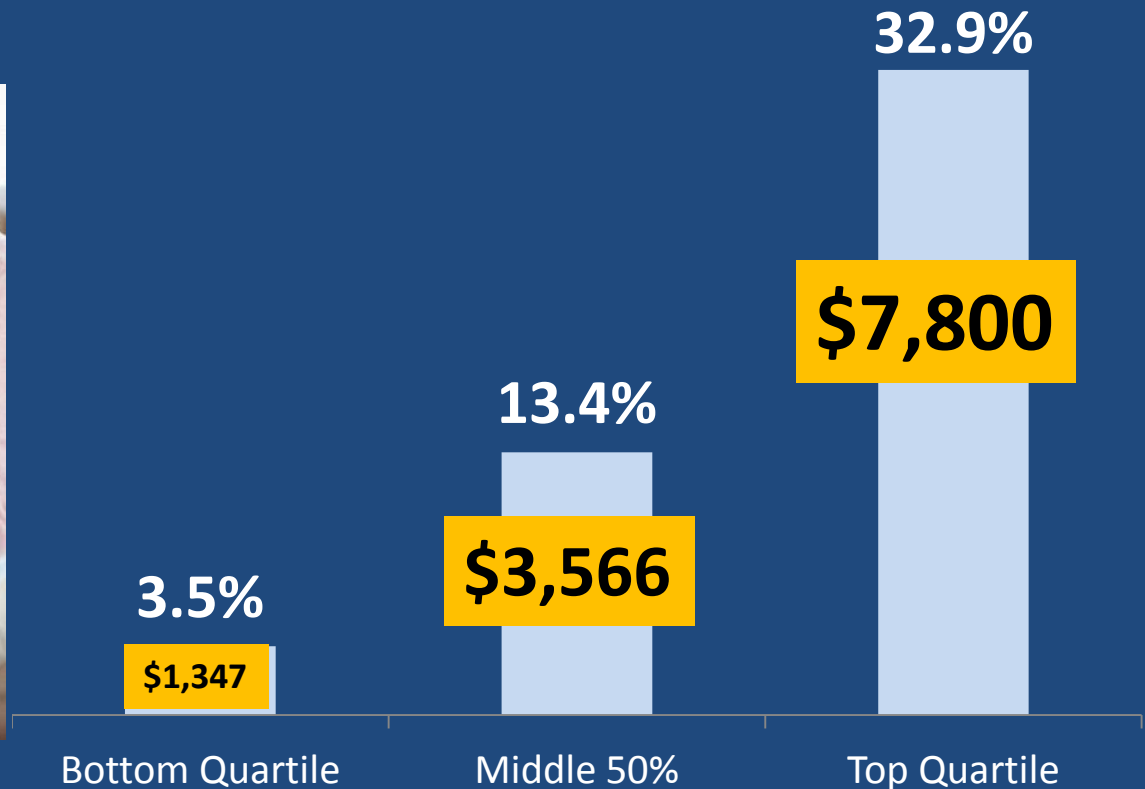


# Impact on Beneficiaries

## Mean Health Care Spending as a Share of Total Household Spending by Income Quartile for Medicare Beneficiaries

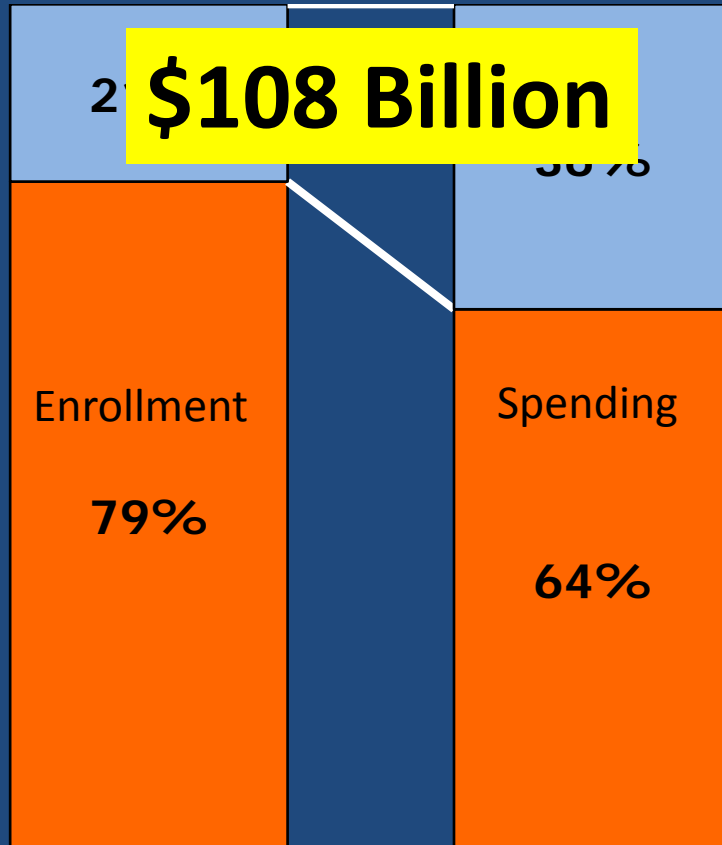


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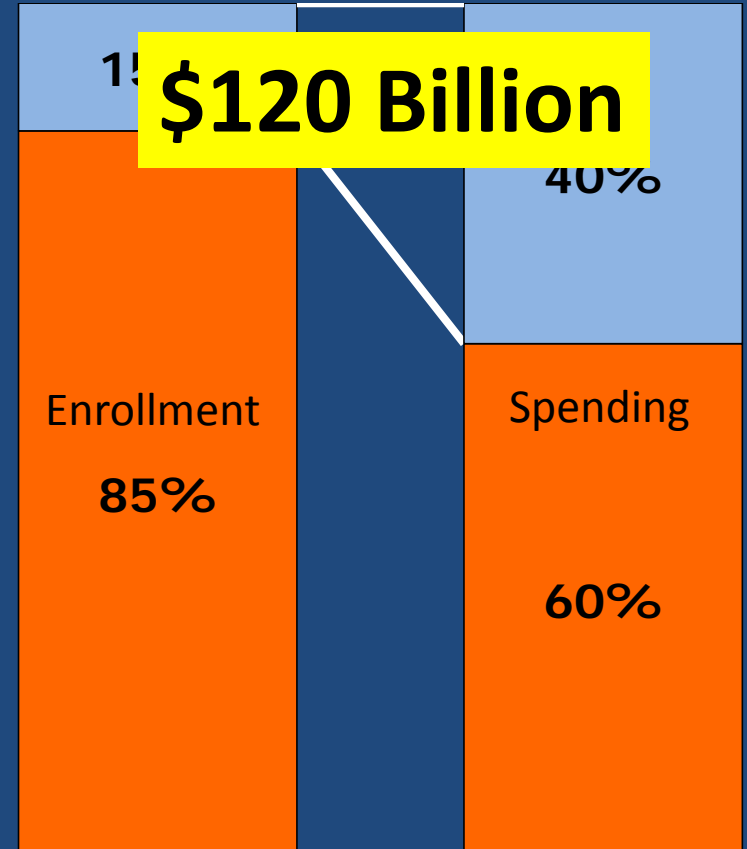


# Dual Eligibles Enrollment and Spending

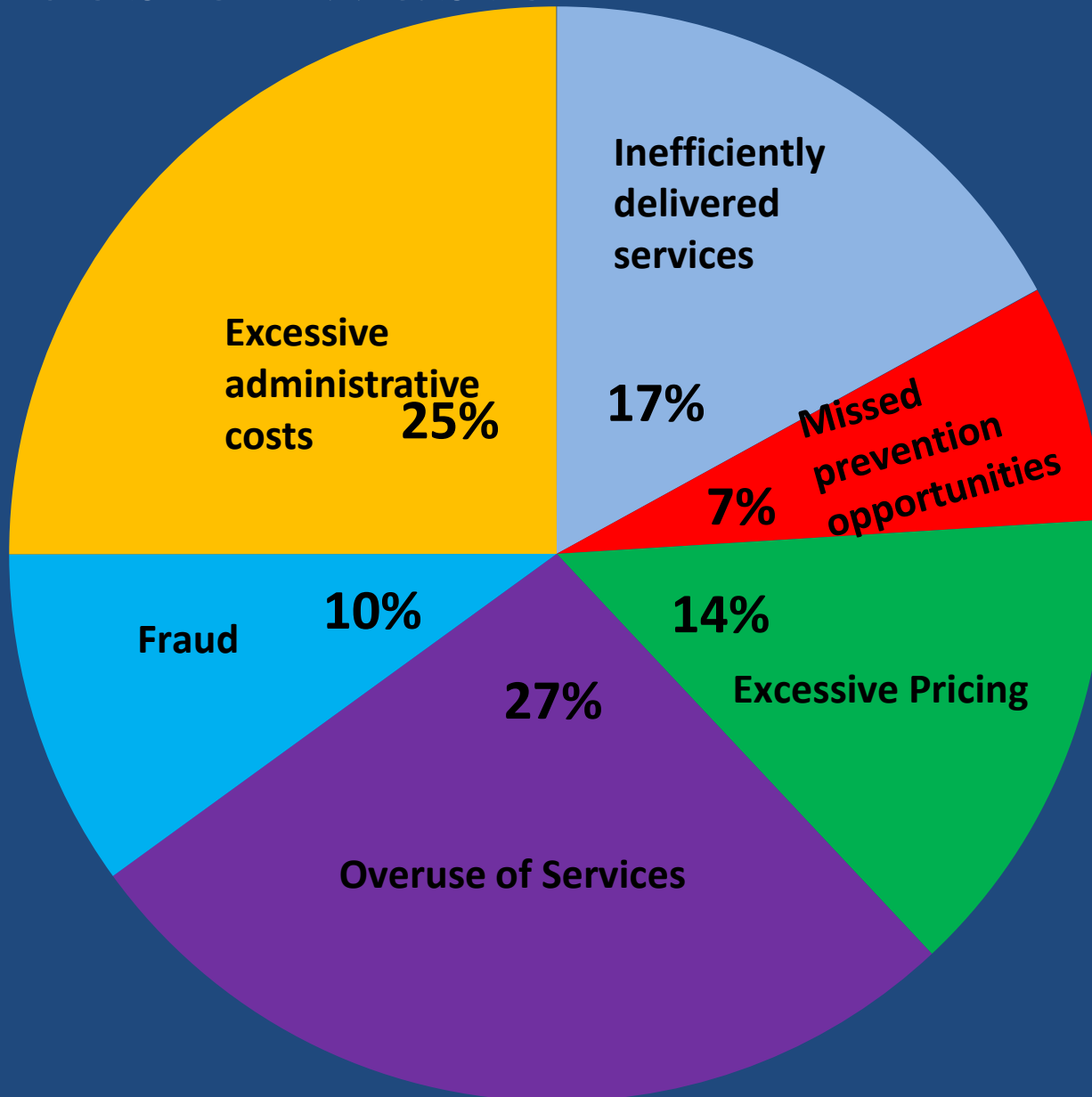
## Medicare, 2006



## Medicaid, 2007



# Sources of Waste



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