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

NATIONAL ACADEMY OF·SOCIAL INSURANCE

John Rother President and CEO

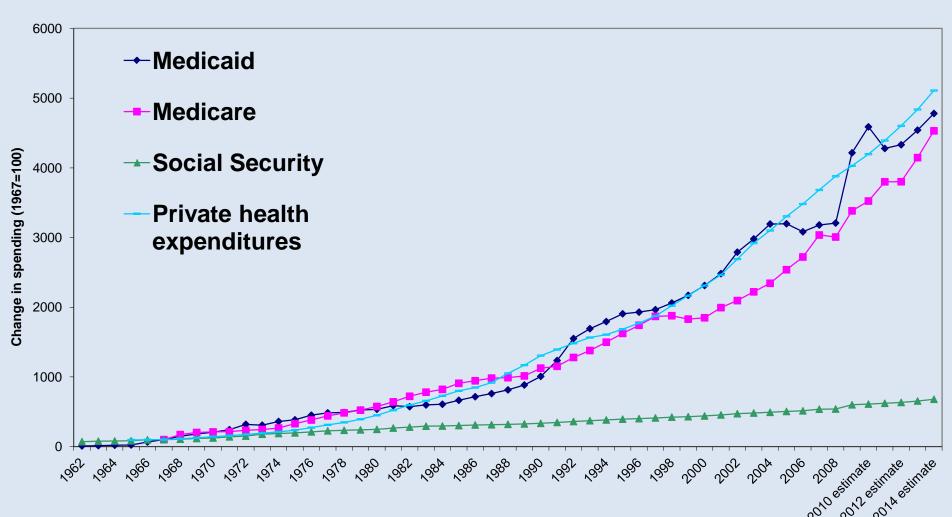


Affordable • Sustainable • Fair

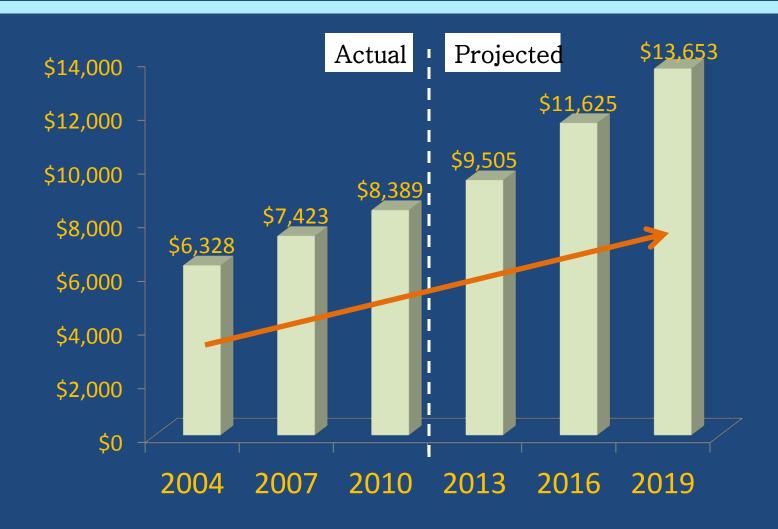
The Challenge

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

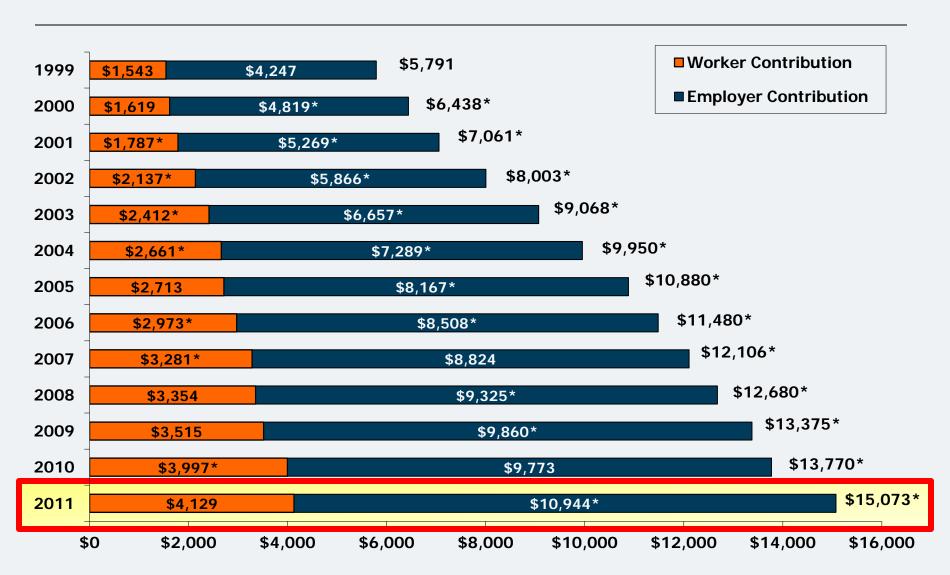


Source: Centers for Medicare and Medicaid Services, Office of the Actuary. Data from the National Health Expenditures, January 2010, accounting for impact of ACA.

Private Sector Costs



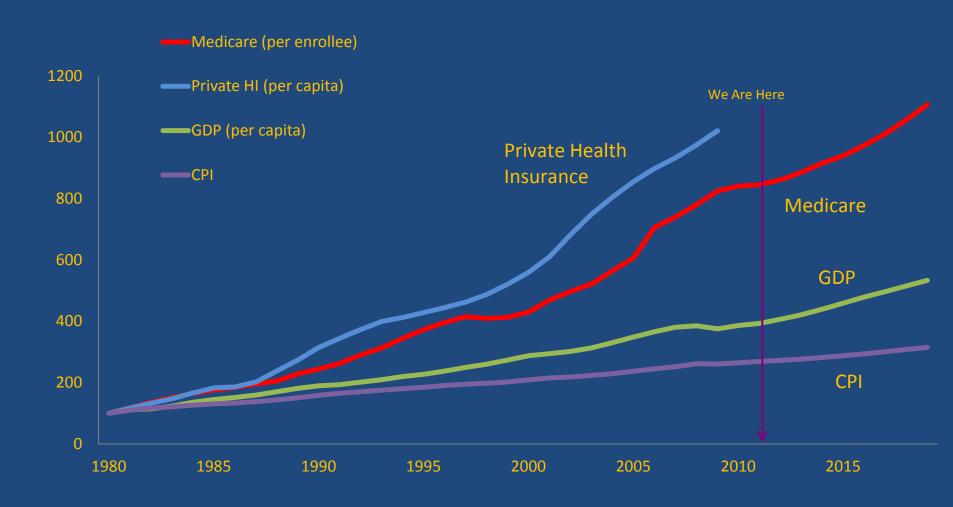
Average Annual Worker and Employer Contributions to Premiums and Total Premiums for Family Coverage, 1999-2011



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

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2011.

Comparing Medicare and Private Health Insurance Growth Rates



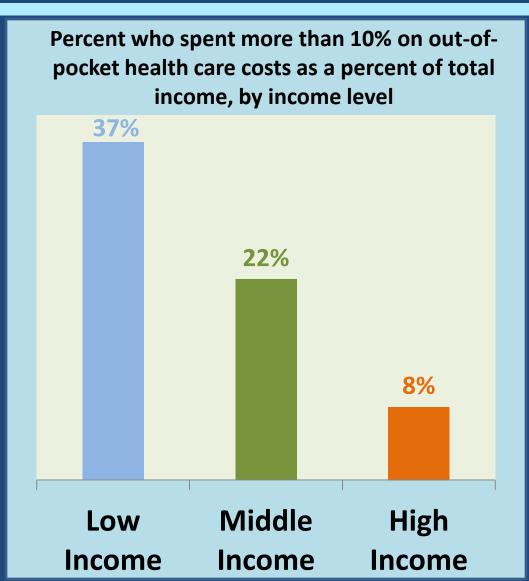
Source: CMS. National Health Expenditure Projections 2009-2019 and 2010 Medicare Trustees' Report (for Medicare per beneficiary growth projections, 2010-2019); US Census Bureau. Projections of the Population and Components of Change for the United States, 2010-2050 (NP2008-T1) Table 1 (for 2020-2040).

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.



Public Sector Costs

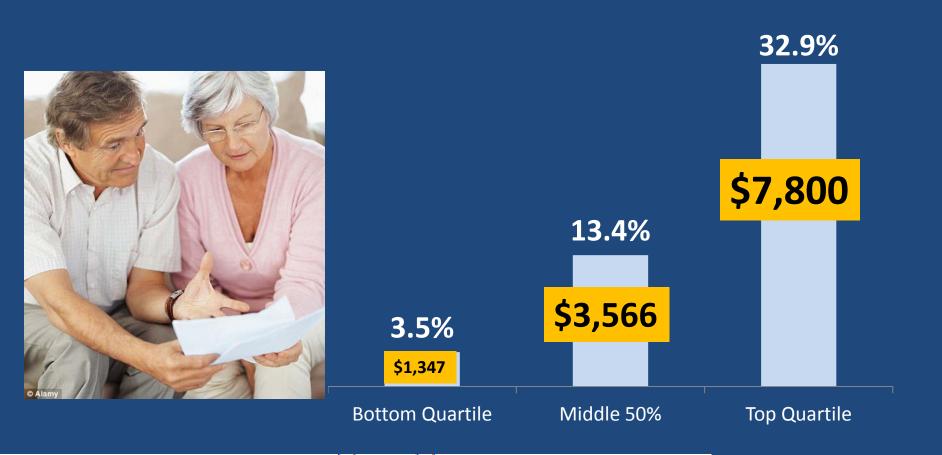


Medicare Spending as a Share of Federal Budget Outlays, 1970-2020



Impact on Beneficiaries

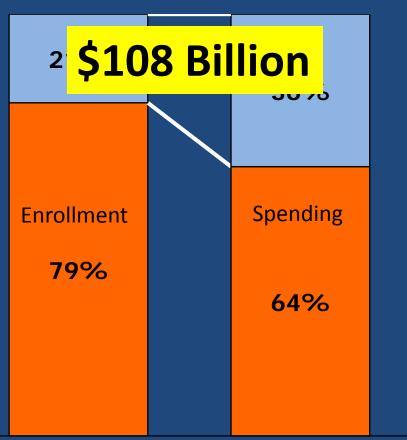
Mean Health Care Spending as a Share of Total Household Spending by Income Quartile for Medicare Beneficiaries



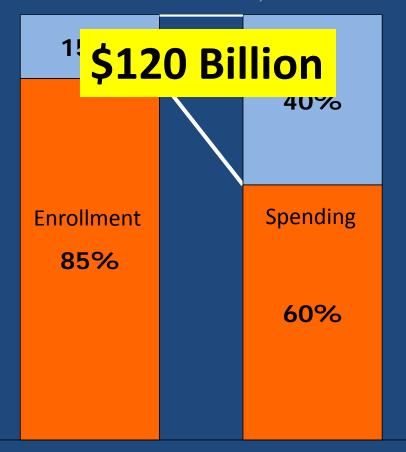
SOURCE: Kaiser Family Foundation analysis of the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey Interview and Expense Files, 2006.

Dual Eligibles Enrollment and Spending

Medicare, 2006



Medicaid, 2007



Source: Kaiser Family Foundation

Sources of Waste Inefficiently delivered services **Excessive** administrative Missed **17%** prevention 25% costs opportunities **7%** 10% 14% **Fraud Excessive Pricing 27% Overuse of Services**

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