

***Growing Healthcare Spending:  
Is there a Role for Value Based  
Payment and Benefits Policy?***

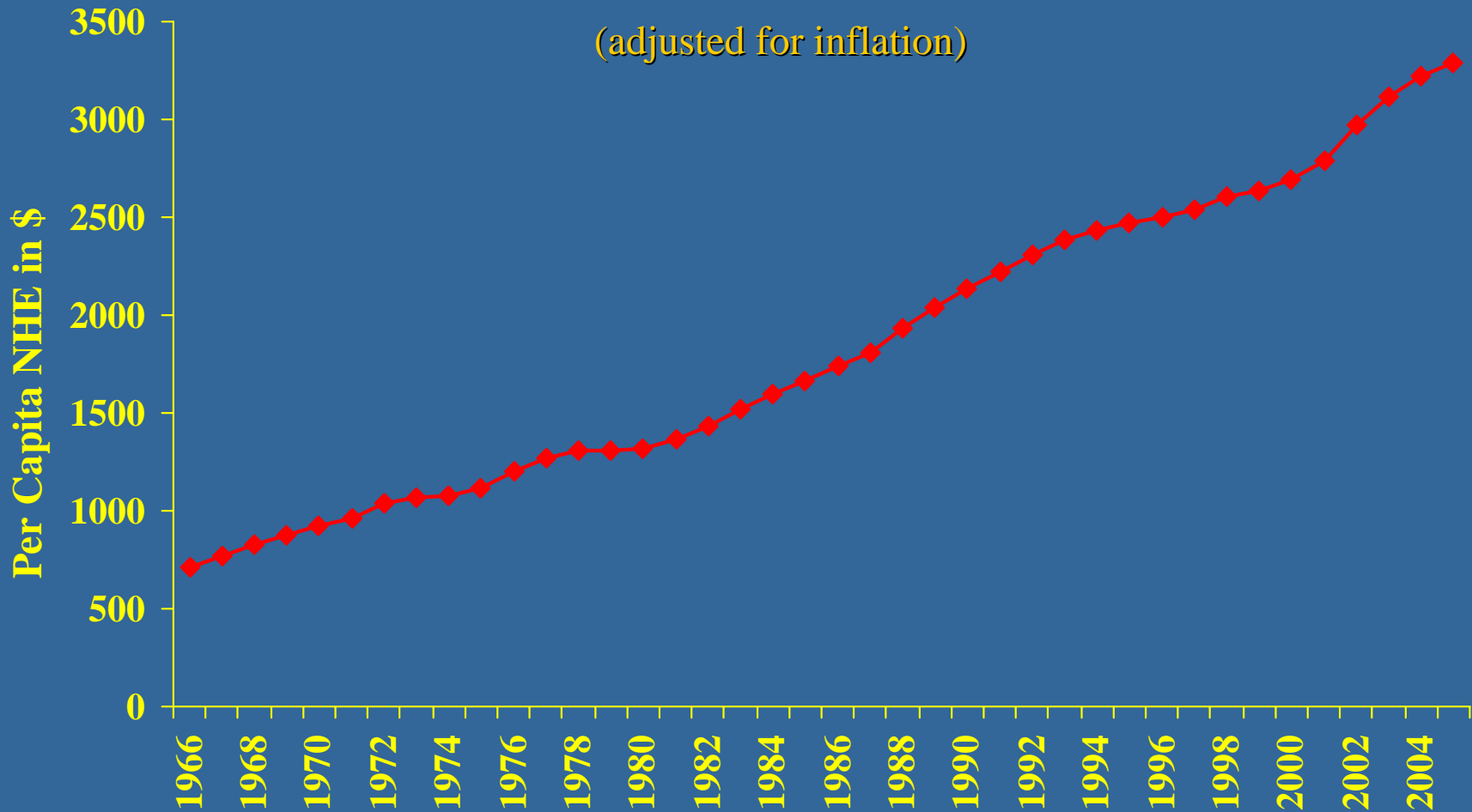
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# Growth In Per Capita National Health Expenditure

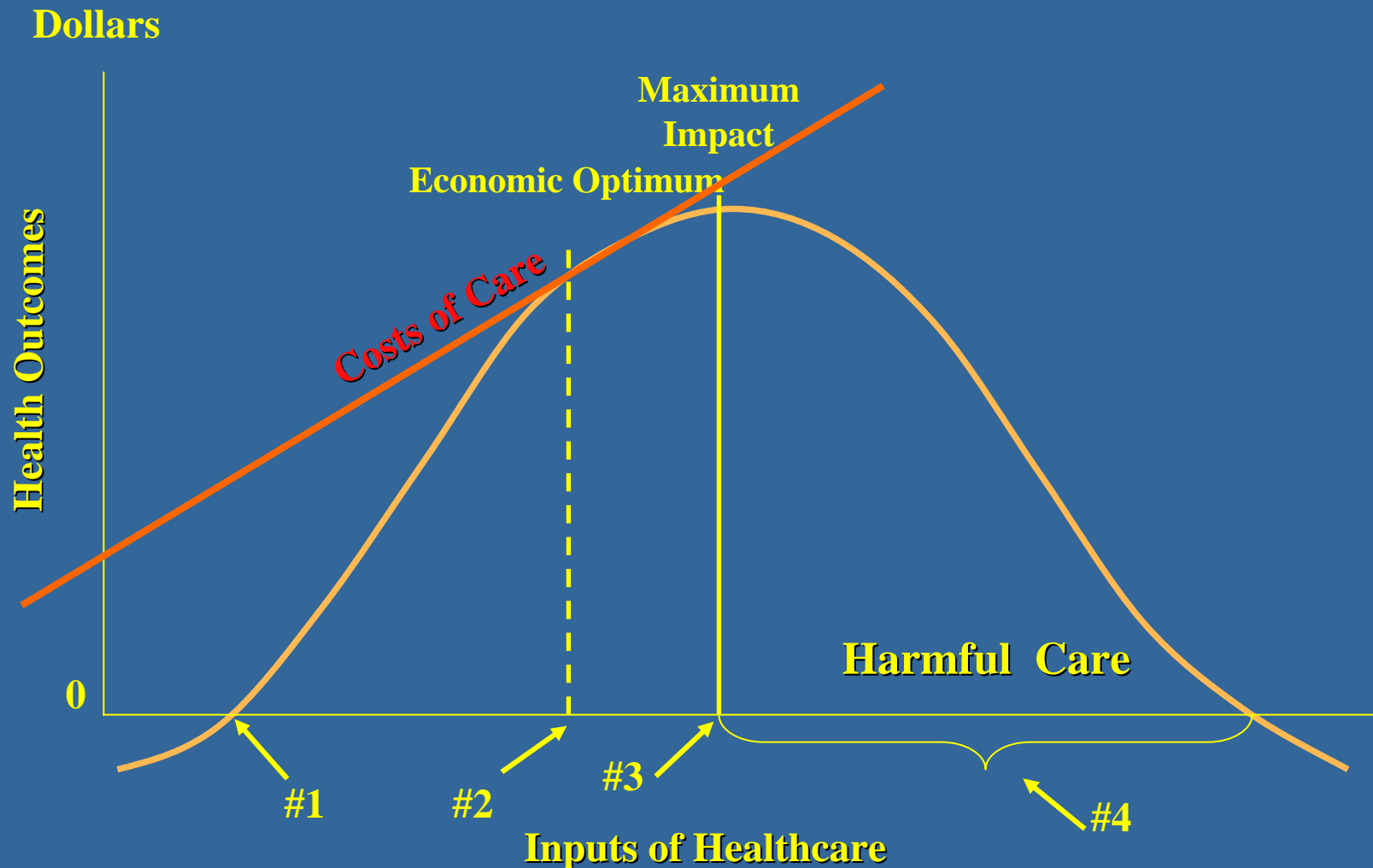
## 1966-2005

(adjusted for inflation)



**Will Taxpayers be Willing To  
Spend An Increasing  
Percentage of Public Funds on  
Healthcare???**

# Alternative Levels of Healthcare Services And Improvements to Health Outcomes



**Most Practicing Physicians, Health Professionals, Patients and Federal (FDA, Medicare) and State (Medicaid) Law Requires, Believes or Acts As If ---**

***#3 Is The Gold Standard of Quality Health Care***

# **The Future Policy Debate In The U.S. Will Be ----**

*Should Public Funds Be  
Used To Pay For Services  
Beyond #2?*

# Why Are we Talking About Value-Based Payment for Medical Technologies?

- Rising spending and concern over overuse and misuse.
- Misaligned payment incentives.
- Likely expansion of comparative effectiveness research?
- General interest in shifting towards P4P and value-based purchasing.

This isl be a multi-year conversation

# Questions for Today's Meeting?

- What economic factors drive medical technology pricing?
- How do current reimbursement practices inhibit value-driven decisions?
- What value-based payment and benefit design options exist today? What are practical considerations?
- What research could support productive policy development?