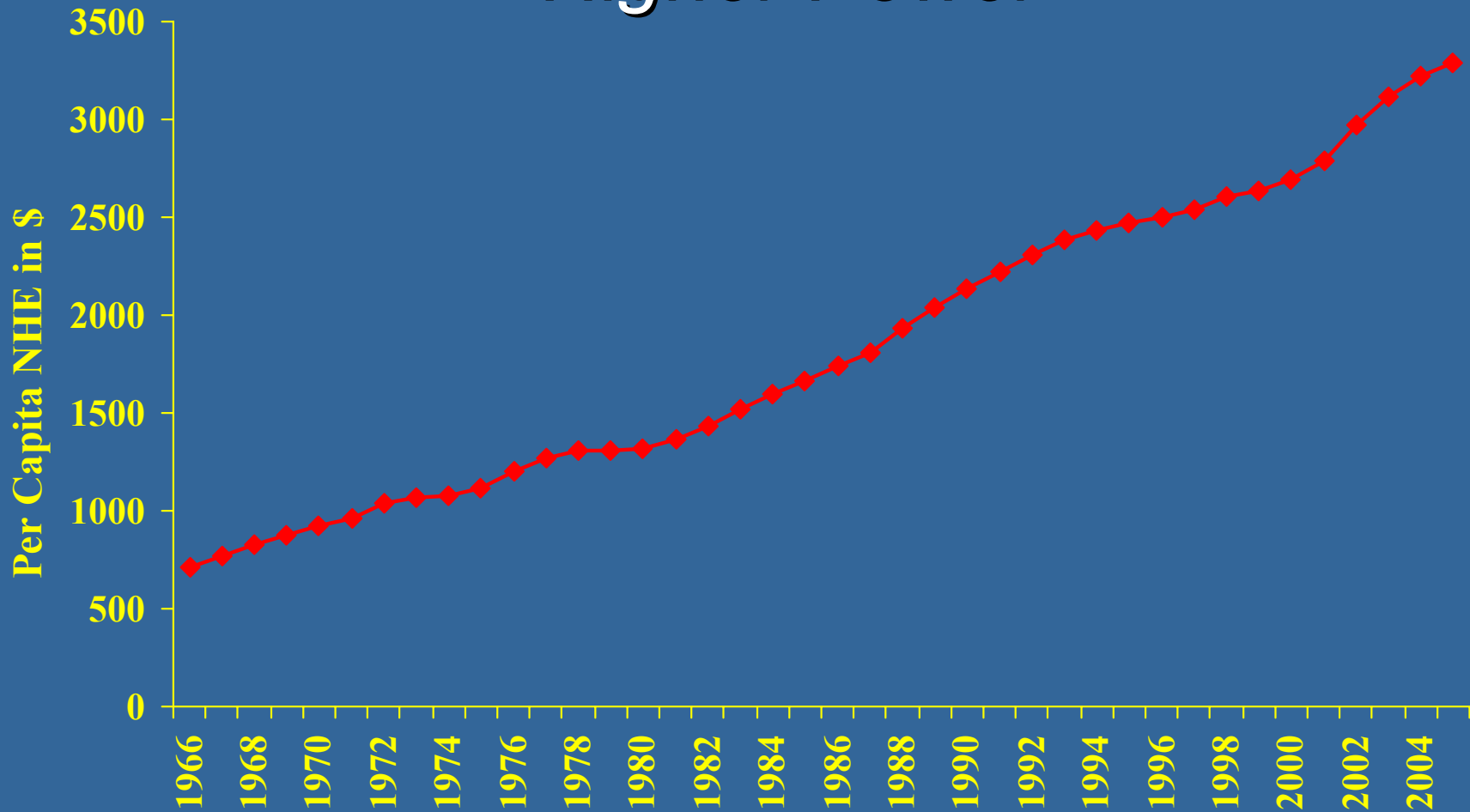


*Comparative Effectiveness Can
Help Prevent a Health System
“Meltdown”*

Stuart H. Altman

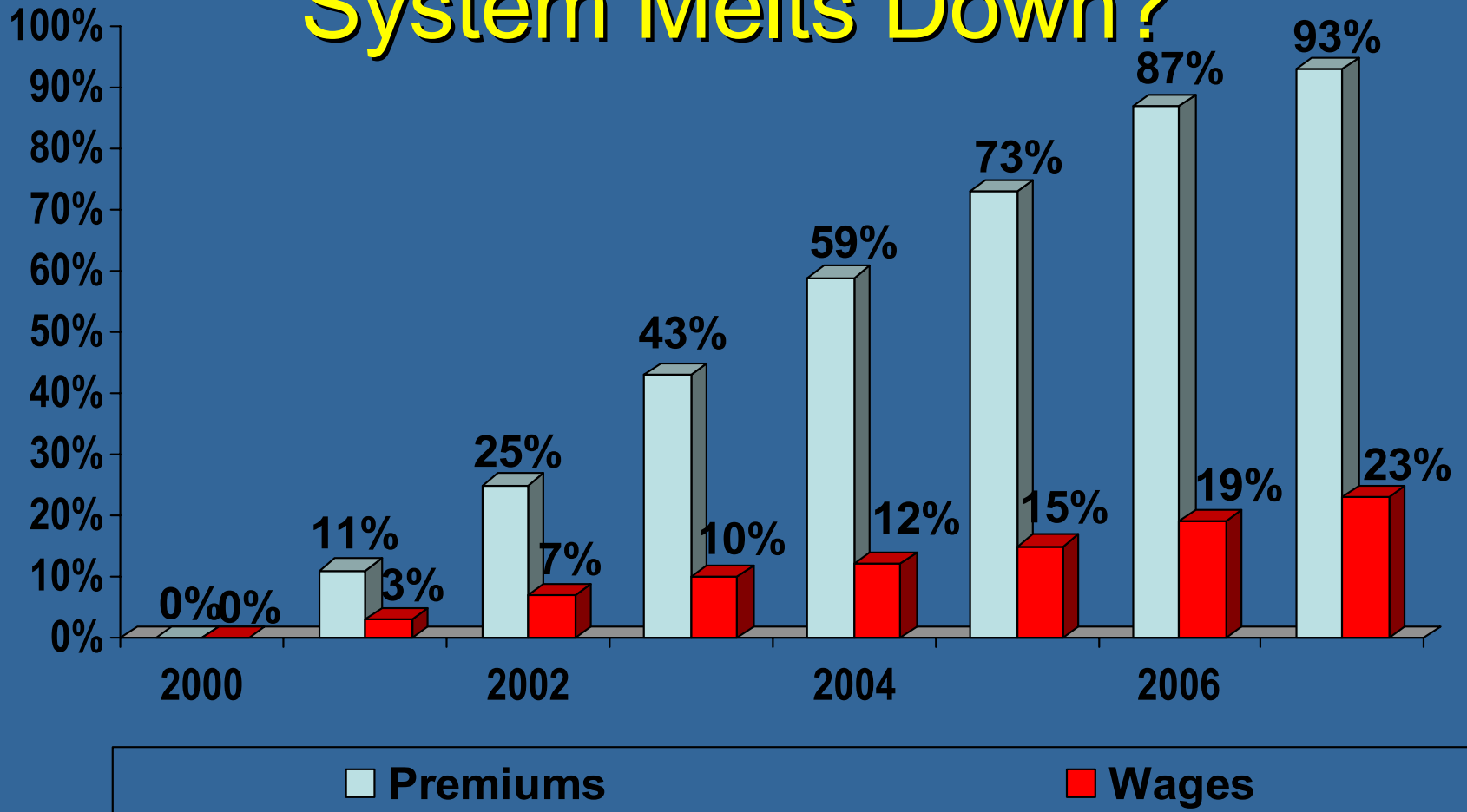
Dean and Sol C. Chaikin Professor
The Heller School for Social Policy and Management
Brandeis University

The Saga of Healthcare Spending In The U.S. --- *Is This Growth Determined By A "Higher Power"*



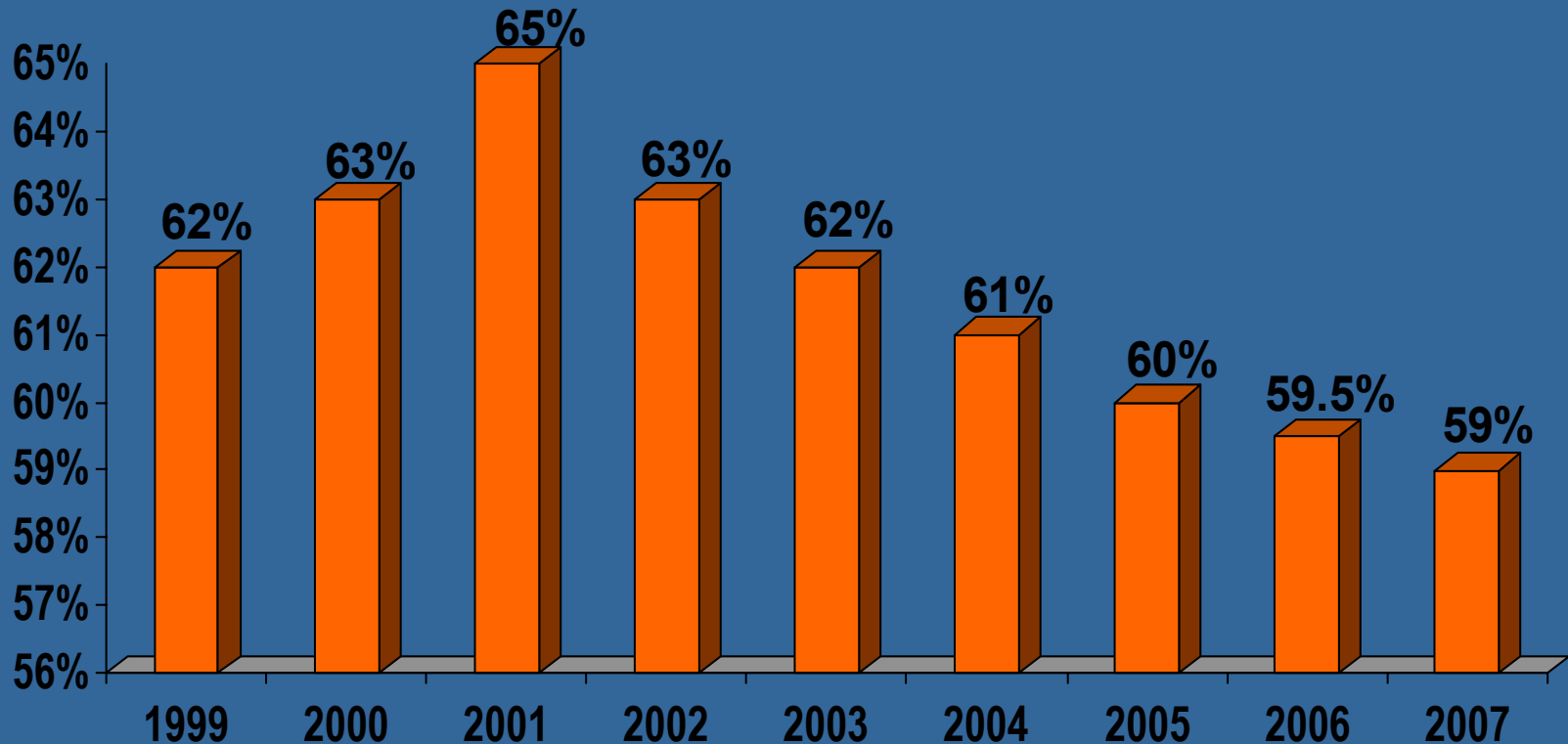
The Negative Consequences of Excessive Growth In Health Spending

How Much Larger Can Gap Between Premium and Wage Growth Before System Melts Down?



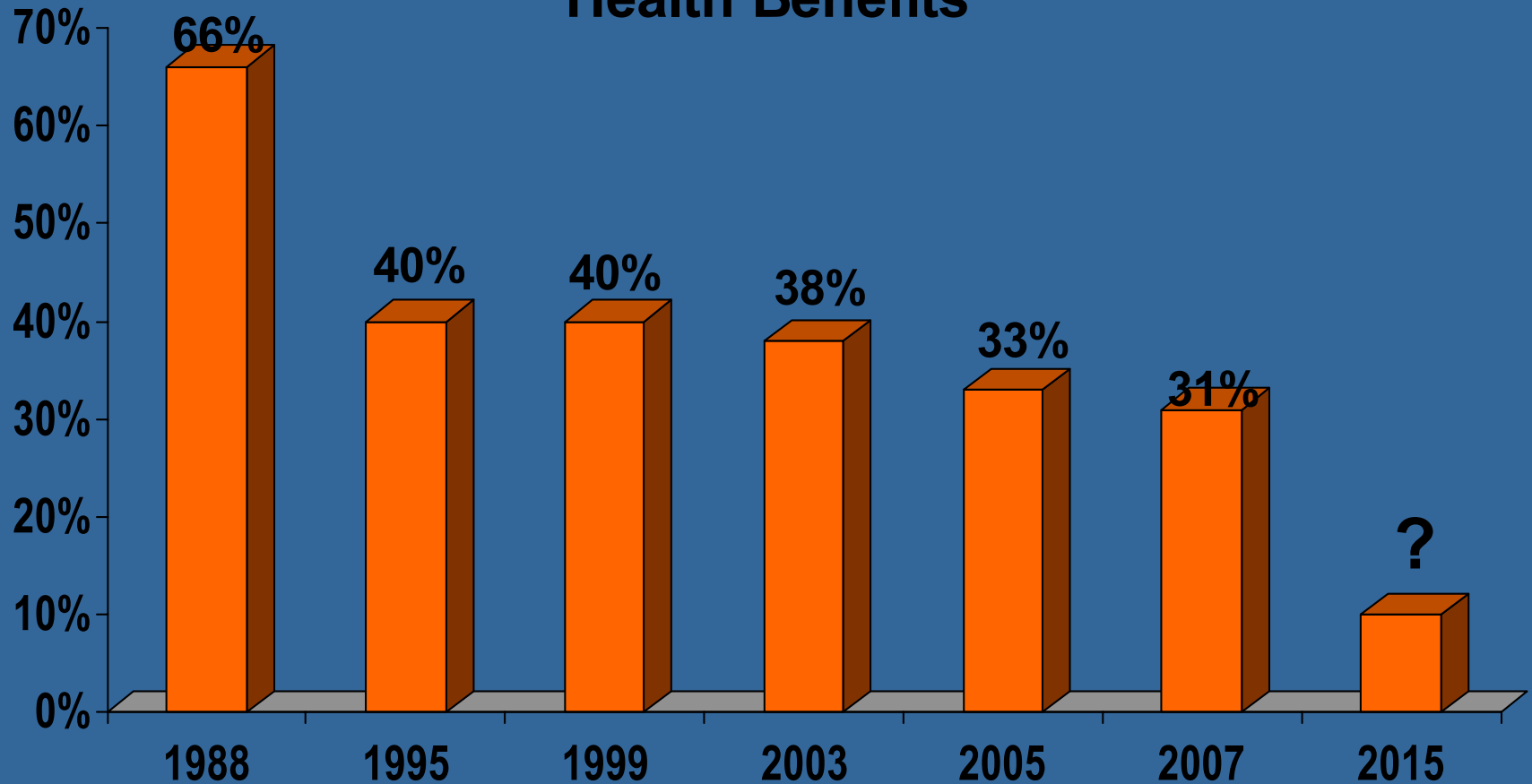
Has The Meltdown Begun???

Percentage of Workers Covered By Employer Based Insurance



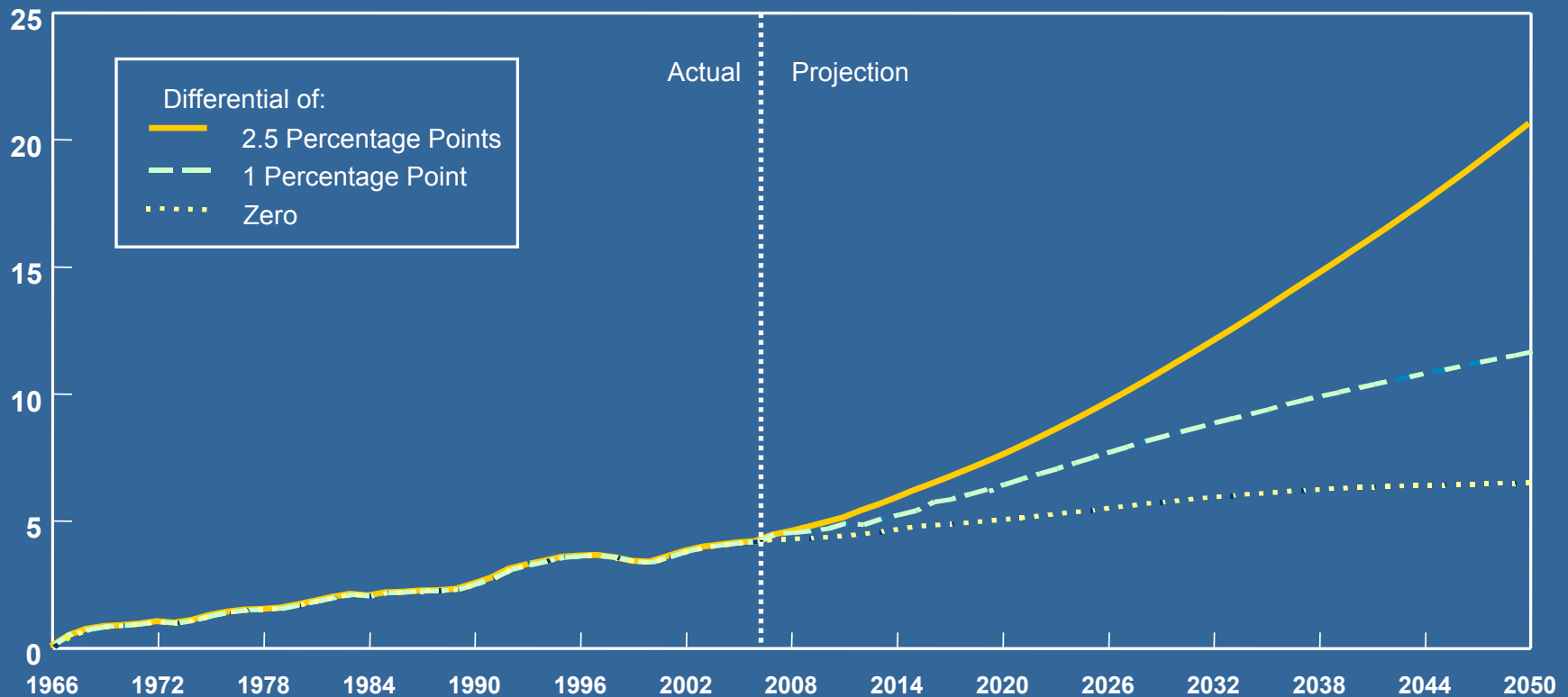
The GM Story!

Percentage of Large Firms Offering Retiree Health Benefits



**The Problem Is Equally
Serious For Government**

Federal Spending for Medicare and Medicaid Under Assumptions About Health Cost Growth



The Future Policy Debate In U.S. ----

*Should Public Funds Be
Used To Pay For Services of
Limited or No Value!*

**“Comparative Effectiveness”
Information Is the Key To
Encourage All Providers To
Provide Appropriate As Opposed
To Just More Services**

Thus We Need Comparative Effectiveness Research To Provide---

- Patients and doctors with more objective information to make **Appropriate** Treatment Choices
- Public and private payers with information to make **Value-Based** --- as opposed to All or Nothing --- coverage and payment decisions
- Manufactures of drugs and devices with more **Transparent, Predictable and Consistent** pricing environment

Comparative Effectiveness Analysis Should Include Both Clinical and Cost Effectiveness Factors

Both Public and Private Funds
Should be Used To Support This
Critical National Effort