Concerns About Growing Spending, Persistent Waste, and Desire For Innovation

A decrease in unnecessary healthcare services “appear to be slow in moving”

*Health Affairs* 2017, re: Choosing Wisely

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**Health Spending as a Percent of GDP**

- **1960-1965**: 3%
- **1970**: 5%
- **1975**: 7%
- **1980**: 7%
- **1985**: 10%
- **1990**: 12%
- **1995**: 14%
- **2000**: 15%
- **2005**: 16%
- **2010**: 16%
- **2015**: 18%

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We’ve Started Spending Debates in the Past...

1979

1993

2009
We Need a New Approach

INSANITY: doing the same thing over and over again and expecting different results.

~ Albert Einstein

Image source: http://www.sevenquotes.com/insanity/
The New Approach Will Not Be Easy

How much and how should health spend be allocated?

Primary care
Elderly
Acute treatment
Rare diseases

Specialty care
Young
Prevention
Common diseases
NPC’s Research Portfolio on Health Care Spending

Is the US a Health Care Spending Outlier?

What Can We Learn from EX-US Health Systems?

Is There a Framework for Discussing Health Spending?

How Does Willingness to Pay Vary by Population?

What Tradeoffs Do Consumers Make When Selecting a Health Plan?

Why Aren’t We Making Progress Disinvesting in Low-Value Care?
What We Need to Do:

- Acknowledge that these are third rail issues
- Bring all stakeholders into the dialogue
- Stop finger pointing
- Come together
- Go below the surface to examine issues
The Dialogue Begins

Health Affairs

Why We Need A Serious Conversation About Health Spending

Interpreting National Health Expenditure Projections: Issues And Challenges

Health Affairs today published the projections for health spending over the next decade from the Centers for Medicare and Medicaid Services (CMS) Office of the Actuary. The top line estimate is that health spending will grow at 5.5 percent per year through 2030. This rate is about halfway between the pre-recession rate of 7.2 percent and the exceptionally low rate (3.6 percent) experienced during the recession and immediate aftermath. This projected spending growth is 1 percentage point above assumed gross domestic product (GDP) growth, a smaller gap than for almost any 10-year period since 1994. These top-line, though projections are a valuable benchmark for all stakeholders anticipating the fiscal footprint of the health care system on the economy but there are several important issues to keep in mind.

Health Spending: Tackling the Big Issues

February 1, 2018
Washington, DC

GOING BELOW THE SURFACE
Let’s Start the Journey

https://commons.wikimedia.org/wiki/File:Desert_road_UAE.JPG