U.S. Health Care Prices: Sky high, but can we control the rise?

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The Best We Can Do is “Bend the Cost Curve”

Per capita expenditures are a measure of PxQ, i.e. prices and utilization (quantity)

Reports from the CMS National Health Expenditure Accounts Team note roles of coverage, prescription drugs - not prices – until 2018

Direct effects of policy changes on Medicare prices & spending

- Reductions in annual market-basket update for Medicare prospective payment systems
- Payment increases adjusted downward to account for increases in national multifactor productivity
- Medicare Advantage payments to private insurers reduced

*Without these policy changes, the Medicare price index would have increased by an additional 5.2 percentage points*

Public sector prices are fairly stable, policy restraint seems to be working.

Can the private sector hold the line?