



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

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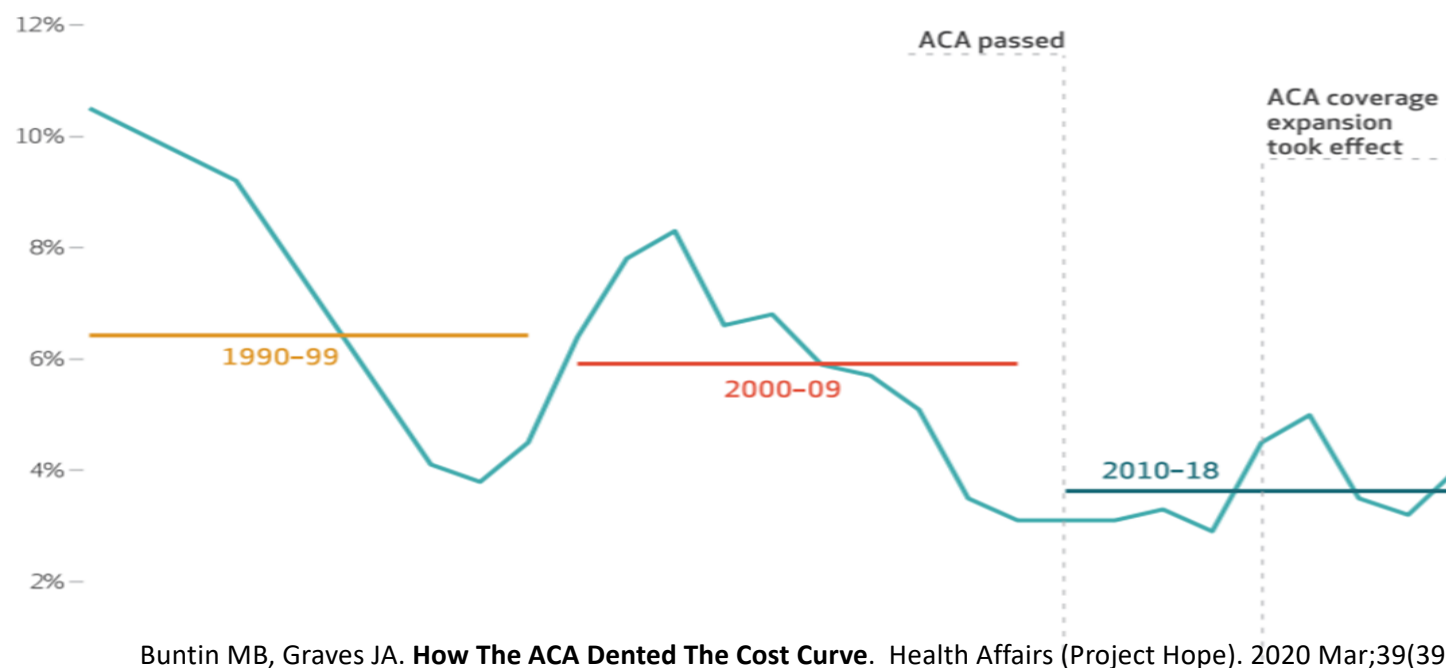


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The Best We Can Do is “Bend the Cost Curve”

EXHIBIT 1

Growth in per capita health care spending from the prior year, 1990–2018



Buntin MB, Graves JA. **How The ACA Dented The Cost Curve.** Health Affairs (Project Hope). 2020 Mar;39(39). 403-412.

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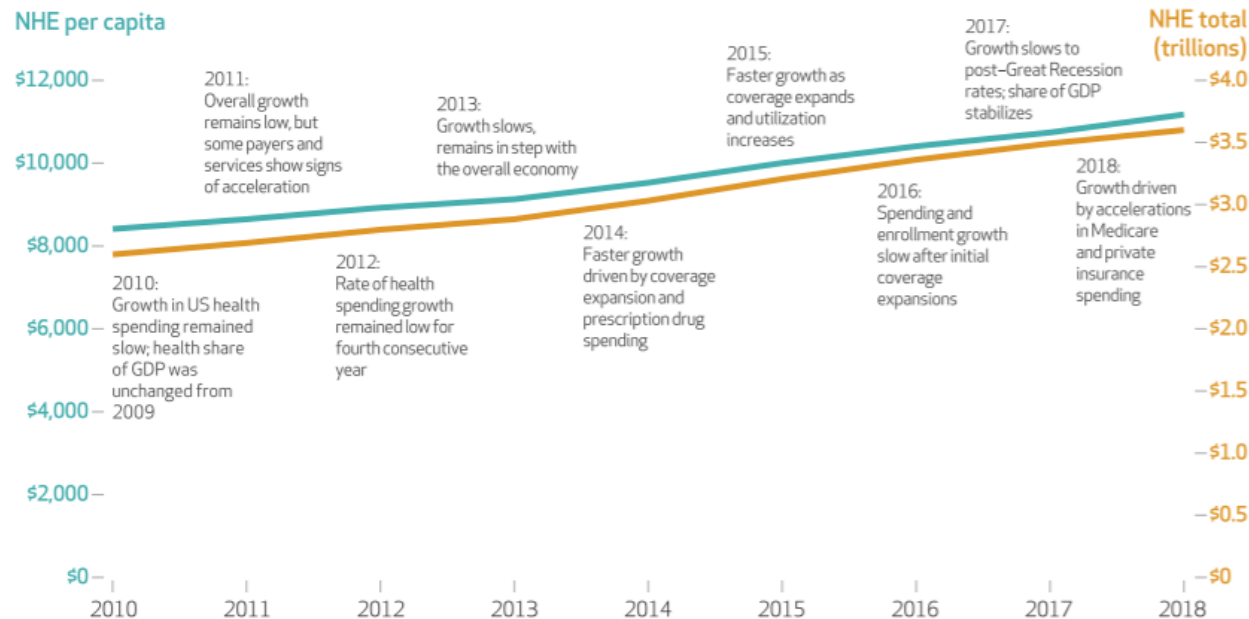


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Reports from the CMS National Health Expenditure Accounts Team note roles of coverage, prescription drugs - not prices – until 2018

EXHIBIT 2

Per capita and total national health expenditures (NHE), 2010-18



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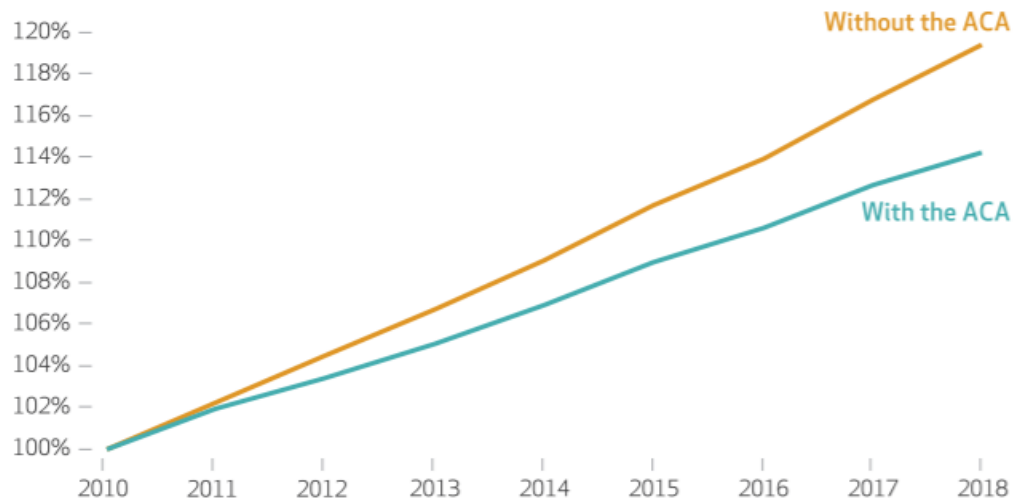
Direct effects of policy changes on Medicare prices & spending

- 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

EXHIBIT 3

Cumulative increases in Medicare prices from 2010 to 2018, with and without ACA adjustments



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

Can the private sector hold the line?

