Stabilizing Health Spending While Moving Toward High Performance: Where Does Medicare Fit?

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Health Policy at a Fork in the Road

Cut payments, reduce benefits, and restrict eligibility for public programs

OR

Re-engineer health care and improve health markets

To address the factors that drive health spending, health care and the markets in which it’s purchased need to be improved
Policies to Stabilize Costs and Improve System Performance

- Goal: Hold per capita health spending to GDP growth
- Mechanism: Create incentives for better care and lower cost across the health system
- Three pillars:
  - Payment Reforms to Accelerate Delivery System Innovation
  - Policies to Expand and Encourage High-Value Choices
  - Other Actions to Improve How Health Care Markets Function

What Role Can Medicare Play?

- Develop and implement new approaches to payment, organization, and delivery
- Partner with states and private payers
- Serve as a vehicle for spread of successful approaches
- Provide better choices and positive incentives for beneficiaries to make better choices
Today’s Speakers

Karen Davis,
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Douglas Holtz-Eakin,
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