



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**



**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**



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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**



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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,
President, American Action Forum



Neera Tanden,
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