



Confronting Costs

**Recommendations from
The Commonwealth Fund Commission on a
High Performance Health System**

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Commission Report: Synergistic Policies to Stabilize Costs

- **Hold total health spending growth to GDP growth, while moving toward a high performance health system**
- **Three ‘pillars’:**
 - Provider payment reforms
 - Provide and support high-value choices by consumers
 - Make markets work better
- **Potential to save \$2 trillion nationwide over 10 years**

Potential Impacts of Commission Recommendations, 2013–2023

	Net savings, systemwide (in \$ billions)
Provider payment reforms	−\$1,333
Provide and support high-value choices by consumers	−\$189
Make markets work better	−\$481
Cumulative impact*	−\$2,004

Note: Components may not add to total because of rounding.

*Cumulative impact adjusted for potential overlap of component policy impacts.

Source: Estimates by Actuarial Research Corporation for The Commonwealth Fund.

Potential Cumulative Savings by Payer, 2013-2023

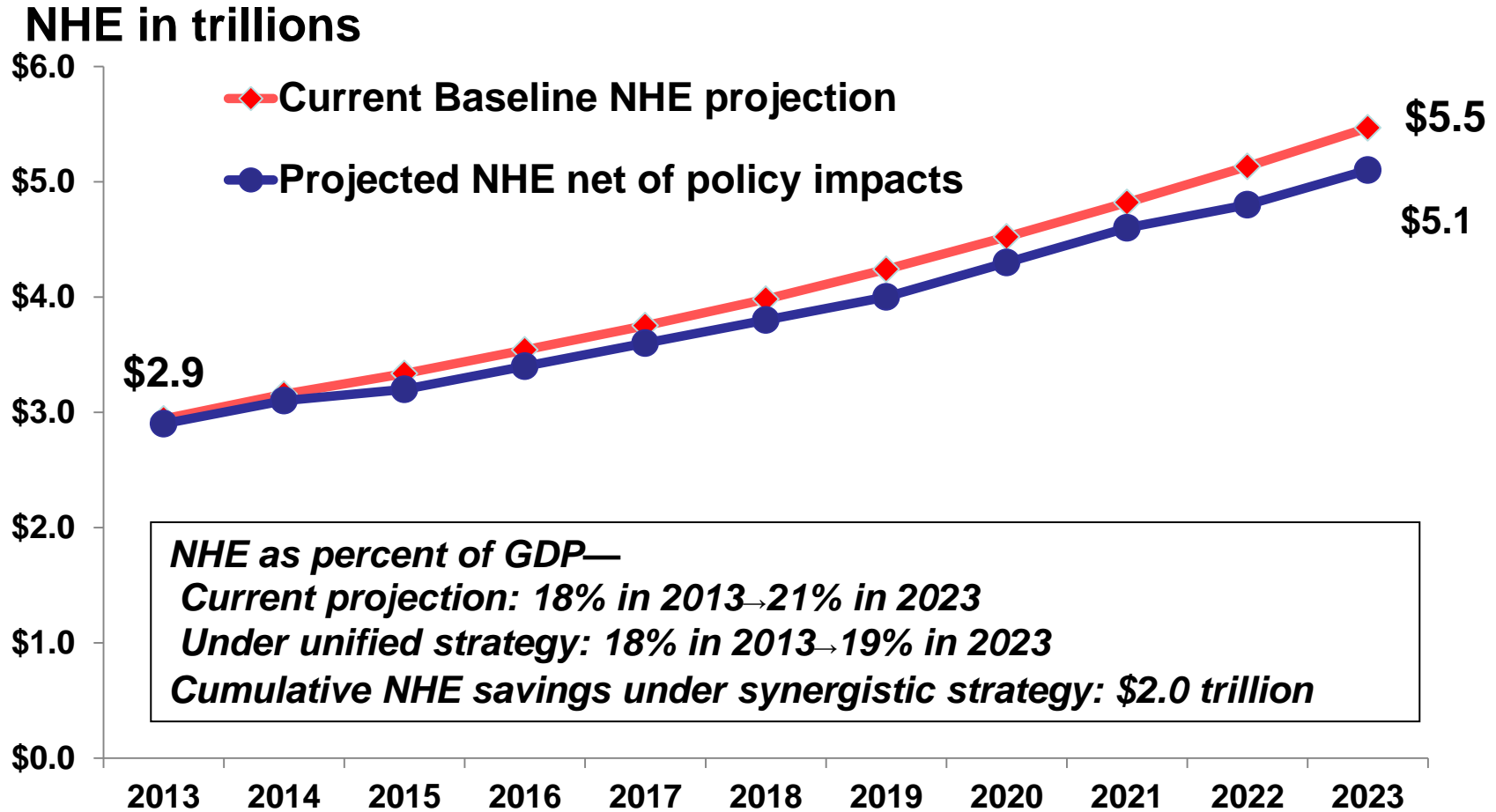
Net impact in \$ billions

	Total NHE	Federal govt.	State and local govt.	Private employers	Households
2013-2018	-\$686	-\$345	-\$84	-\$66	-\$192
2013-2023	-\$2,004	-\$1,036	-\$242	-\$189	-\$537

Note: NHE = National Health Expenditures. Components may not add to total because of rounding.

Source: Estimates by Actuarial Research Corporation for The Commonwealth Fund.

Projected National Health Expenditures (NHE), 2013-2023: Potential Impact of Synergistic Strategy



Note: NHE = National Health Expenditures; GDP = Gross Domestic Product.

Source: Estimates by Actuarial Research Corporation for The Commonwealth Fund. Current baseline projection assumes that the cuts to Medicare physician fees under the sustainable growth rate (SGR) formula are repealed and basic physician fees are instead increased by 1% in 2013 and held constant from 2014 through 2023.

Potential to Bend the Cost Curve While Improving Health System Performance

- **Build on current momentum in public and private sectors**
- **Use federal policy to accelerate bottom-up innovation**
- **Collaboration with states, private payers, employers, and provider and consumer groups to push toward system improvements**
- **Health insurance exchanges can serve as a vehicle for promoting alignment within and across the public and private sectors**

THANK YOU!



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