

Slicing Up the Health Care Pie

Robert D. Reischauer

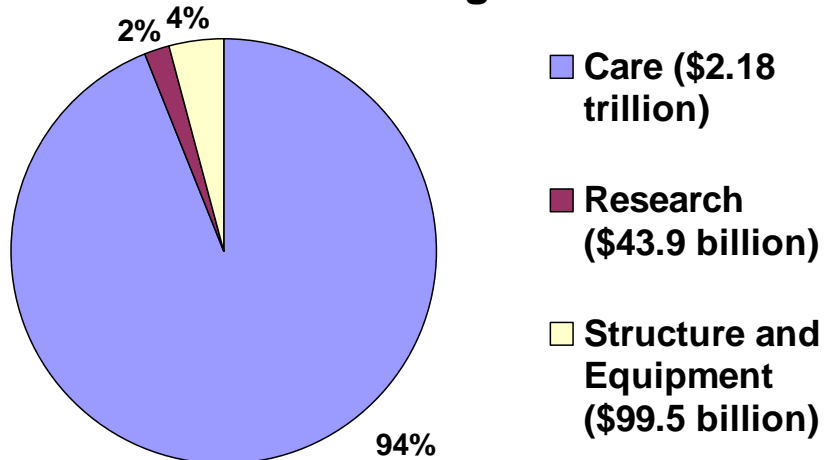
Urban Institute

October 26th, 2007




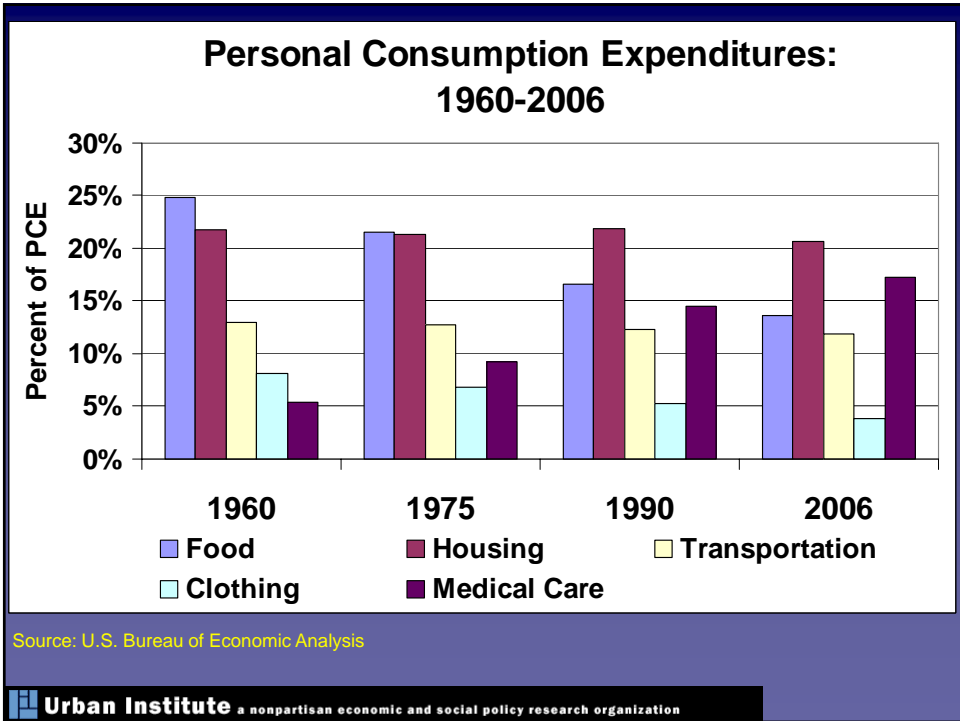
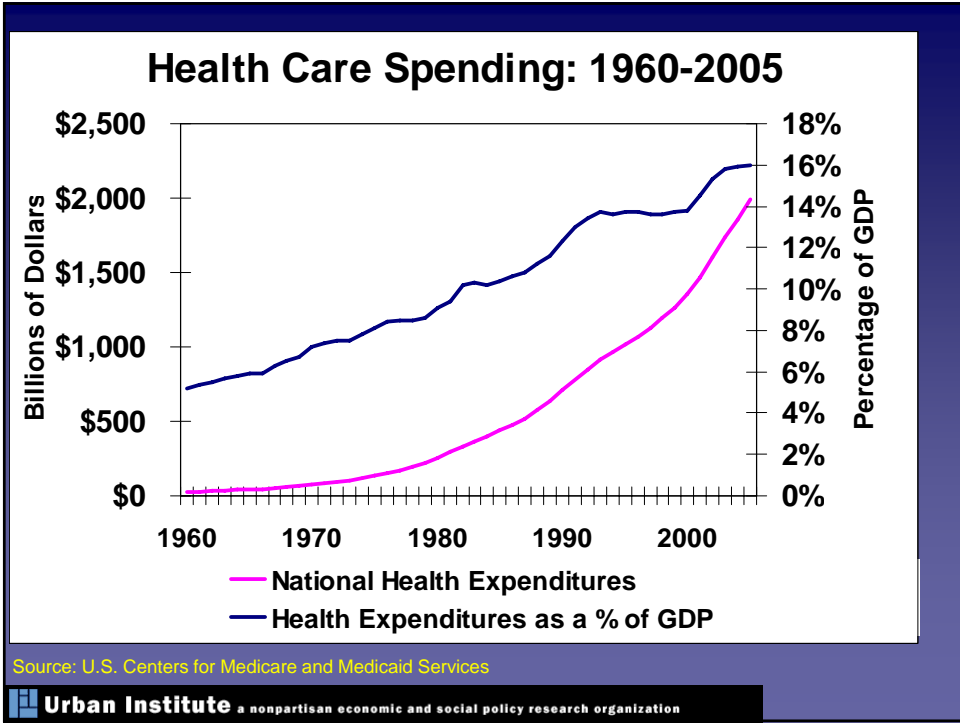
 **Urban Institute** a nonpartisan economic and social policy research organization

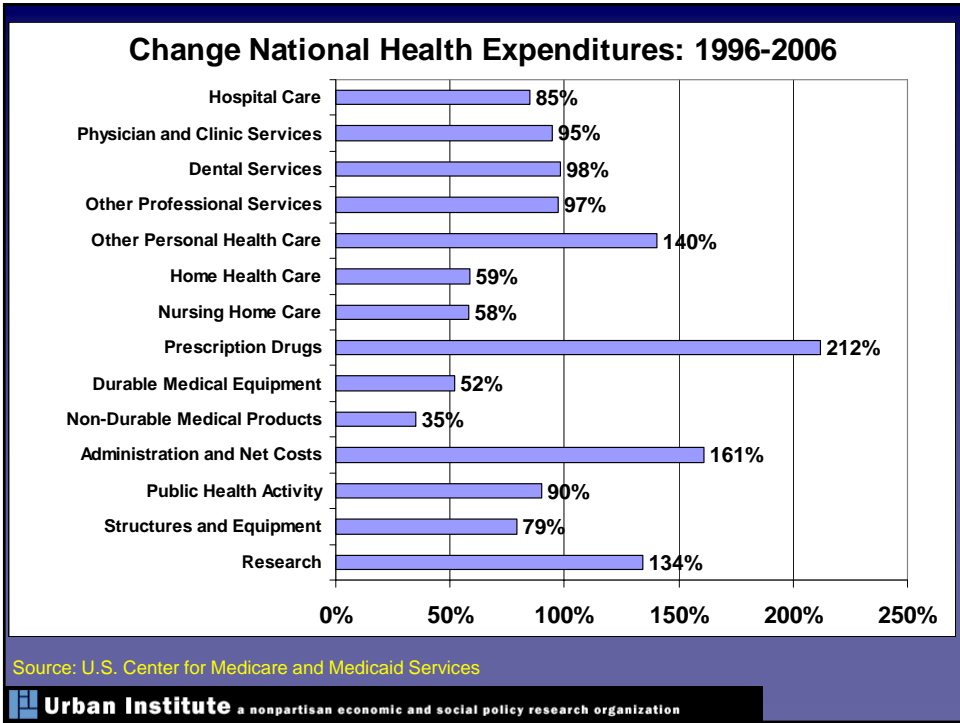
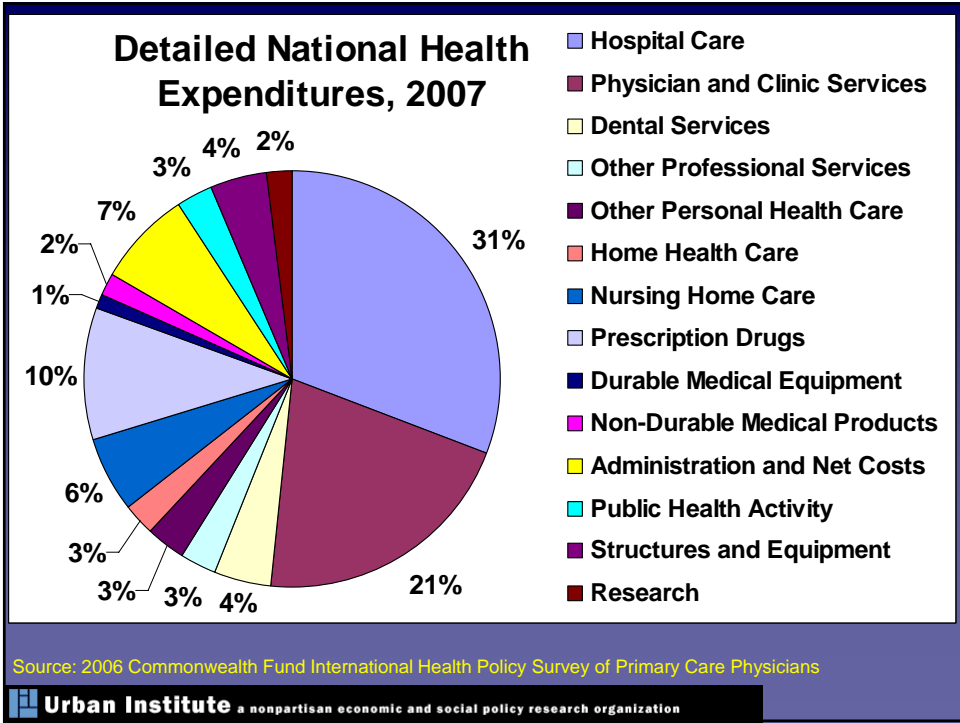
National Health Expenditures in 2007: The Big Picture



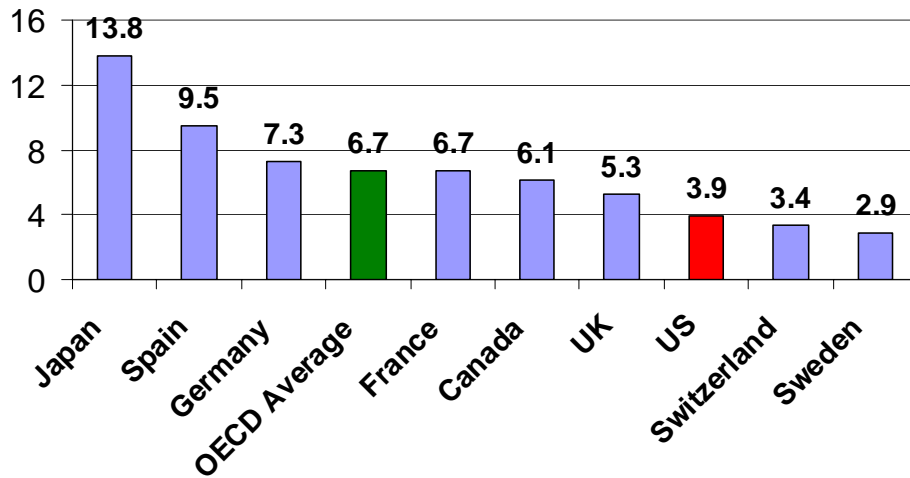
Source: U.S. Centers for Medicare and Medicaid Services

 **Urban Institute** a nonpartisan economic and social policy research organization





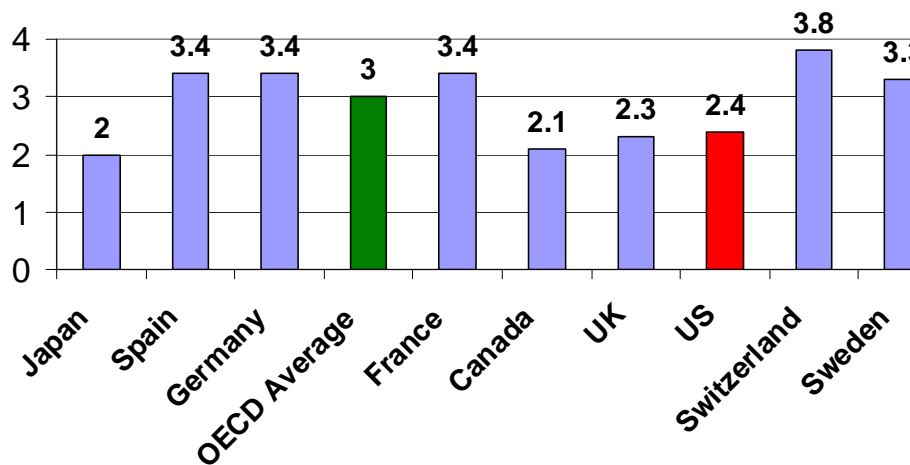
Doctor Visits Per Capita in 2004



Source: OECD

Urban Institute a nonpartisan economic and social policy research organization

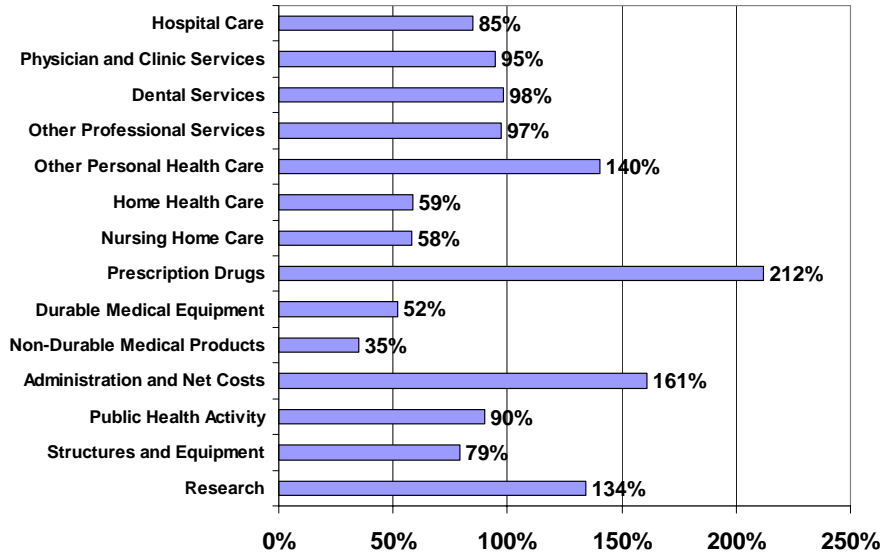
Practicing Physicians per 1,000 population in 2004



Source: OECD

Urban Institute a nonpartisan economic and social policy research organization

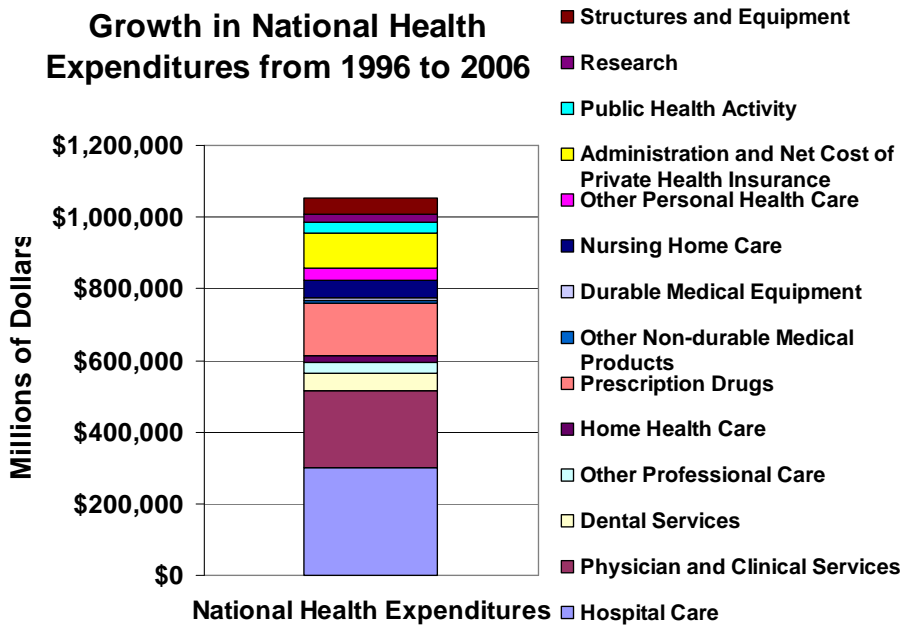
Change National Health Expenditures: 1996-2006



Source: U.S. Center for Medicare and Medicaid Services

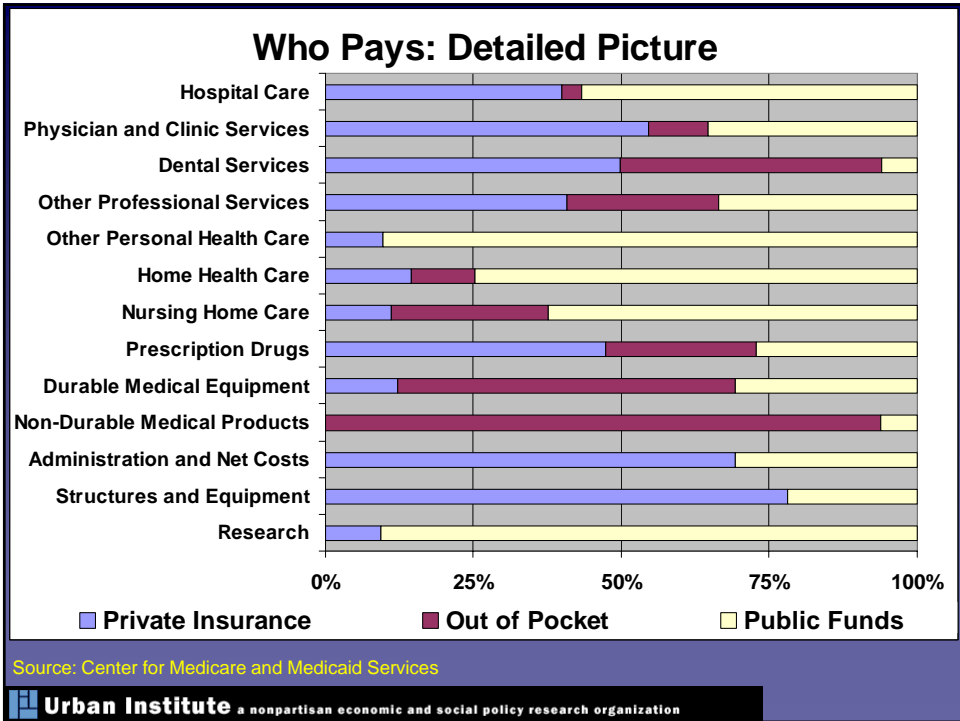
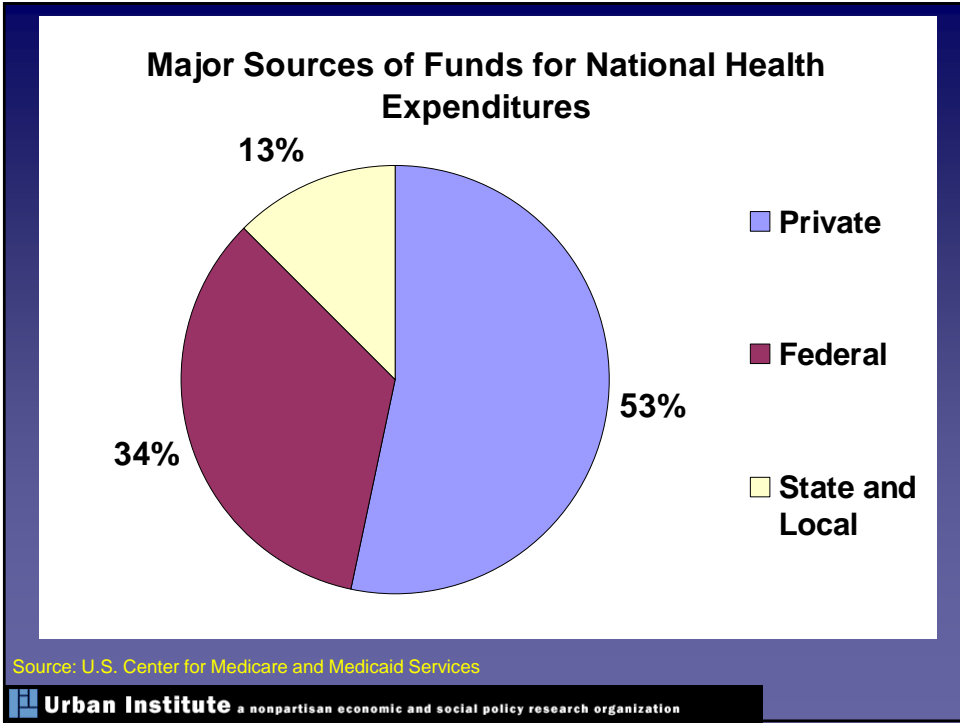
Urban Institute a nonpartisan economic and social policy research organization

Growth in National Health Expenditures from 1996 to 2006

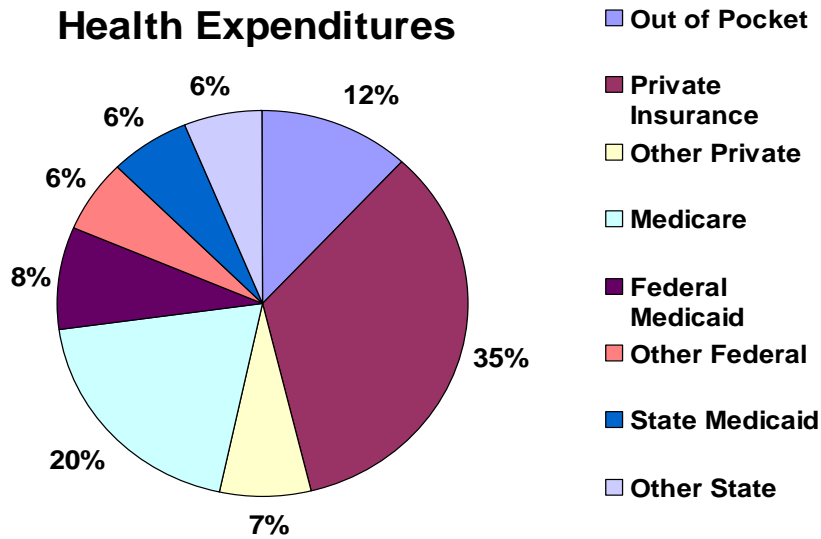


Source: U.S. Center for Medicare and Medicaid Services

Urban Institute a nonpartisan economic and social policy research organization



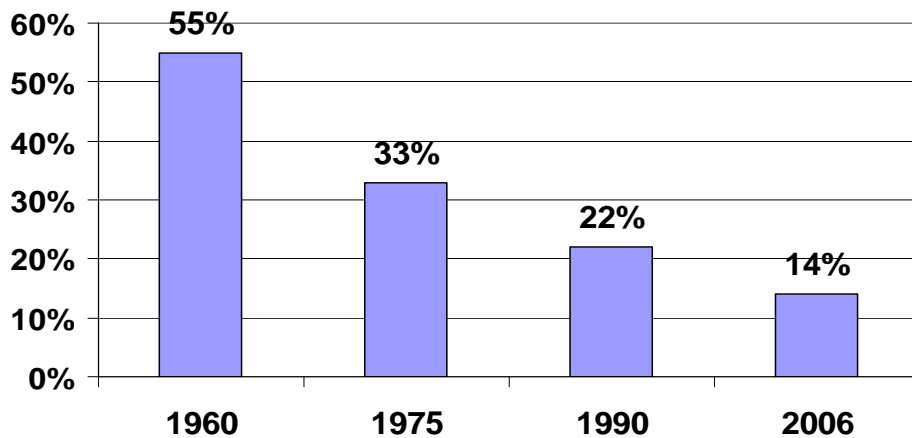
Sources of Funds for National Health Expenditures



Source: U.S. Center for Medicare and Medicaid Services

Urban Institute a nonpartisan economic and social policy research organization

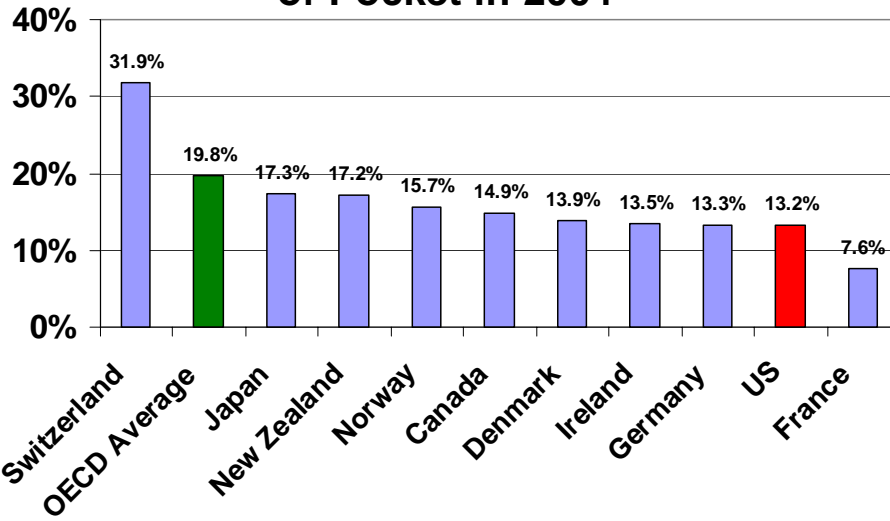
Percentage of Personal Health Care Paid Out of Pocket



Source: U.S. Center for Medicare and Medicaid Services

Urban Institute a nonpartisan economic and social policy research organization

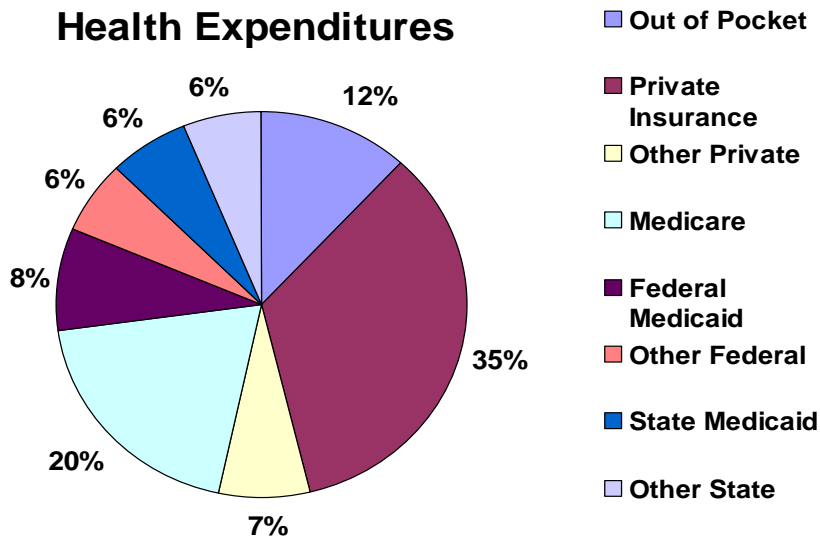
Percentage of Health Care Paid Out of Pocket in 2004



Source: OECD

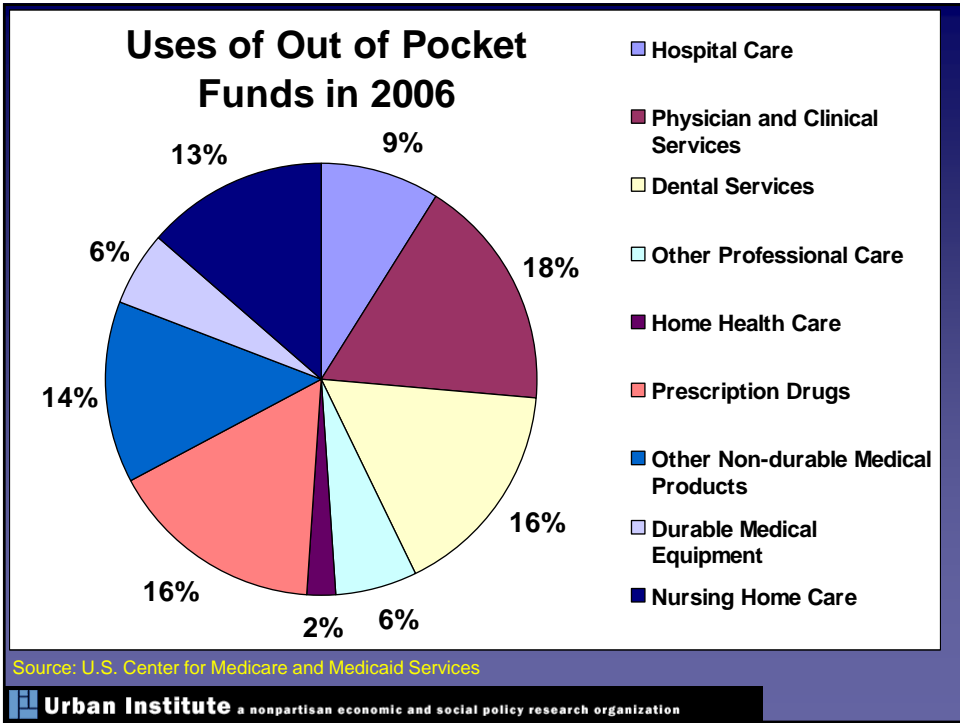
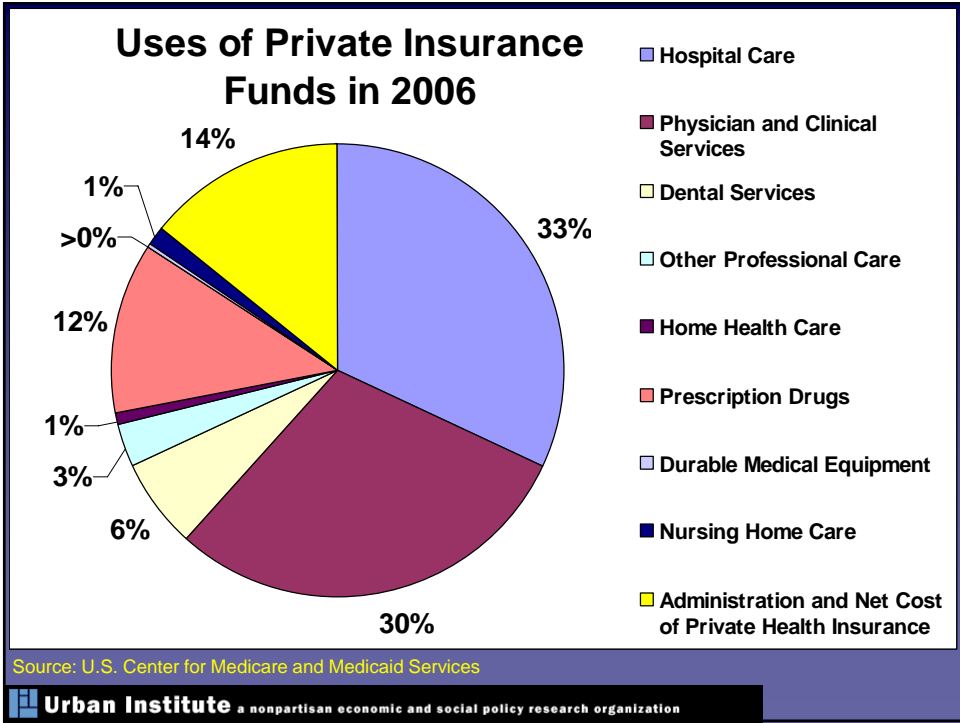
Urban Institute a nonpartisan economic and social policy research organization

Sources of Funds for National Health Expenditures



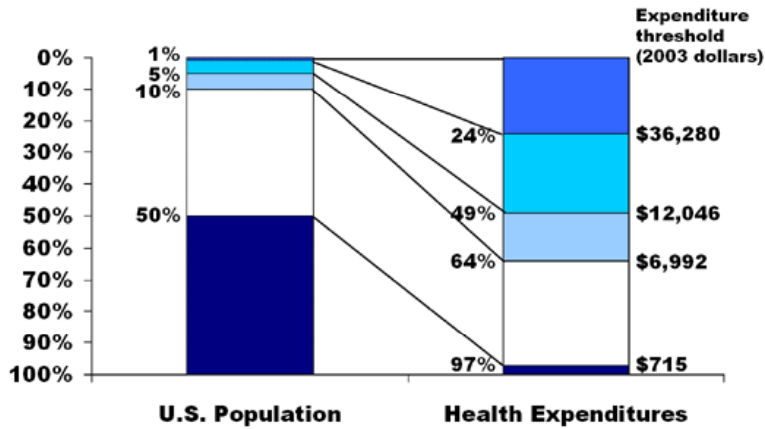
Source: U.S. Center for Medicare and Medicaid Services

Urban Institute a nonpartisan economic and social policy research organization



Health Care Costs Concentrated in Sick Few— Sickest 10 Percent Account for 64 Percent of Expenses

Distribution of health expenditures for the U.S. population,
by magnitude of expenditure, 2003



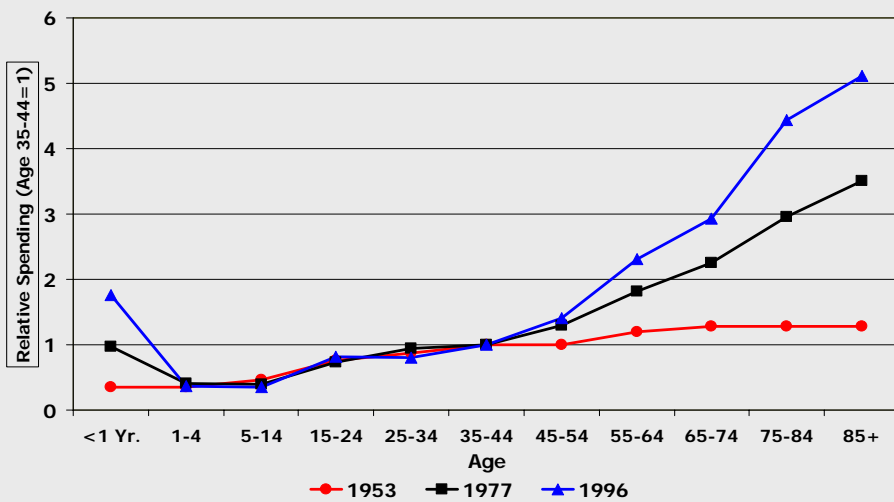
Source: The Commonwealth Fund. Data from S. H. Zuvekas and J. W. Cohen, "Prescription Drugs and the Changing Concentration of Health Care Expenditures," *Health Affairs*, Jan./Feb. 2007 26(1):249-57.

Source: The Commonwealth Fund



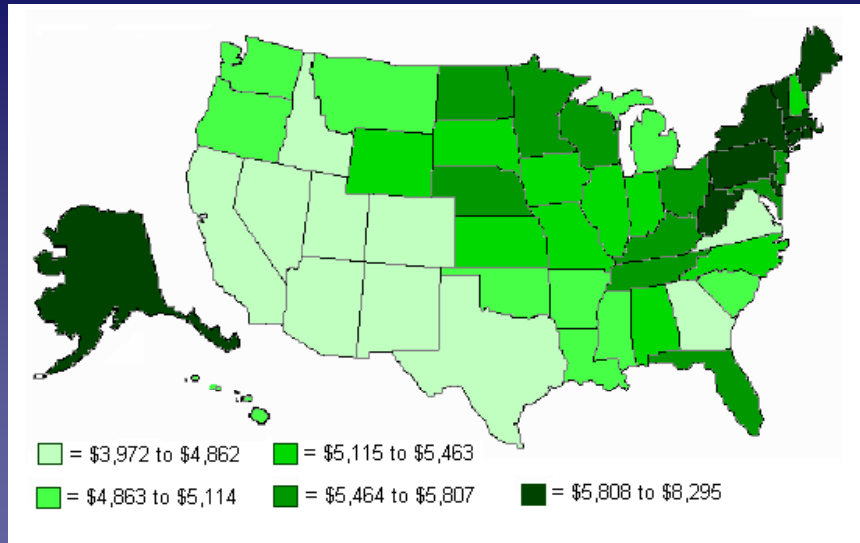
Urban Institute a nonpartisan economic and social policy research organization

The Age Distribution of Medical Spending 1953-1996



Urban Institute a nonpartisan economic and social policy research organization

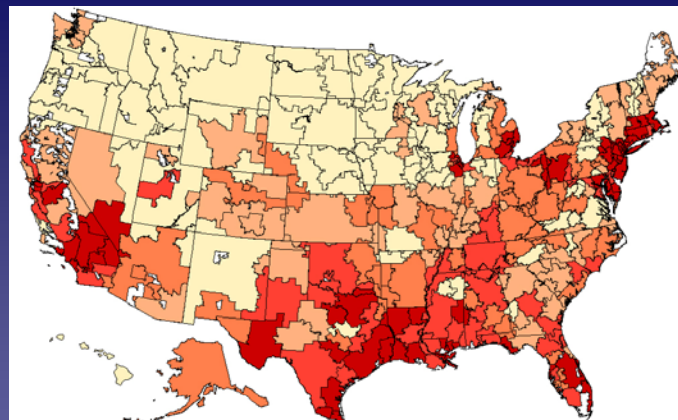
Per Capita Health Expenditures, by State, in 2004



Source: Martin, Whittle, Heffler, Barron, Sisko, and Washington. "Health Spending by State of Residence, 1991-2004", in *Health Affairs*: September, 2007

Urban Institute a nonpartisan economic and social policy research organization

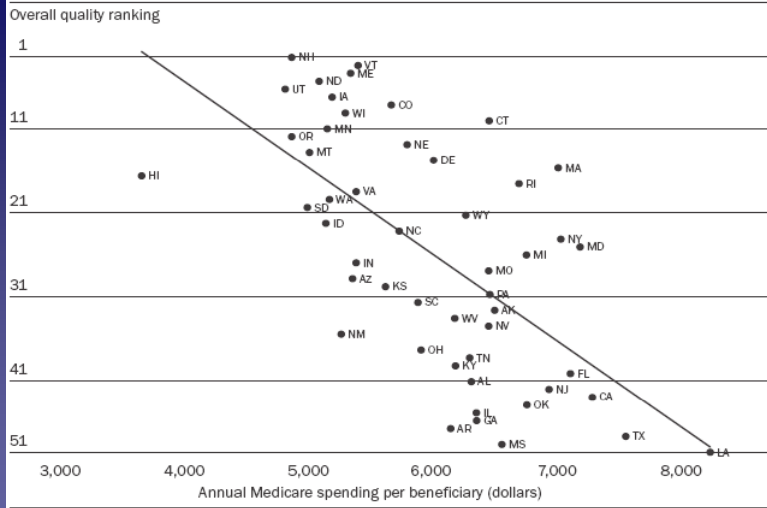
Medicare Spending Per Beneficiary in 2003



Source: Originally from Dartmouth Atlas of Health Care. Obtained from Congressional Budget Office slide.

Urban Institute a nonpartisan economic and social policy research organization

EXHIBIT 1
Relationship Between Quality And Medicare Spending, As Expressed By Overall Quality Ranking, 2000-2001



Source: Kate Baker, *Health Affairs*

Urban Institute a nonpartisan economic and social policy research organization

Outlays and Revenue as a Percentage of GDP, with Extension of the Tax Cuts

	Social Security	Net Medicare	Medicaid	Other Mandatory	Discretionary	Net Interest Payments	Revenue	Deficit
2006	4.2%	2.5%	1.4%	2.8%	7.8%	1.7%	18.4%	-1.9%
2050	6.5%	10.5%	4.7%	1.6%	4.5%	11.3%	19.4%	-19.8%
2006 to 2050	+2.3%	+8%	+3.3%	-1.2%	-3.3%	+9.6%	+1%	+17.9%

Source: Center on Budget and Policy Priorities

Urban Institute a nonpartisan economic and social policy research organization

