



JOHNS HOPKINS  
**BLOOMBERG**  
SCHOOL *of* PUBLIC HEALTH

# **The Past and Future of Health Economics Research**

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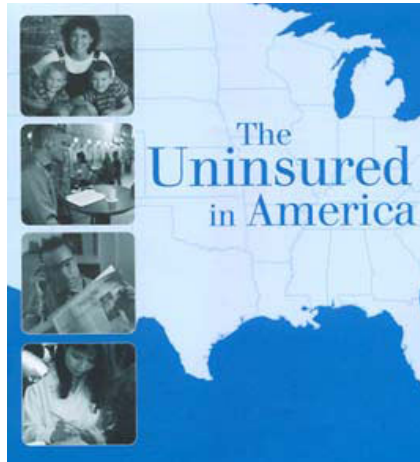
**October 17, 2014**

# **The Past and Future of Health Economics Research: Panel Discussion Outline**

- **Research on U.S. Health System Performance: Defining the Problem**
- **Research on Health Reform Proposals: Developing and Analyzing Solutions**
- **Affordable Care Act: Estimates of Predicted Impact and Early Evidence**
- **Future Research: Analyzing the Impact and Need for Further Action**



# Research on the U.S. Health System Performance



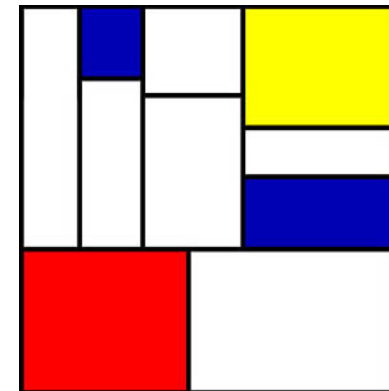
**Uninsured**



**Costs of Care**



**Quality of Care Chasm**

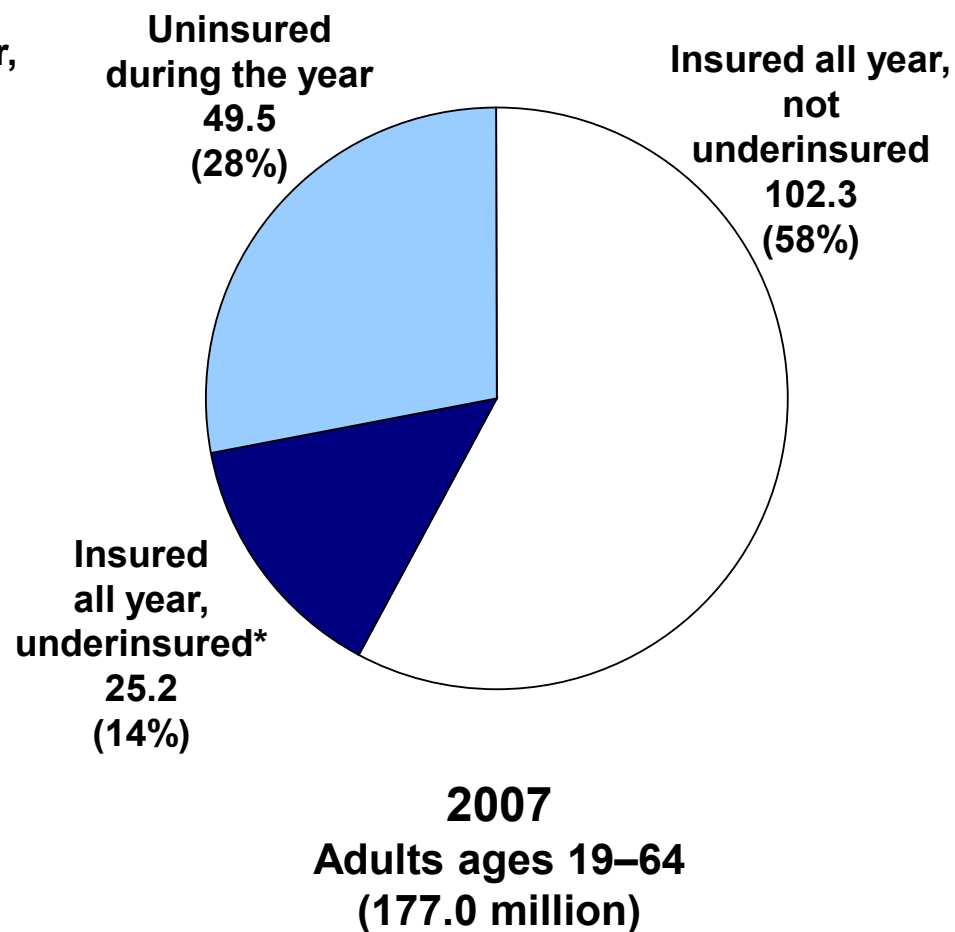
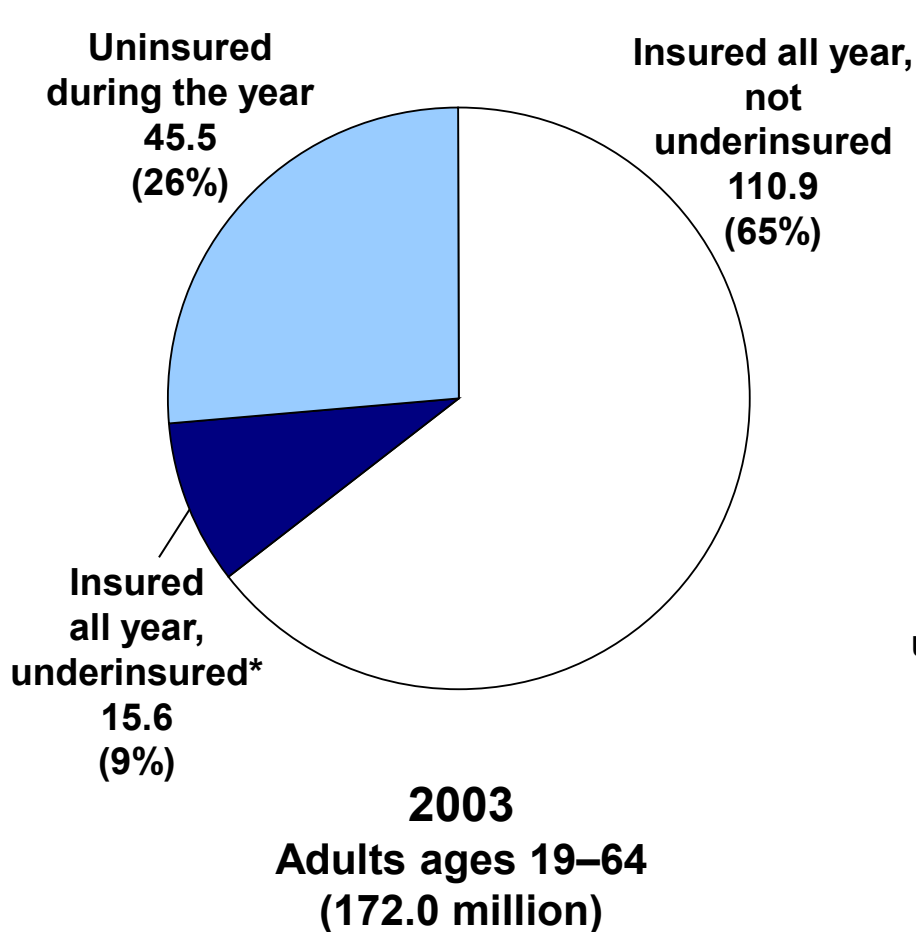


**Administrative  
Complexity**



# Underinsured: 25 Million U.S. Adults Underinsured in 2007

## 60 Percent Increase Since 2003



\*Underinsured defined as insured all year but experienced one of the following: medical expenses equaled 10% or more of income; medical expenses equaled 5% or more of income if low-income (<200% of poverty); or deductibles equaled 5% or more of income.

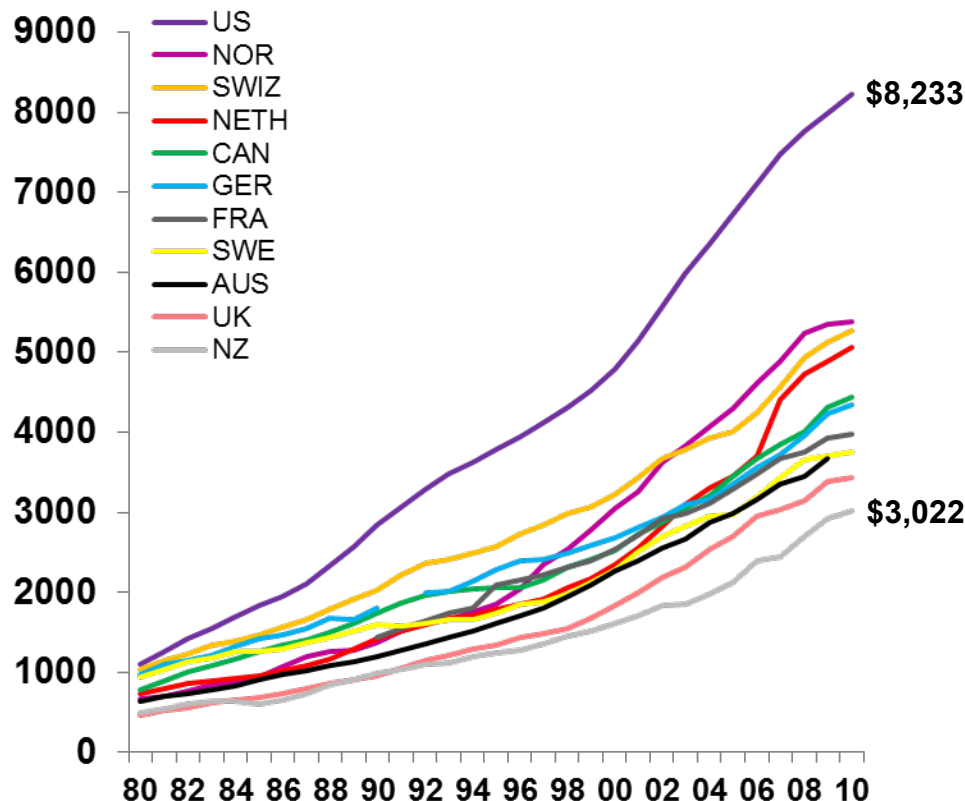
Data: The Commonwealth Fund Biennial Health Insurance Surveys (2003 and 2007).

Source: C. Schoen et al., "How Many Are Underinsured? Trends Among U.S. Adults, 2003 and 2007," *Health Affairs Web Exclusive*, June 10, 2008.

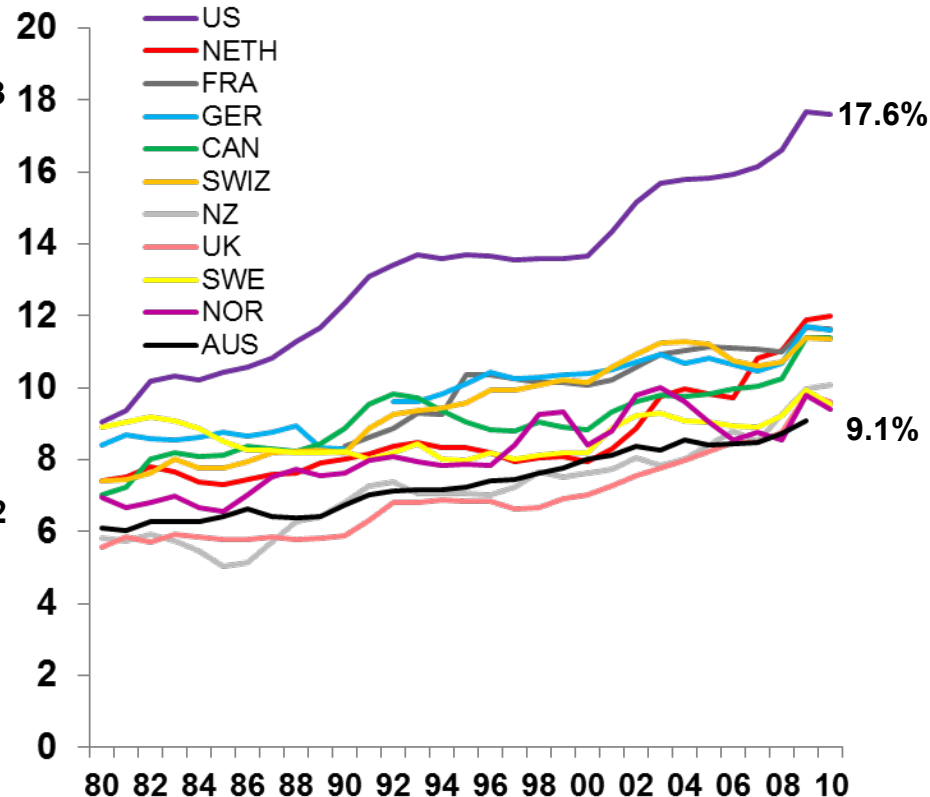


# International Comparison of Spending on Health, 1980–2010

**Average spending on health per capita (\$US PPP)**



**Total expenditures on health as percent of GDP**



Note: \$US PPP = purchasing power parity.

Source: Organization for Economic Cooperation and Development, *OECD Health Data, 2012* (Paris: OECD, Nov. 2012).



# The U.S. Often Lags Rather than Leads International Peers on Multiple Dimensions

Country Rankings	
	1.00–3.66
	3.67–7.33
	7.34–11.00



AUS CAN FRA GER NETH NZ NOR SWE SWIZ UK US

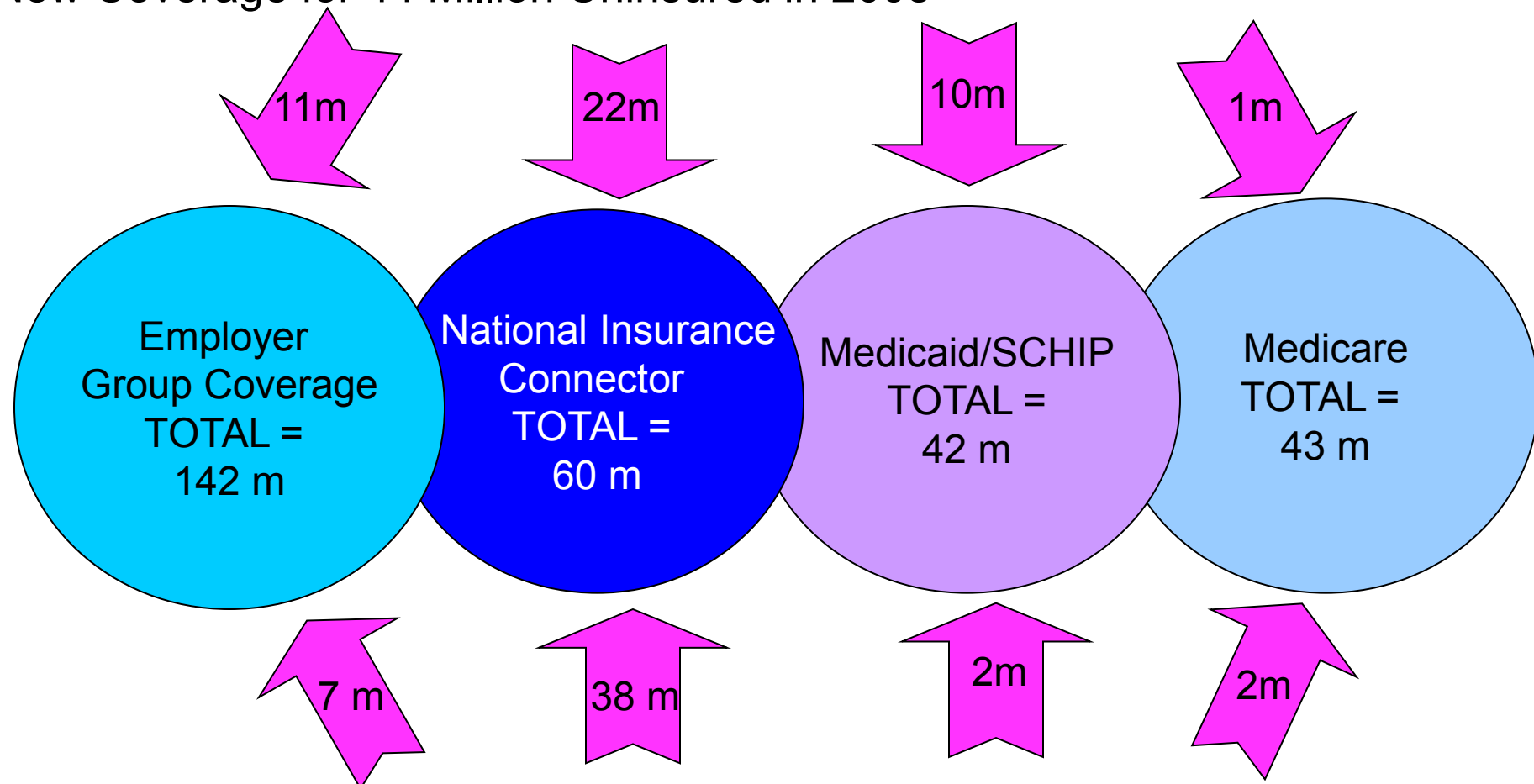
OVERALL RANKING (2013)	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
	3	10	9	6	5	6	8	4	2	1	11
Quality Care	2	9	8	7	6	3	11	10	3	1	5
Effective Care	3	7	9	6	5	2	11	10	8	1	4
Safe Care	3	10	2	6	7	9	11	5	4	1	7
Coordinated Care	4	9	8	10	5	1	6	11	3	2	7
Patient-Centered Care	5	8	9	5	7	3	11	10	1	2	4
Access	10	10	8	3	3	6	5	6	2	1	9
Cost-Related Problem	10	8	8	4	6	7	3	2	5	1	11
Timeliness of Care	9	11	7	4	2	5	8	10	1	3	6
Efficiency	3	9	8	10	7	4	5	2	6	1	11
Equity	3	10	8	4	6	9	7	5	2	1	11
Long, Healthy, Productive Lives	3	8	1	6	6	8	3	2	5	10	11
Health Expenditures/Capita, 2010	3,670	4,445	3,974	4,338	5,056	3,022	5,388	3,758	5,270	3,433	8,233

Source: K. Davis et al., *Mirror Mirror: on the Wall: How the Performance of the U.S. Health Care System Compares Internationally, 2013 Update*, Commonwealth Fund, forthcoming.



# Building Blocks for Automatic and Affordable Health Insurance For All: Universal Coverage through Private-Public System

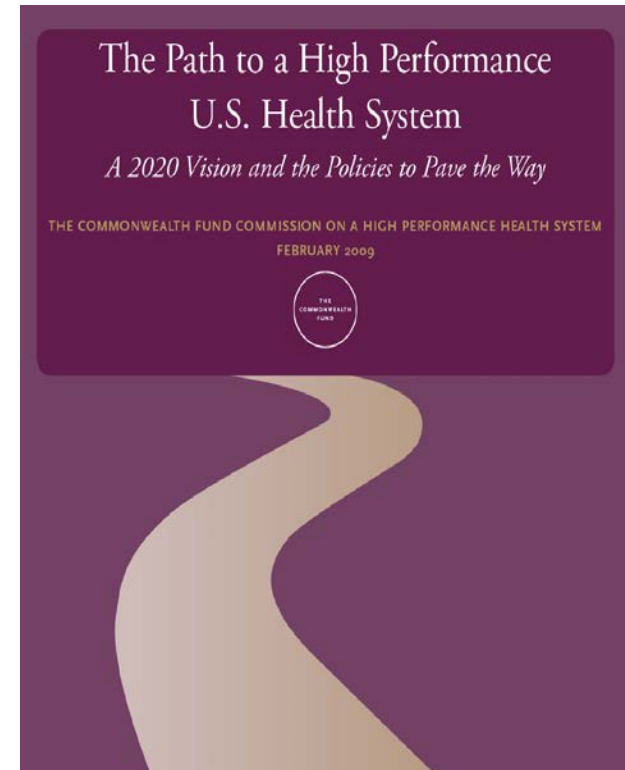
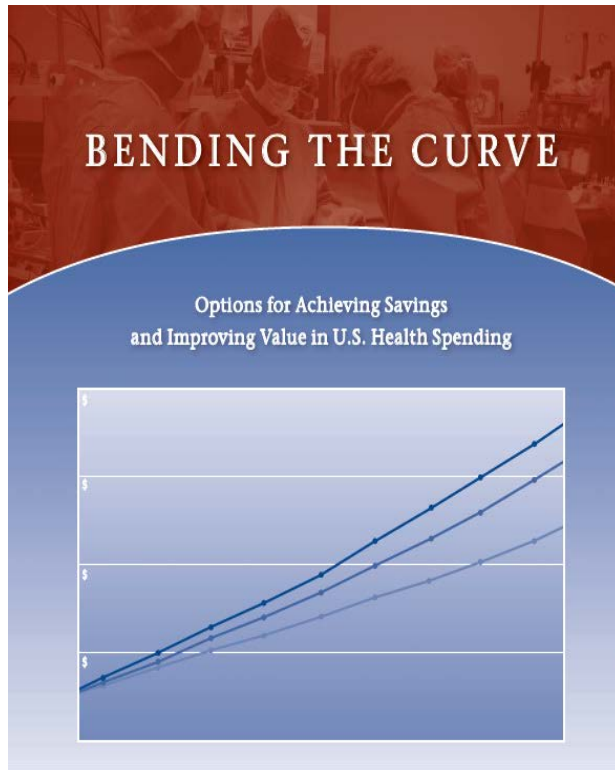
New Coverage for 44 Million Uninsured in 2008



Improved or More Affordable Coverage for 49 Million Insured



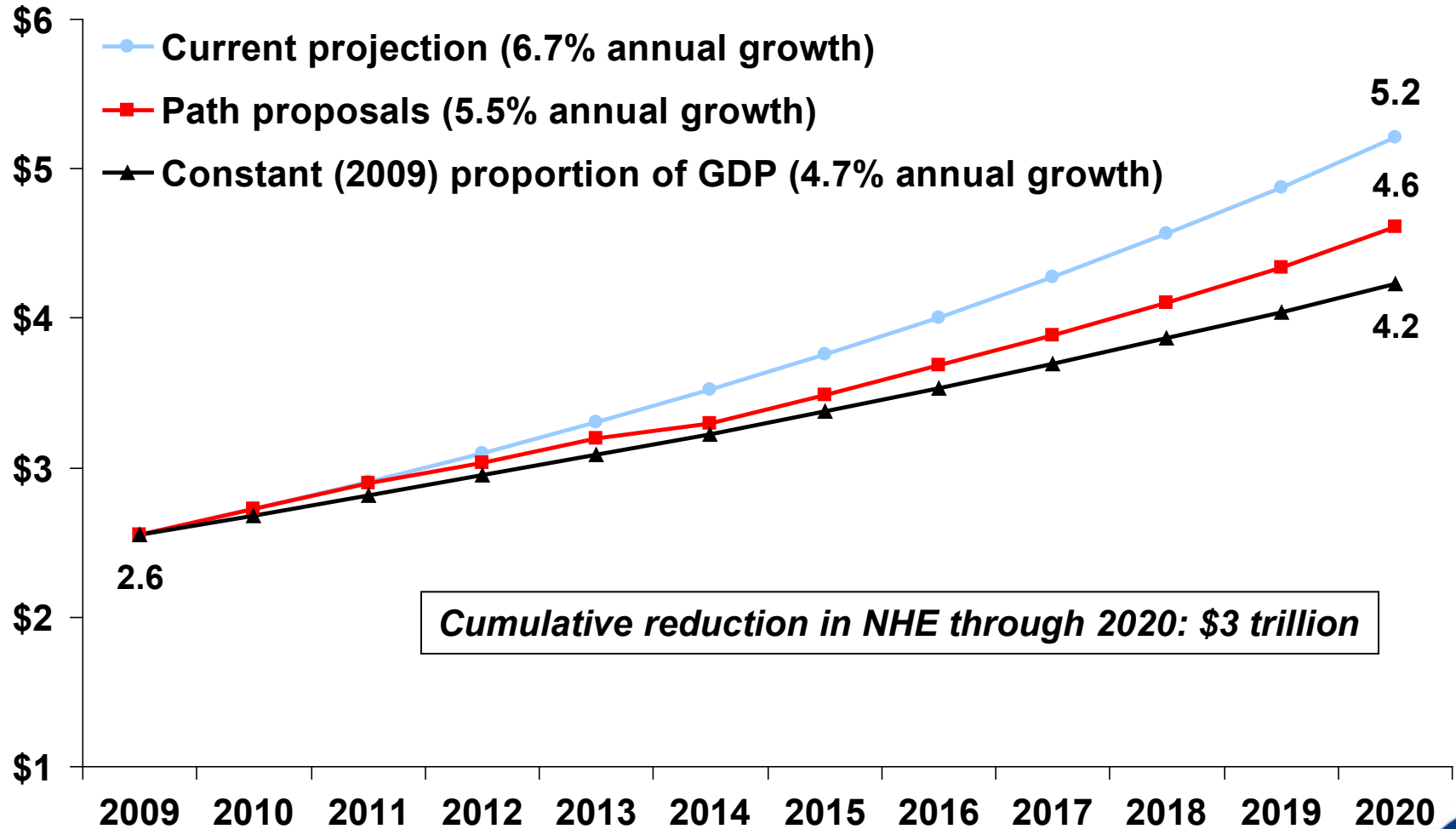
# Commonwealth Fund Commission on a High Performance Health System: Making the Case for Comprehensive Reform





# Path Report: Potential to Bend the Cost Curve + Improve Projected Spending Under Current and Alternative Scenarios

NHE in trillions



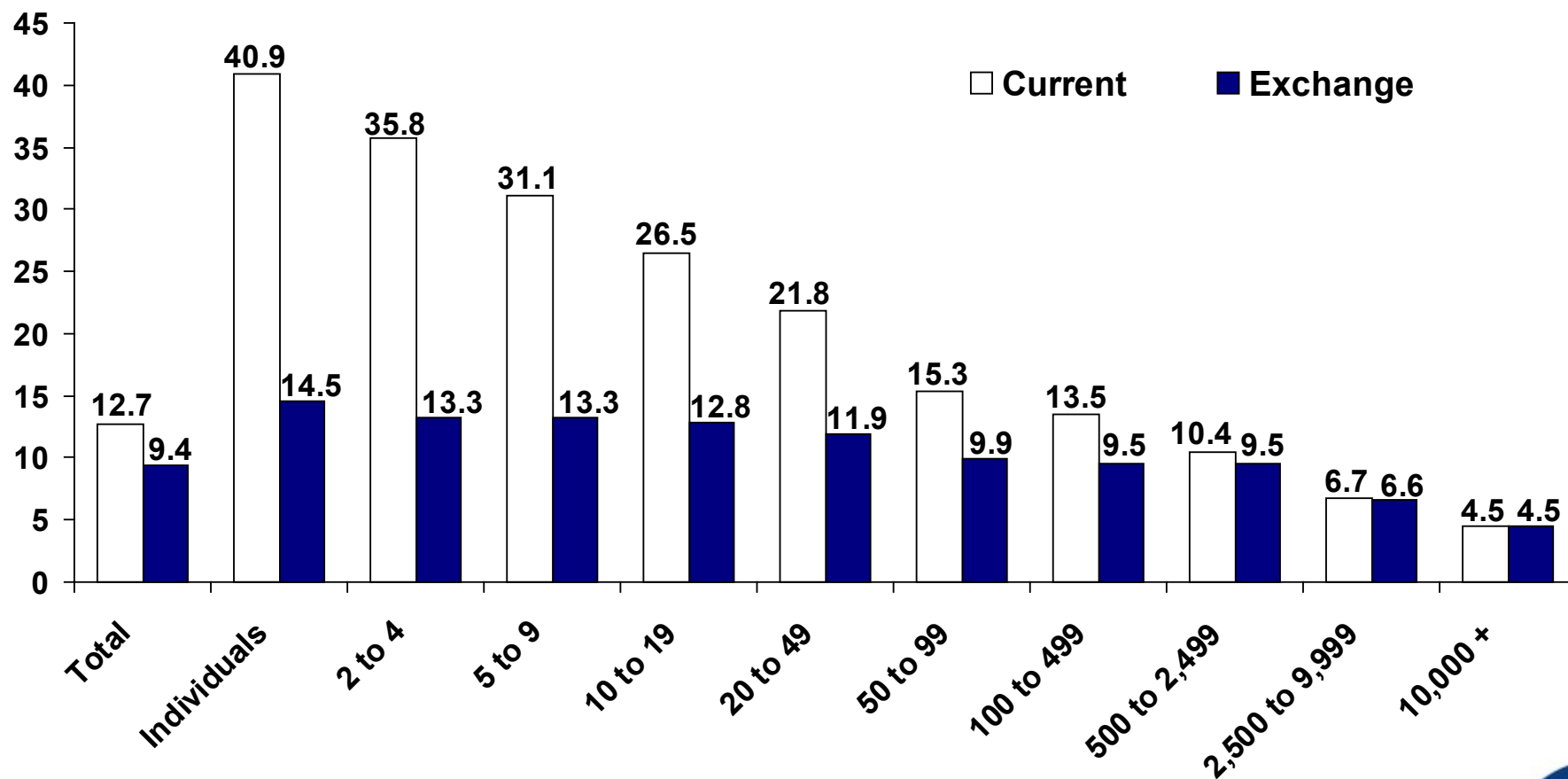
Note: GDP = Gross Domestic Product.

Data: Estimates by The Lewin Group for The Commonwealth Fund.

Source: *The Path to a High Performance U.S. Health System: A 2020 Vision and the Policies to Pave the Way*, February 2009.

# Cost of Administering Health Insurance as a Percentage of Claims Under Current Law and the Proposed Exchange, by Group Size

Percentage

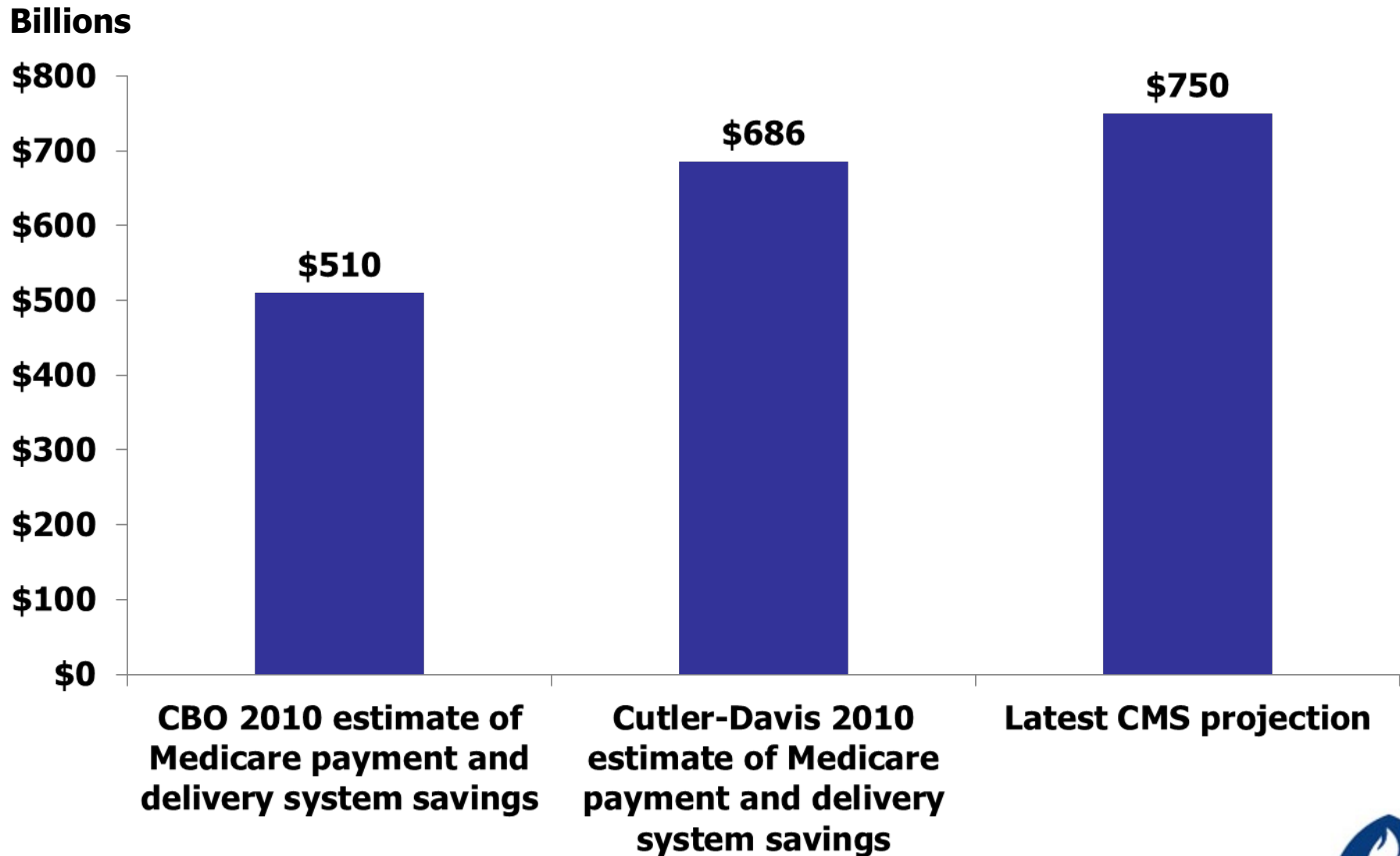


Data: Estimates by The Lewin Group for The Commonwealth Fund.

Source: Commonwealth Fund Commission on a High Performance Health System, *The Path to a High Performance U.S. Health System: A 2020 Vision and the Policies to Pave the Way* (New York: The Commonwealth Fund, Feb. 2009).



## Total 10-Year Medicare Savings Relative to Pre-Reform Projections, 2011–2020

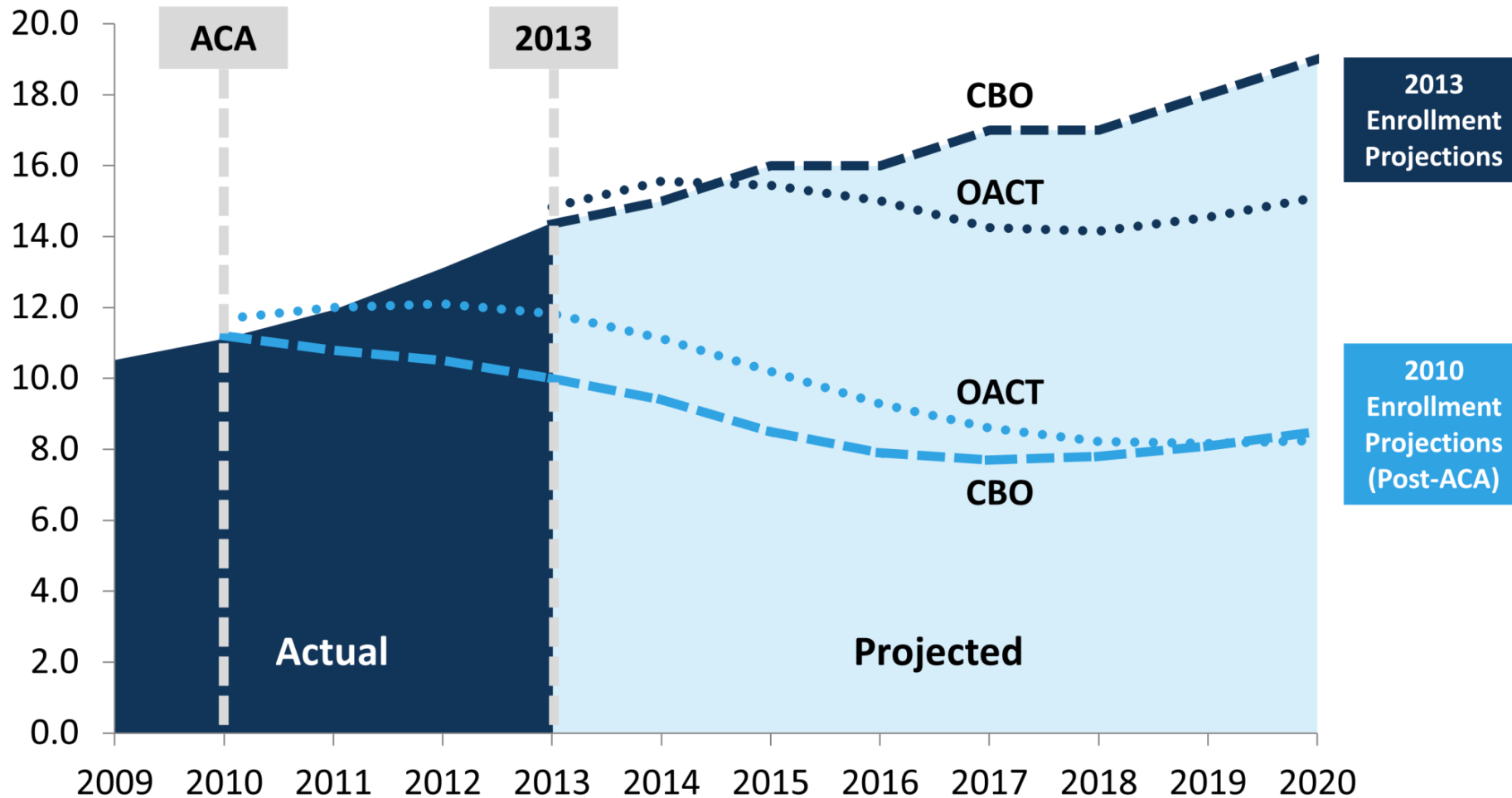


Data: The Congressional Budget Office, Analysis of H.R. 4872, Reconciliation Act of 2010, Mar. 20, 2010, <http://www.cbo.gov/doc.cfm?index=11379&type=1>; CMS Spending projections from 2009 and 2012; and D. M. Cutler, K. Davis, and K. Stremikis, *The Impact of Health Reform on Health System Spending*, Center for American Progress and The Commonwealth Fund, May 2010.



# What is the future outlook for Medicare Advantage?

*Actual and projected enrollment (in millions)*



NOTE: CBO is Congressional Budget Office; OACT is CMS Office of the Actuary.

SOURCE: MPR/Kaiser Family Foundation analysis of CMS Medicare Advantage enrollment files, 2009-2013. CBO, "Medicare Baseline," August 2010 and May 2013. Report of the Medicare Board of Trustees, 2010 and 2013.

## **Future Research**

- **Analyzing long-term impact of Affordable Care Act**
- **Refining benefits and low-income subsidies**
- **Administrative simplification of coverage across the life span**
- **Provider payment reform**
- **Medicare**
- **Long-term care**



# Thank You!



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