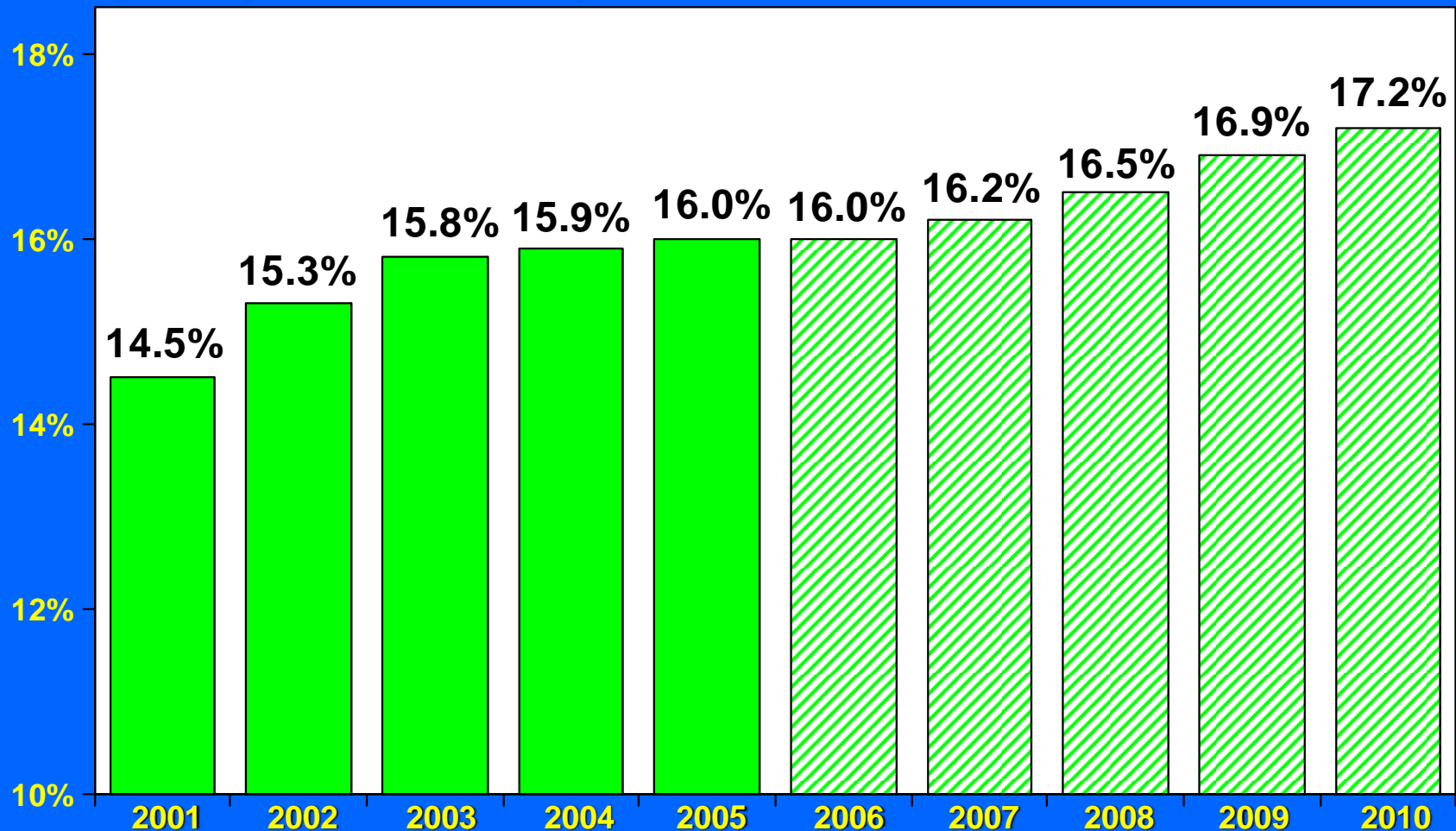


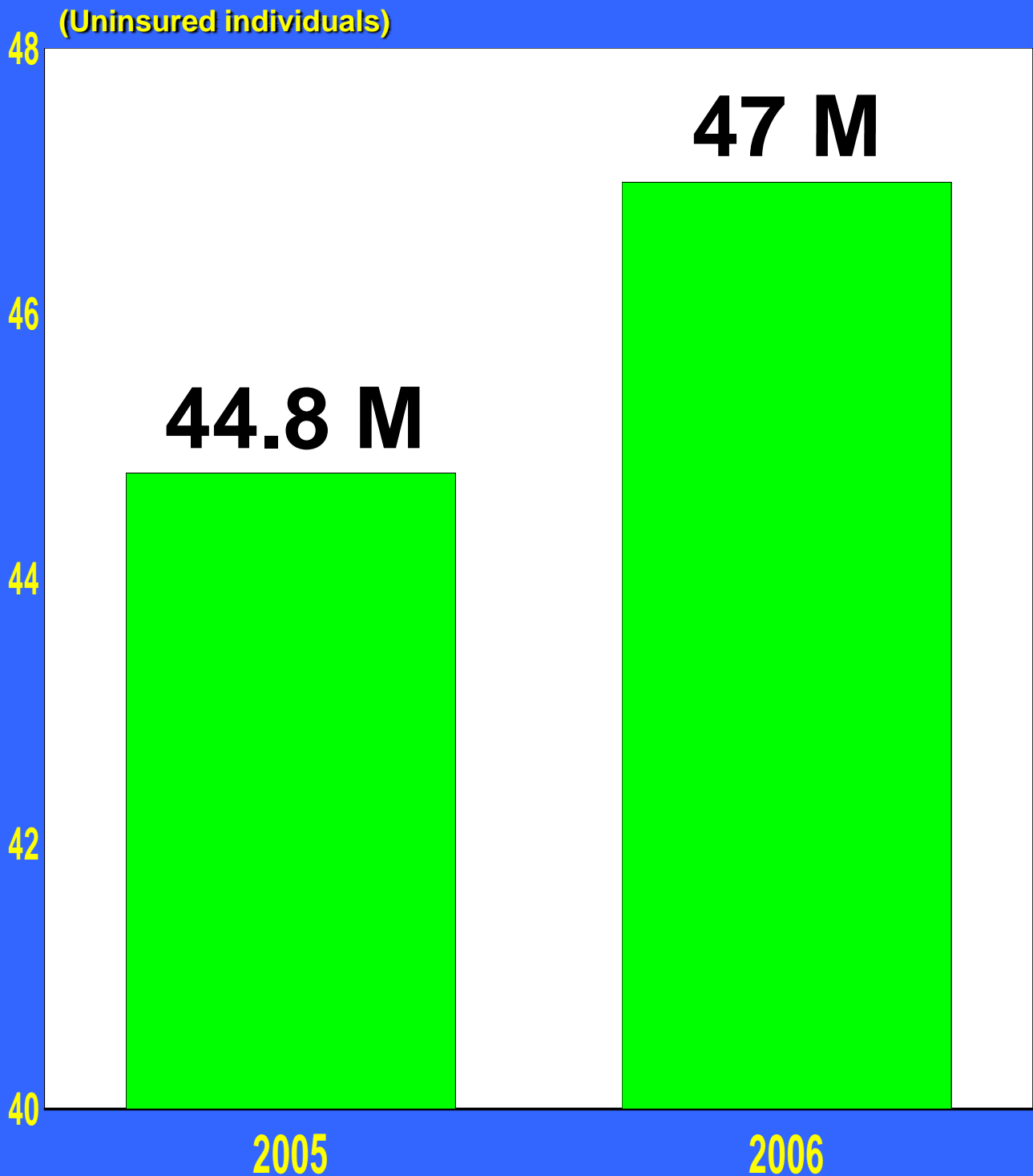
# U.S. Health Expenditures as a Share of the Economy

(Health expenditures as a % of GDP)



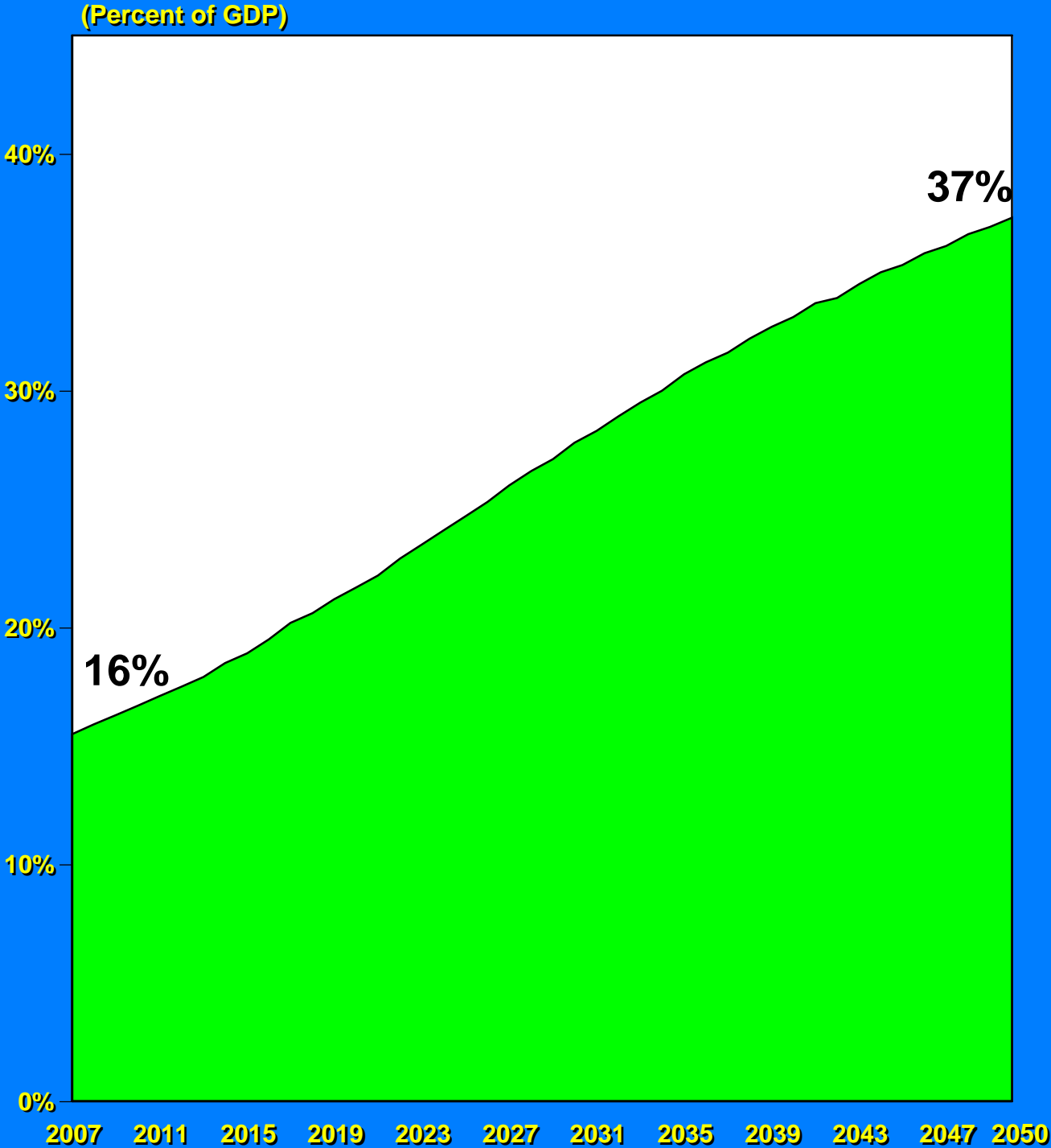
Source: CMS, Office of the Actuary, National Health Expenditures Data, 2006

# Number of Uninsured Increased by 2.2 Million in 2006



Source: U.S. Census Bureau

# Spending on Health Care as Percent of GDP



Source: CBO Long-Term Outlook for Health Care Spending, November 2007.

# **Reform of Medicare and Medicaid Requires Overall Health Care Reform**

**“I think it’s a mistake to look at containing costs just within the federal programs themselves, Medicare and Medicaid. The underlying driver of that cost growth, of the costs in those programs, is the underlying rate of cost growth in the health sector as a whole. And tackling that problem is perhaps the fundamental fiscal challenge and an important economic challenge facing the nation.”**

**– Congressional Budget Office Director  
Peter Orszag  
Testimony before Senate Budget Committee  
January 25, 2007**

# **Health Care Reforms with Potential for Long-Term Savings *May Have Upfront Costs***

- **Expanding comparative effectiveness research**
- **Coordinating care for chronically ill**
- **Changing provider incentives and beneficiary cost-sharing**
- **Promoting healthy lifestyles and preventive care**
- **Widespread adoption of Health IT and e-prescribing**