



Congressional Budget Office

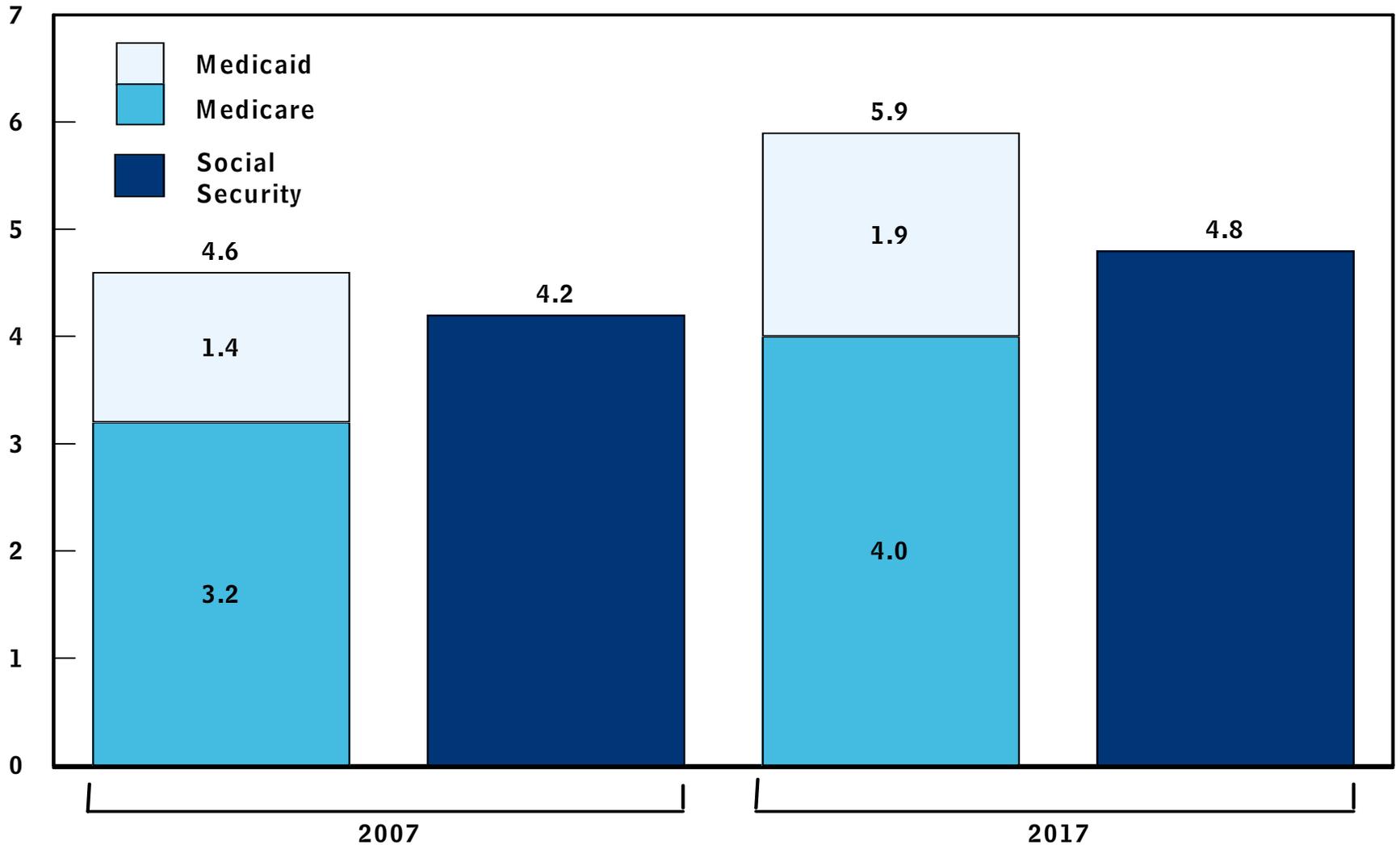
Health Care Issues and Challenges for Reform

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Director**

October 2007

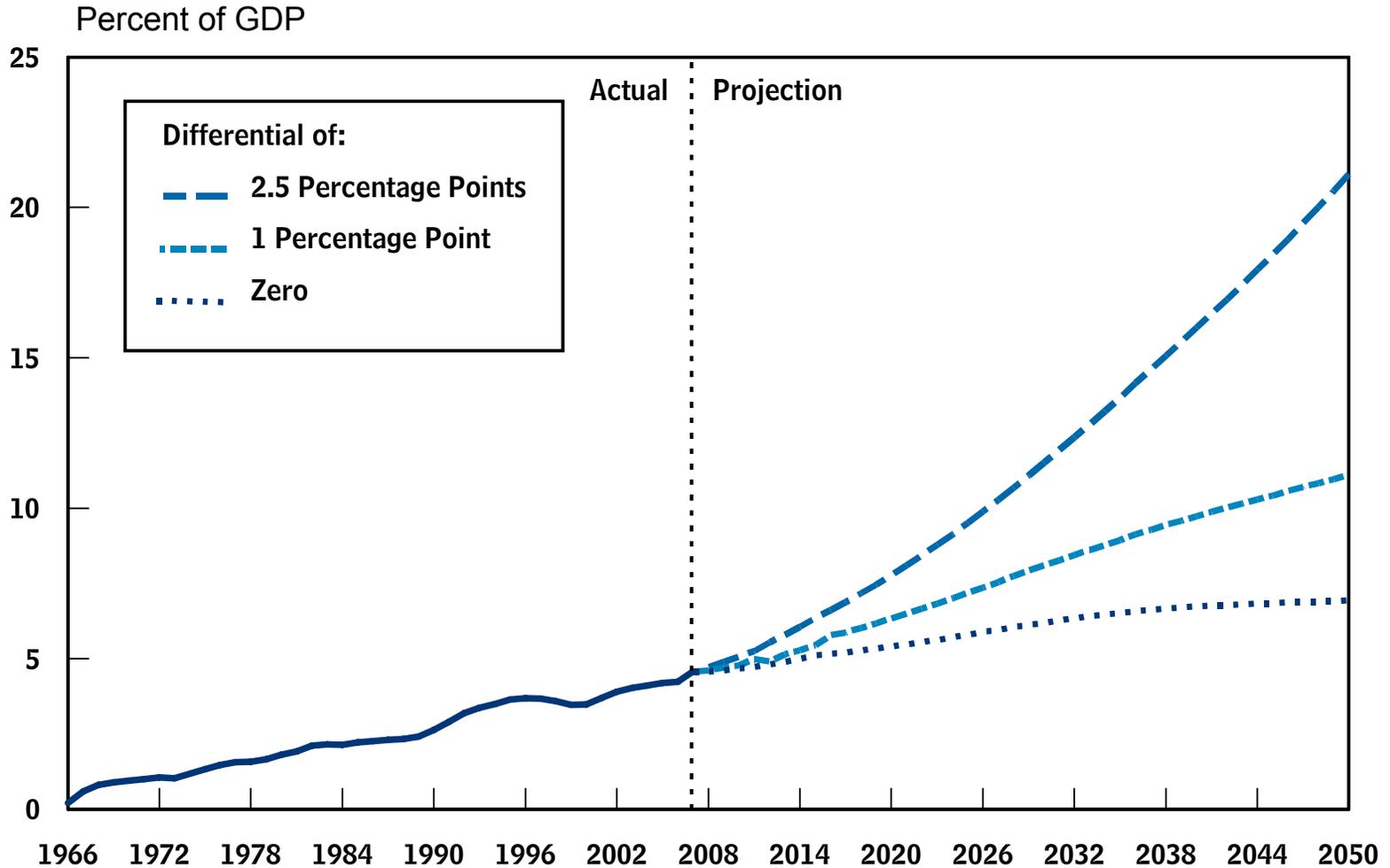


Spending on Medicare and Medicaid and on Social Security as a Percentage of GDP, 2007 and 2017



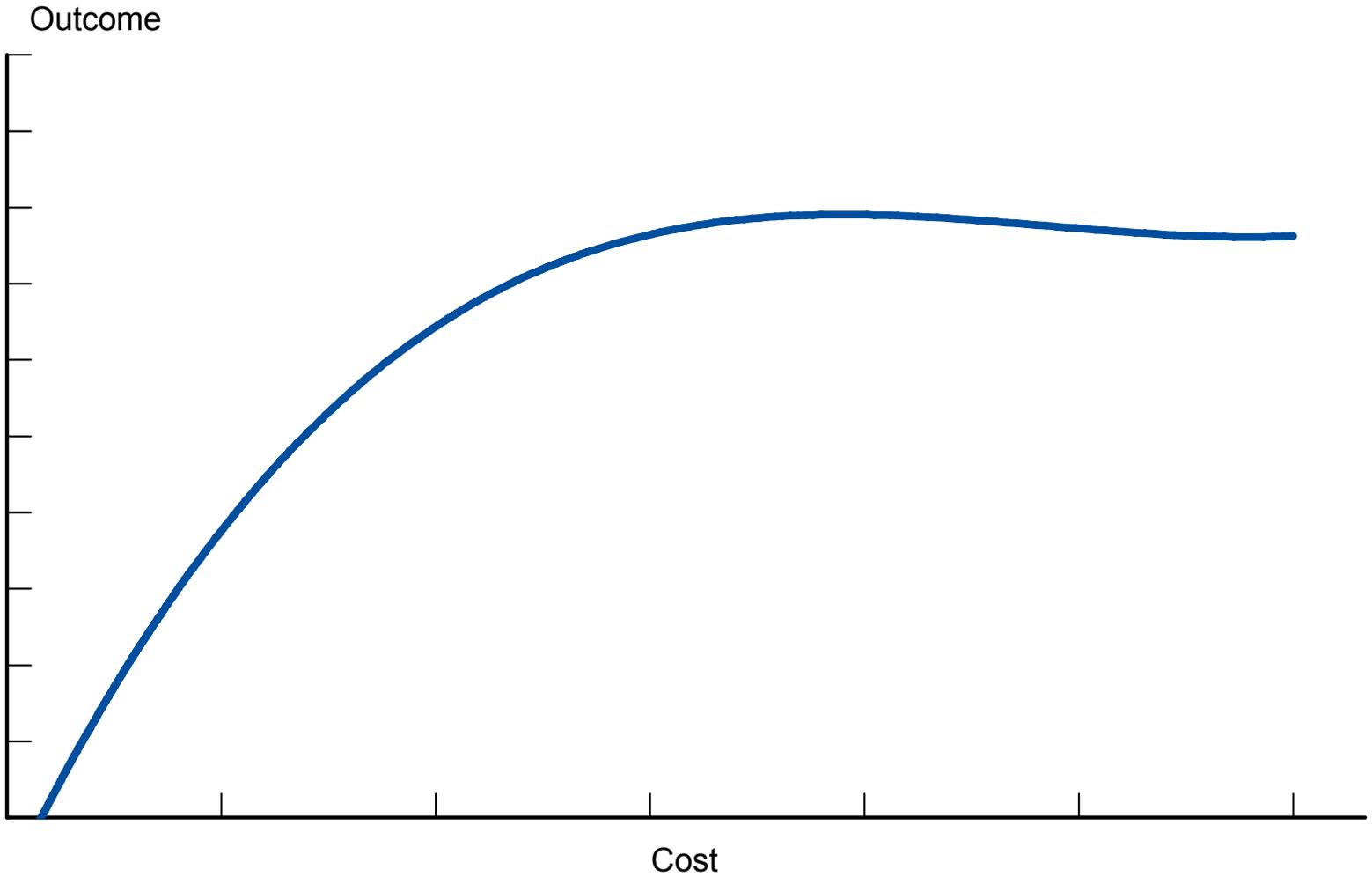


Total Federal Spending for Medicare and Medicaid Under Assumptions About the Health Cost Growth Differential



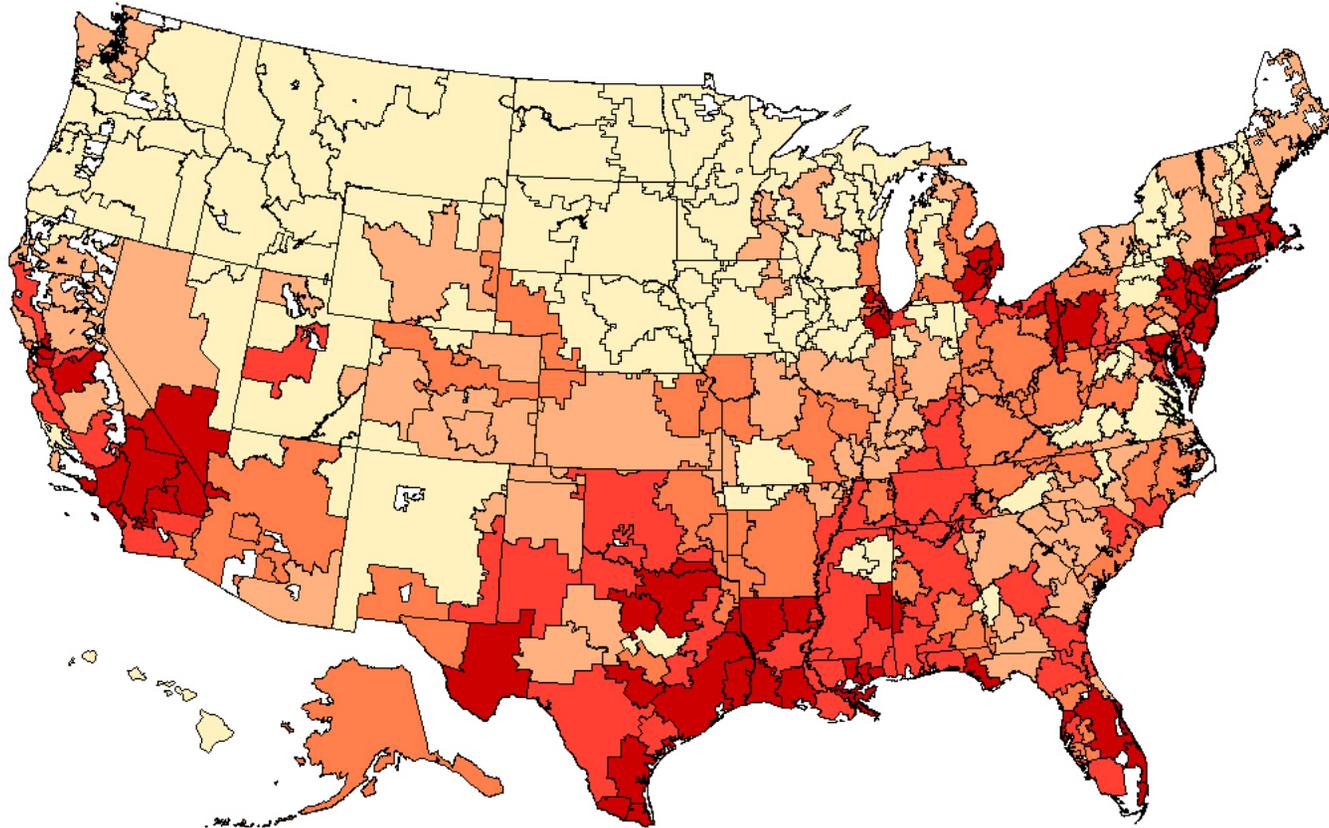


The Medical Effectiveness Curve





Medicare Spending per Capita in the United States, by Hospital Referral Region, 2003

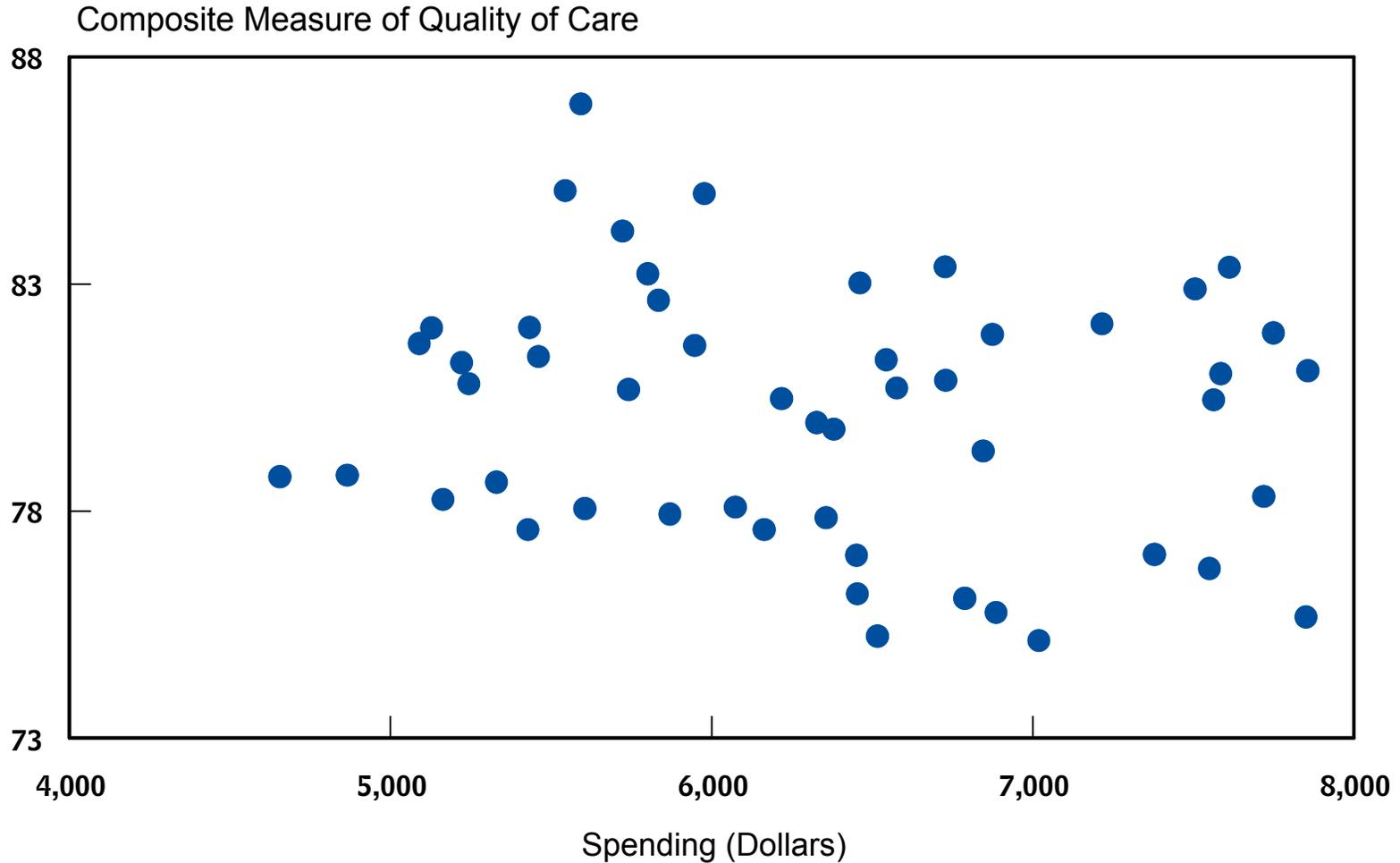


■ \$7,200 to 11,600 (74)	■ 6,300 to <6,800 (55)	■ 4,500 to <5,800 (72)
■ 6,800 to < 7,200 (45)	■ 5,800 to <6,300 (60)	□ Not Populated

Source: www.dartmouthatlas.org.



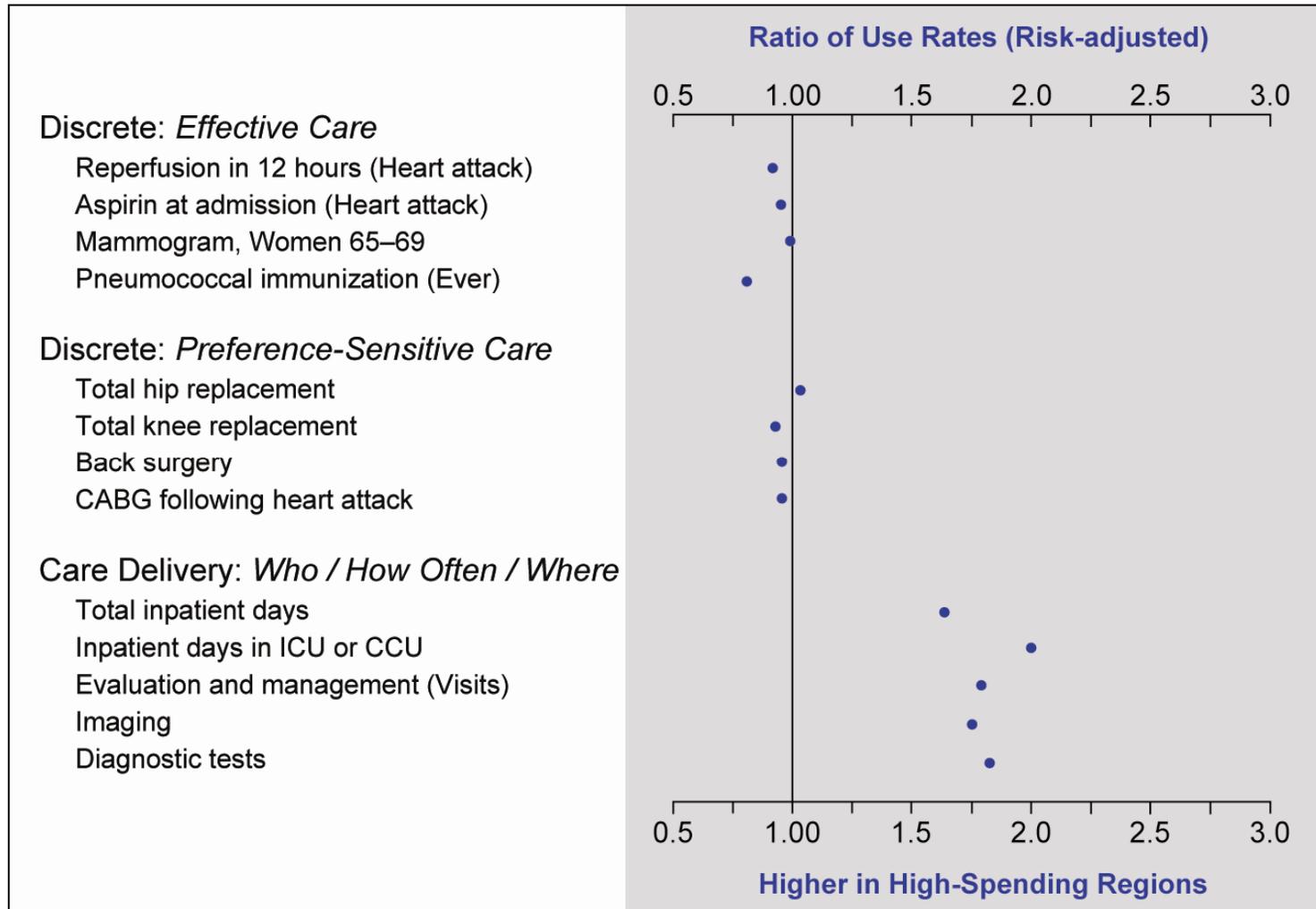
The Relationship Between Quality and Medicare Spending, by State, 2004



Source: Data from AHRQ and CMS.



What Additional Services Are Provided in High-Spending Regions?





Variations Among Academic Medical Centers

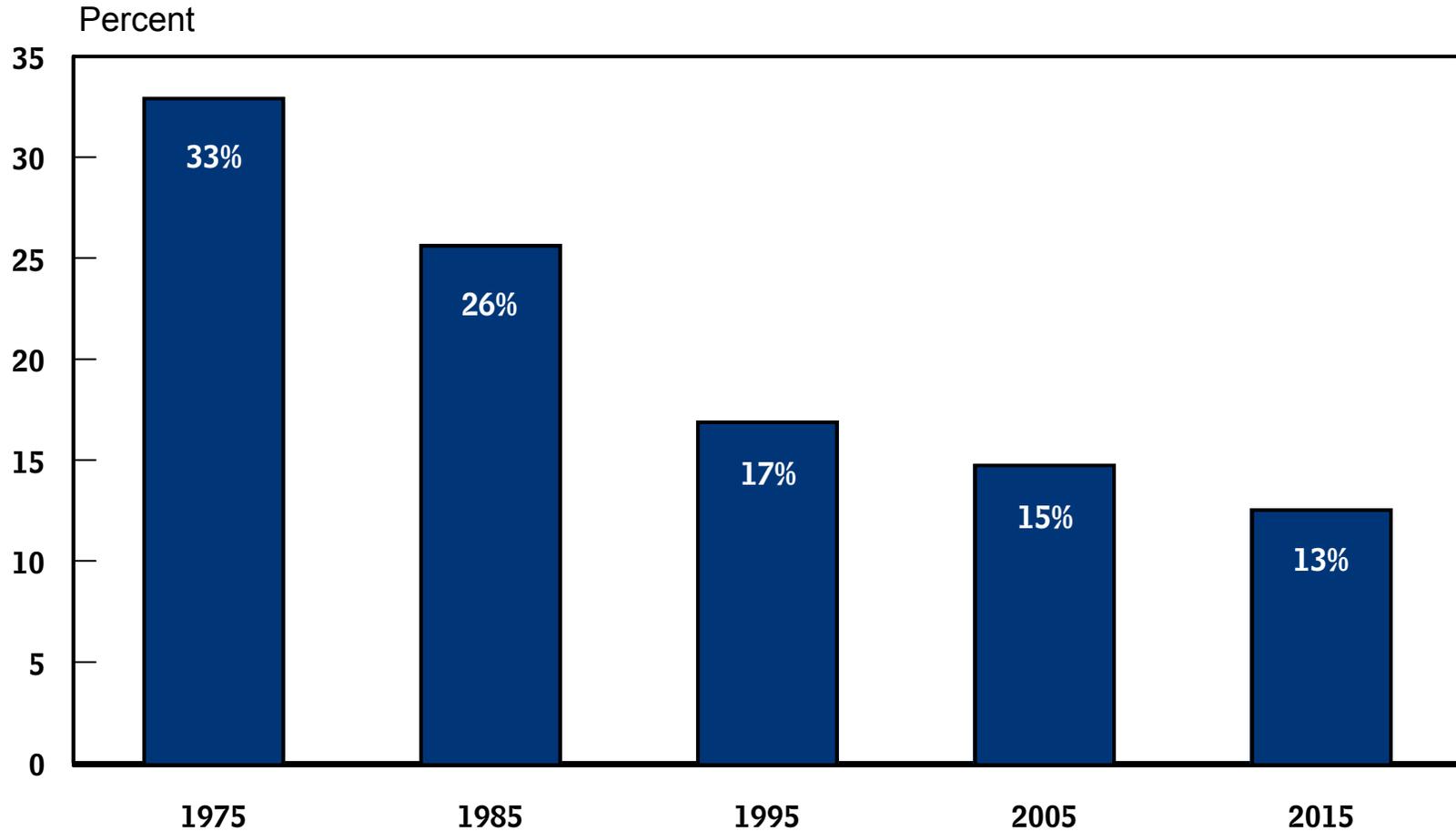
Use of Biologically Targeted Interventions and Care-Delivery Methods Among Three of U.S. News and World Report's "Honor Roll" AMCs

	UCLA Medical Center	Massachusetts General Hospital	Mayo Clinic (St. Mary's Hospital)
Biologically Targeted Interventions: Acute Inpatient Care			
CMS composite quality score	81.5	85.9	90.4
Care Delivery—and Spending—Among Medicare Patients in Last Six Months of Life			
Total Medicare spending	50,522	40,181	26,330
Hospital days	19.2	17.7	12.9
Physician visits	52.1	42.2	23.9
Ratio, medical specialist / primary care	2.9	1.0	1.1

Source: Elliot Fisher, Dartmouth Medical School.

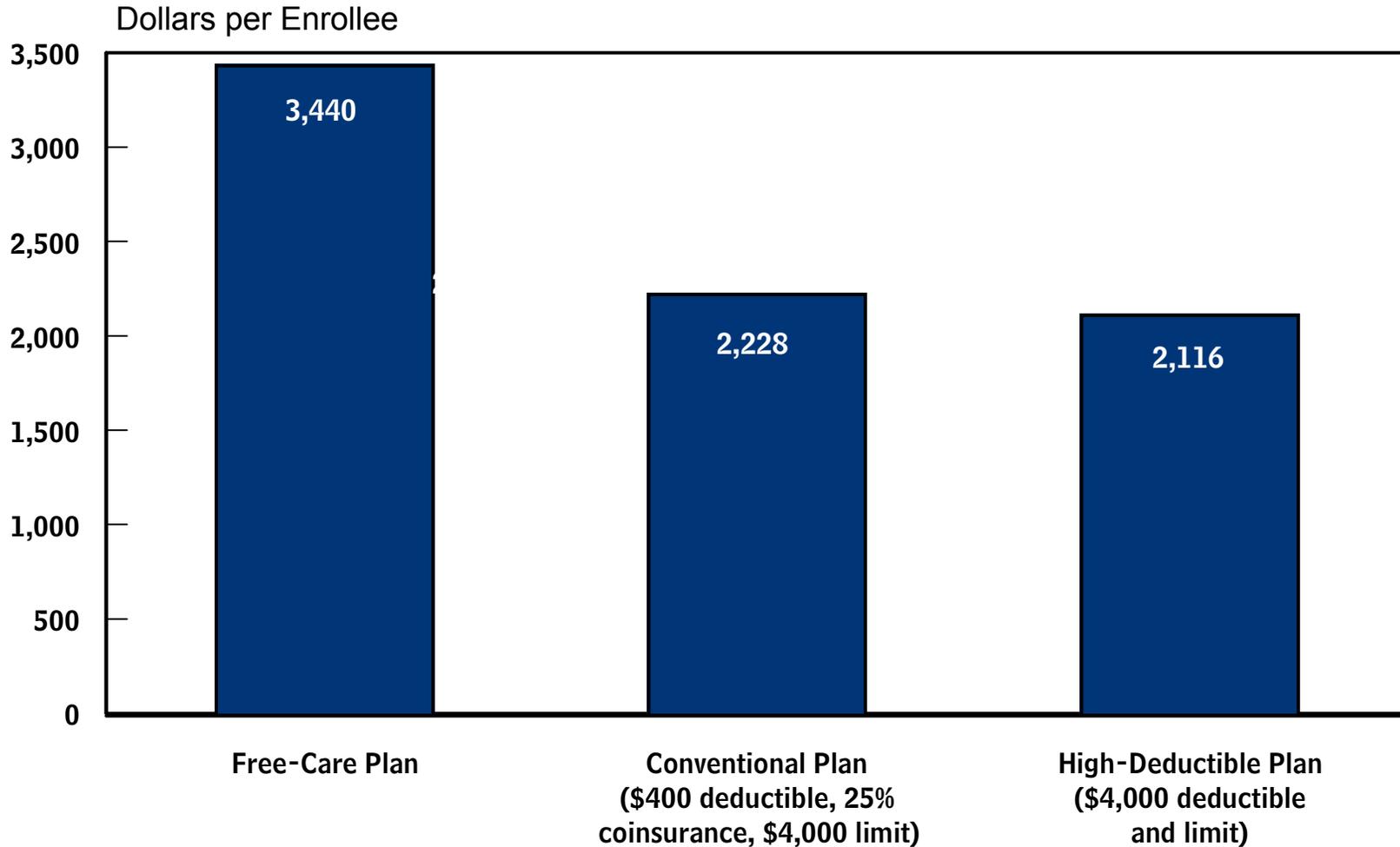


Share of Personal Health Care Expenditures Paid Out of Pocket





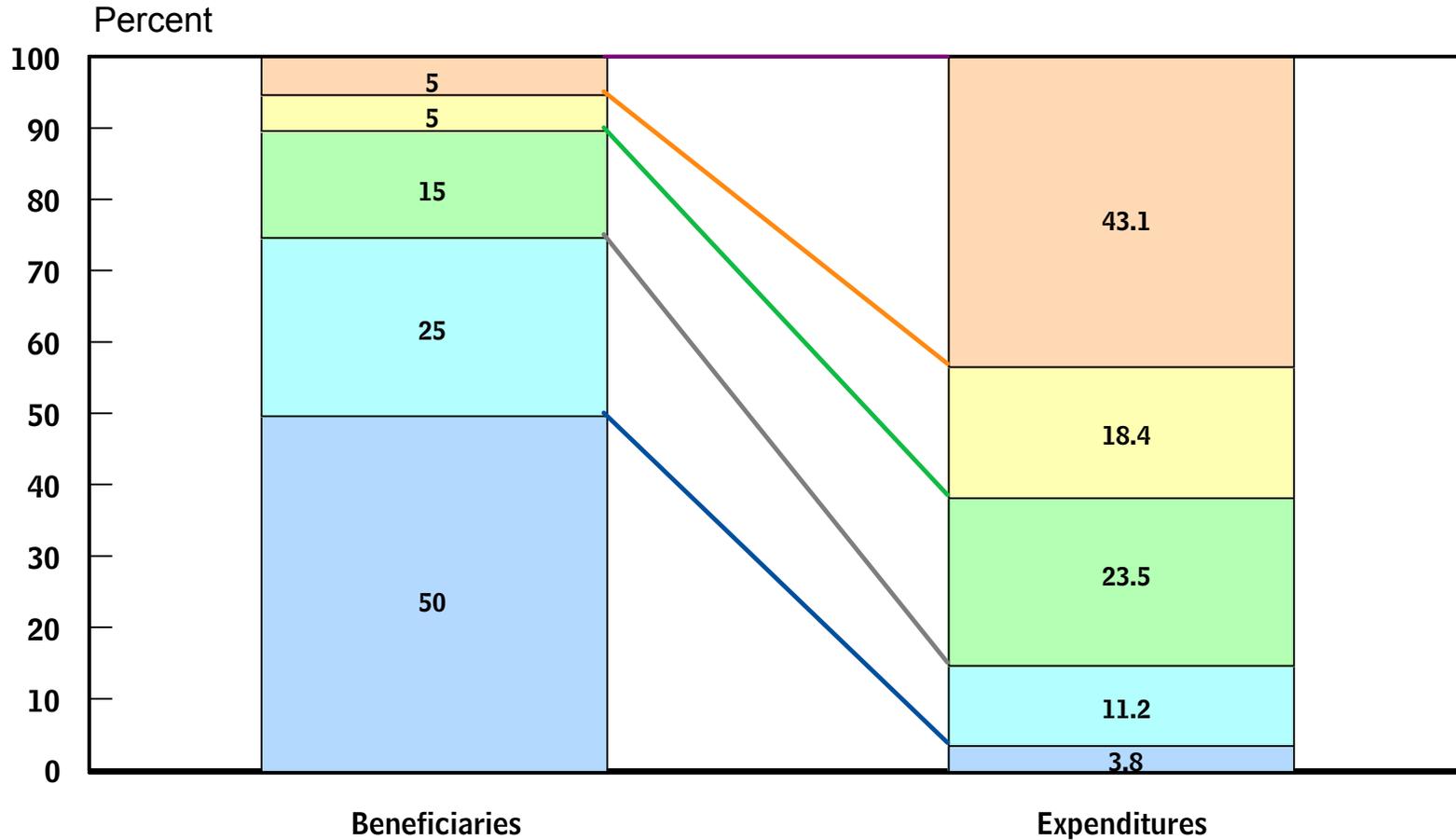
Effects of Cost Sharing



Source: Based on data from RAND's health insurance experiment.



Concentration of Total Annual Medicare Expenditures Among Beneficiaries, 2001



Source: CBO based on data from CMS.