



**Congressional Budget Office**

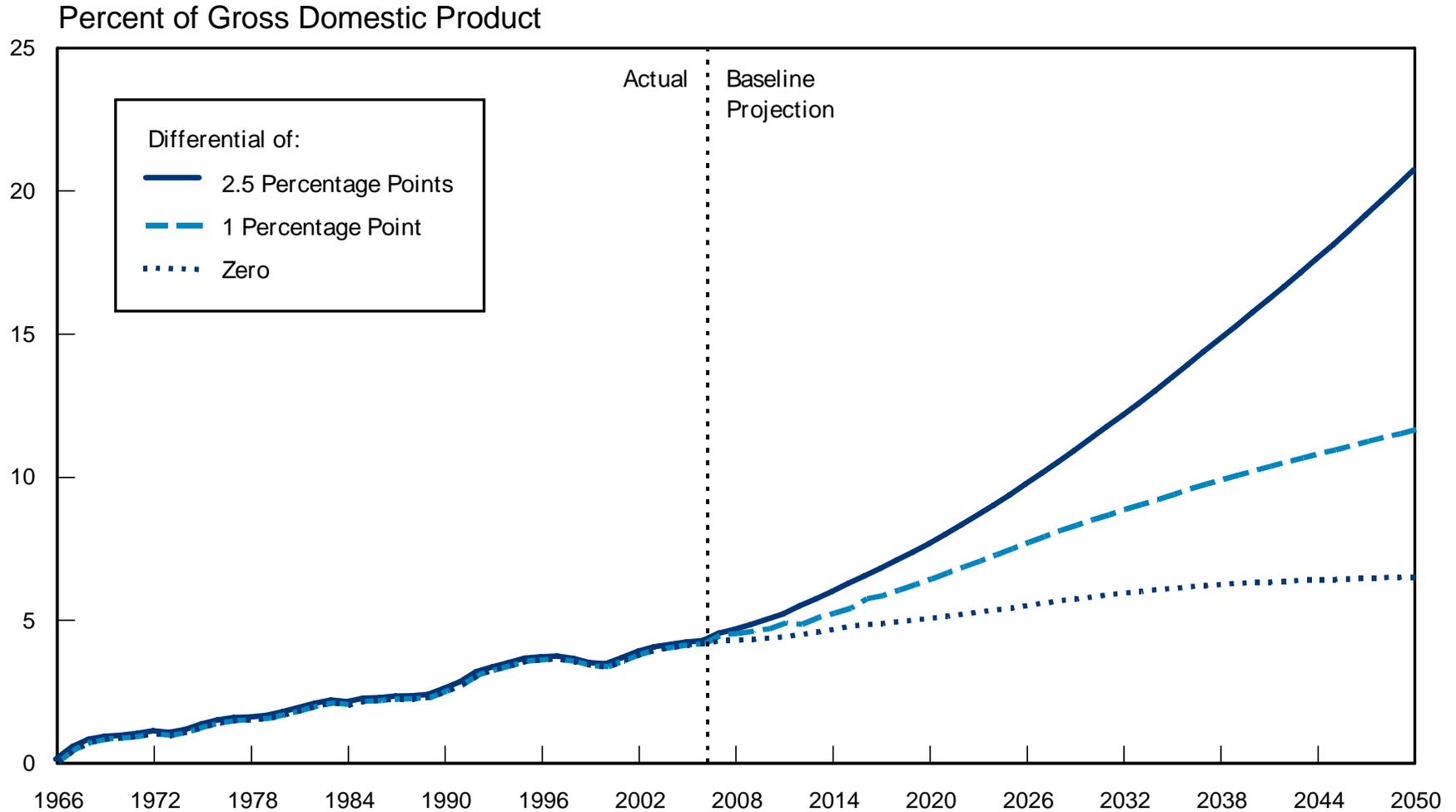
# **Challenges of Health Care Costs**

**Presentation by  
Peter R. Orszag  
Director, Congressional Budget Office**

**June 2007**

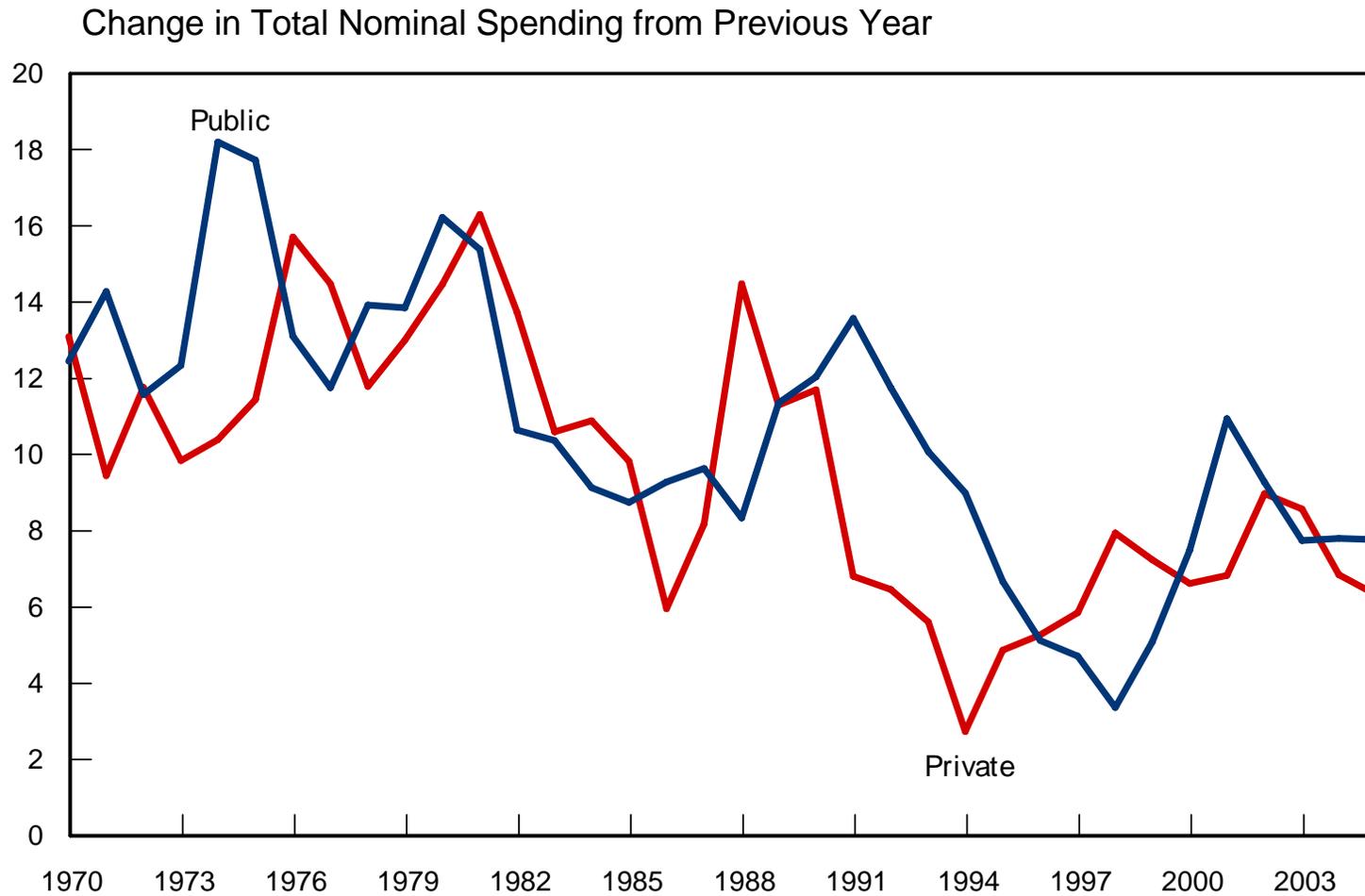


# Total Federal Spending for Medicare and Medicaid Under Assumptions About the Health Cost Growth Differential





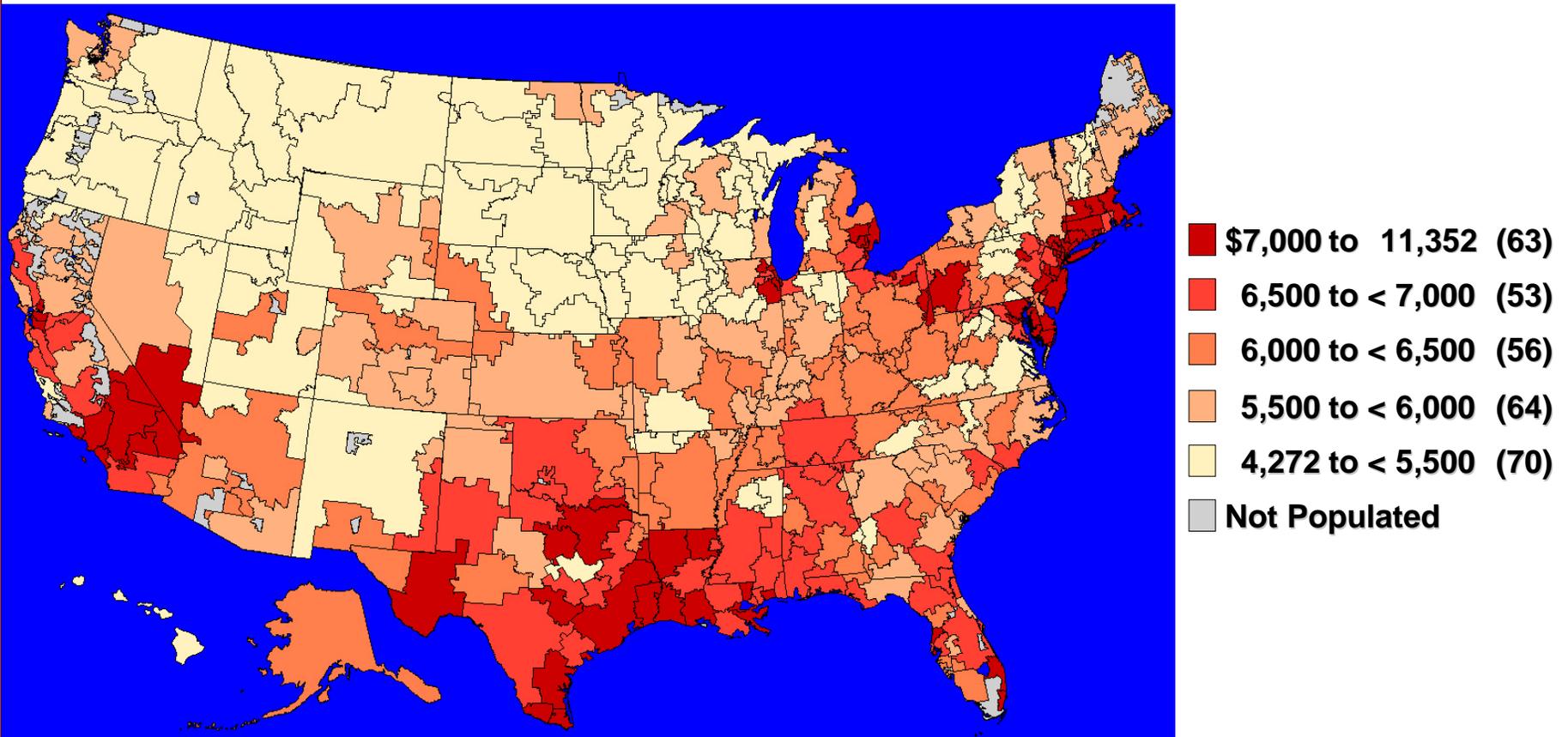
# Annual Growth Rates of Private and Public Health Care Spending



Source: CMS's data on national health expenditures.



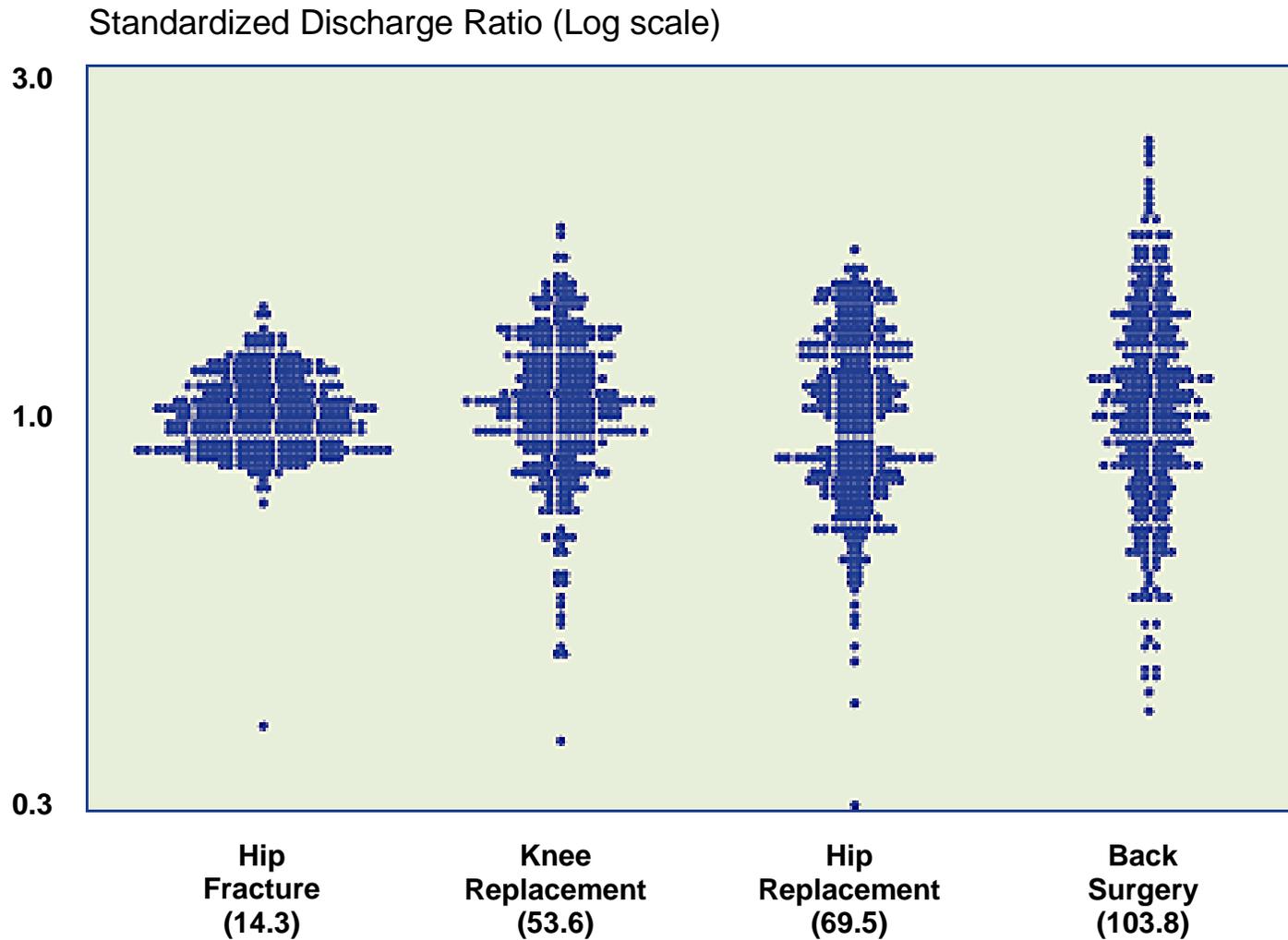
## Medicare Spending per Capita in the United States, by Hospital Referral Region, 2003



Source: [www.dartmouthatlas.org](http://www.dartmouthatlas.org)



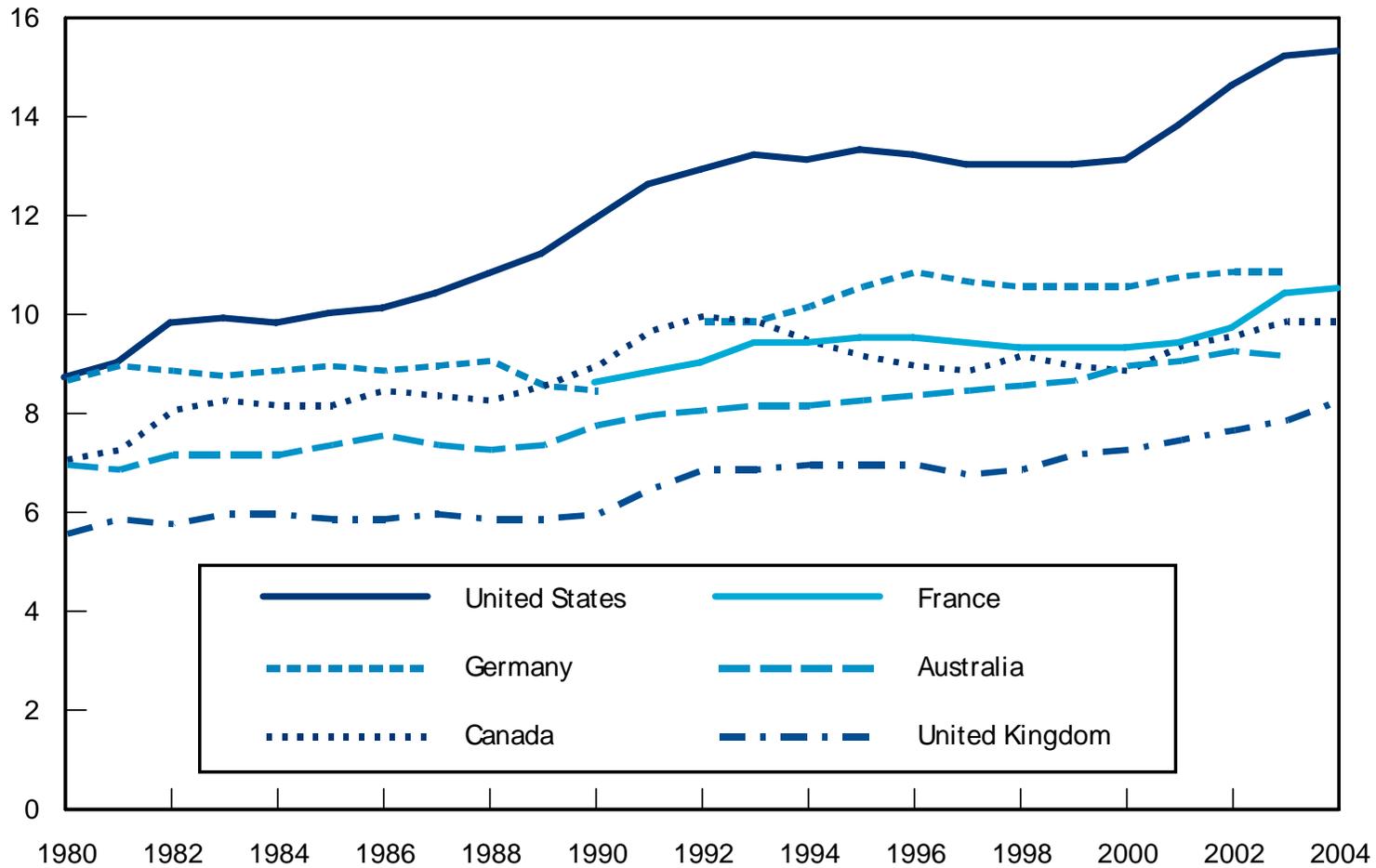
## Rates of Four Orthopedic Procedures Among Medicare Enrollees, 2002 and 2003



Source: Dartmouth Atlas Project.



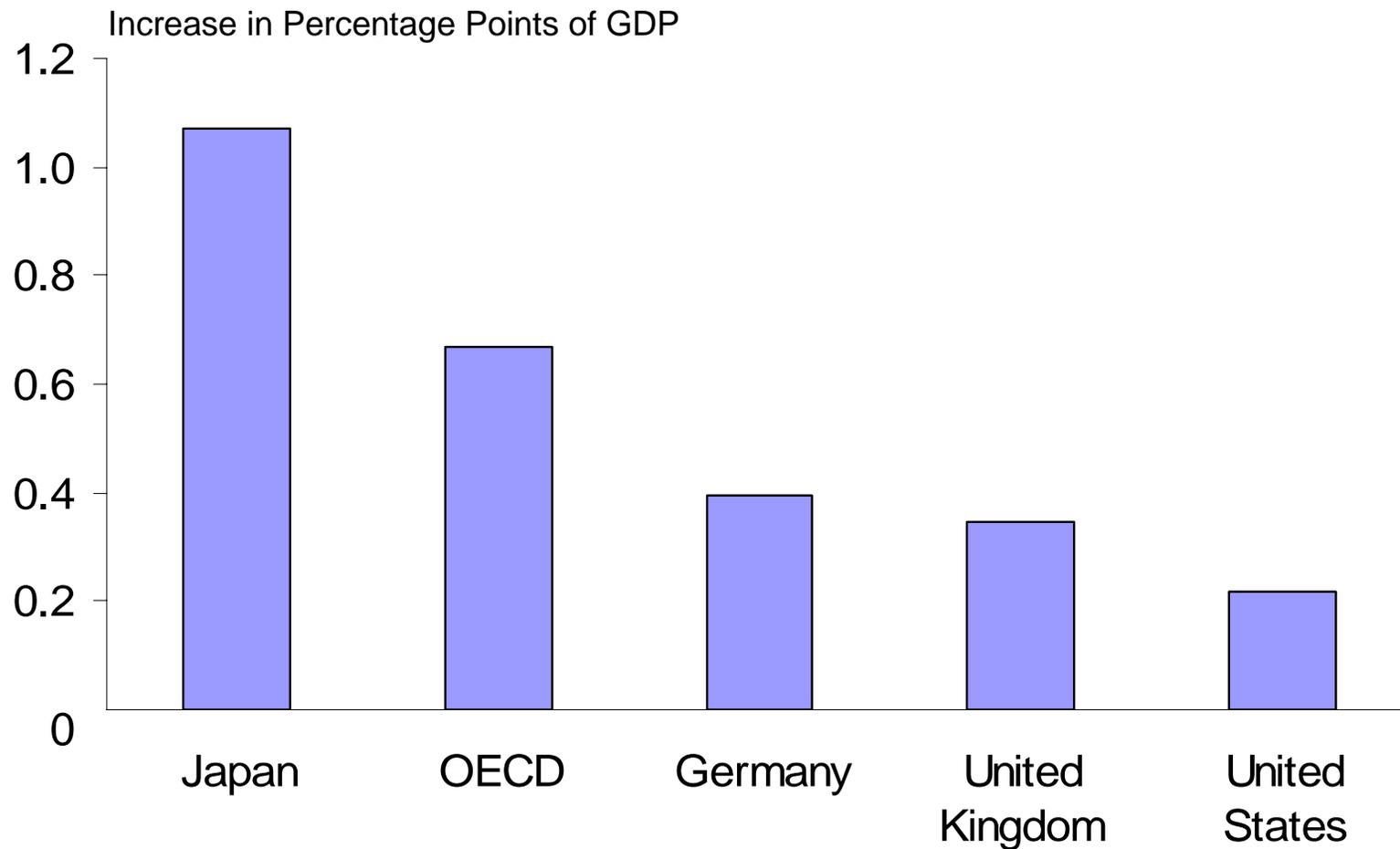
## Selected Countries' Spending on Health as a Percentage of Gross Domestic Product, 1980 to 2004



Source: Commonwealth Fund using data from OECD.



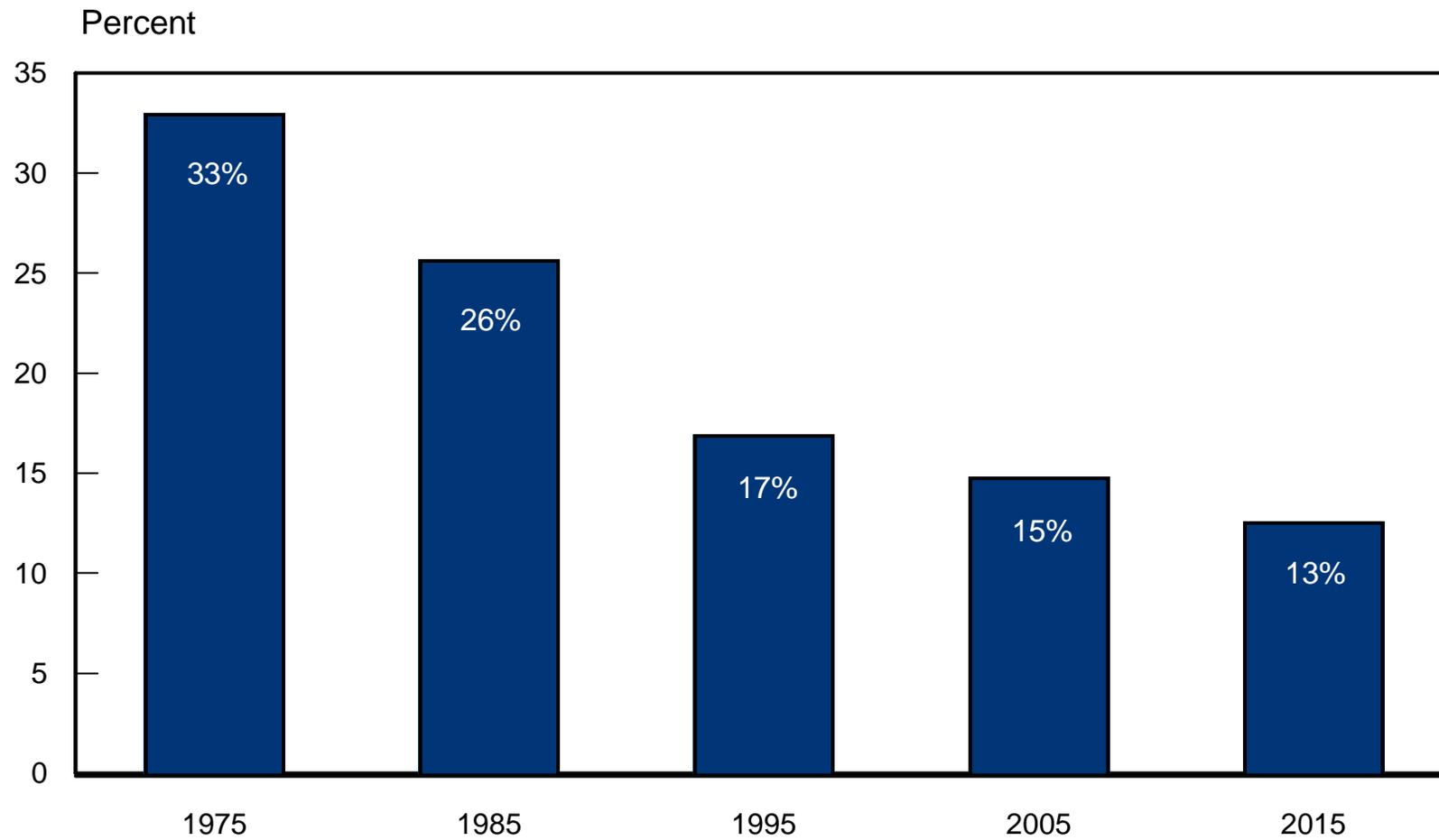
## Demographic Effects on Health Care Spending in Selected Countries, 2005 to 2050



Source: OECD.



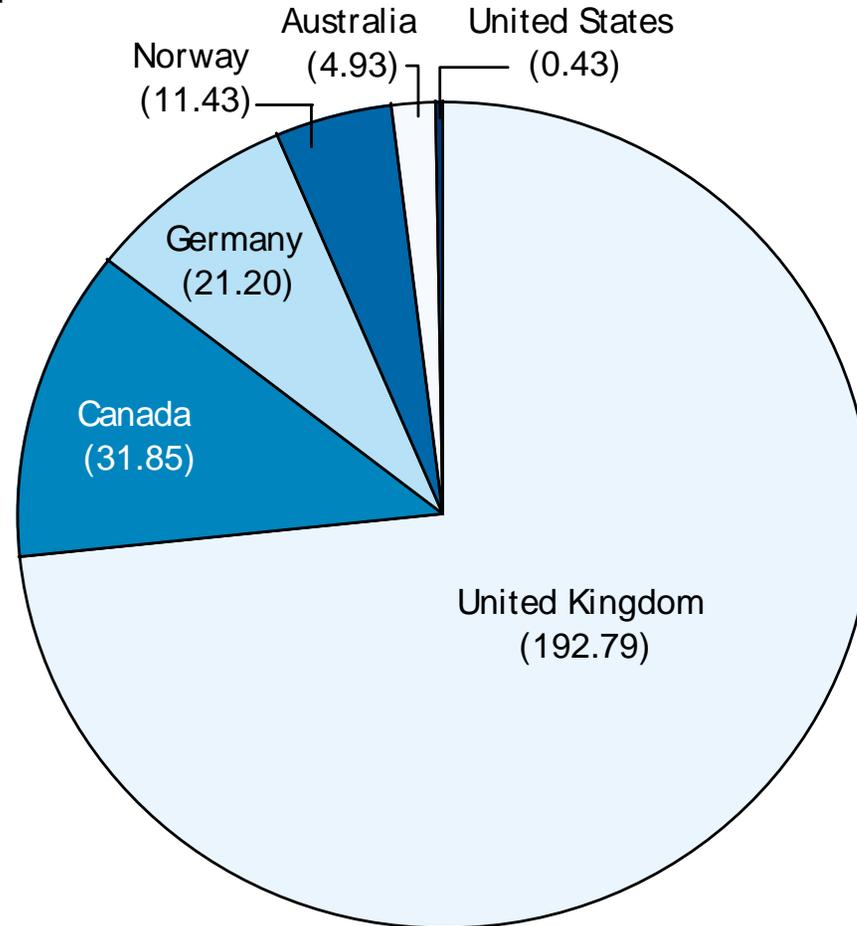
## Share of Personal Health Care Expenditures Paid Out of Pocket





## Costs to Implement Health Information Technology in Selected Countries, 2003

Dollars per Capita



Source: Gerald F. Anderson and others using data from OECD.



## Selected Countries' Use of Medical Technology and Procedures, 1999

Number per 100,000 People

|                         | <b>Coronary Bypass</b> | <b>Coronary Angioplasty</b> | <b>Dialysis</b> | <b>Bone Marrow Transplants</b> |
|-------------------------|------------------------|-----------------------------|-----------------|--------------------------------|
| Australia               | 93                     | 97                          | 31.5            | 5.1                            |
| Canada                  | 65                     | 70                          | 42.2            | 3.9                            |
| France                  | 35                     | 73                          | 37.0            | -                              |
| Germany                 | 38                     | 86                          | 58.5            | -                              |
| United Kingdom          | 41                     | 35                          | 27.0            | -                              |
| United States           | 203                    | 339                         | 86.5            | 3.1                            |
| Median for 30 Countries | 54                     | 55                          | 31.6            | 2.3                            |

Source: Reinhardt, Hussey, and Anderson using data from OECD.