

# U.S. Health Care Spending: Trends and Perspectives

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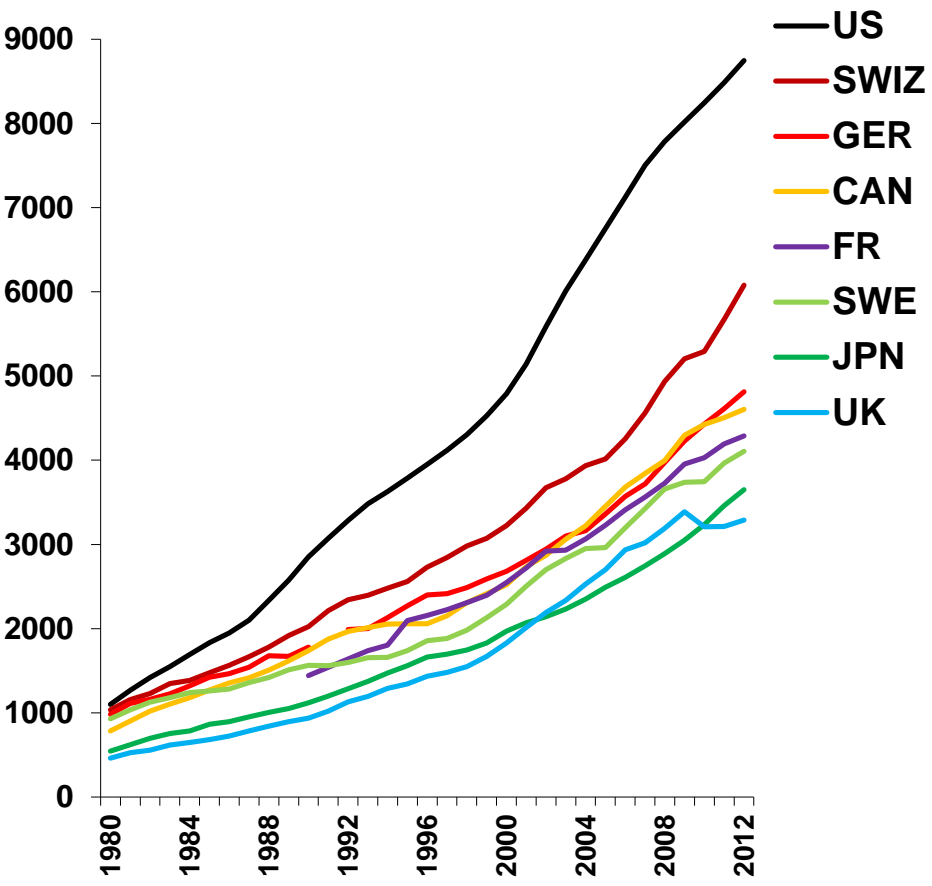


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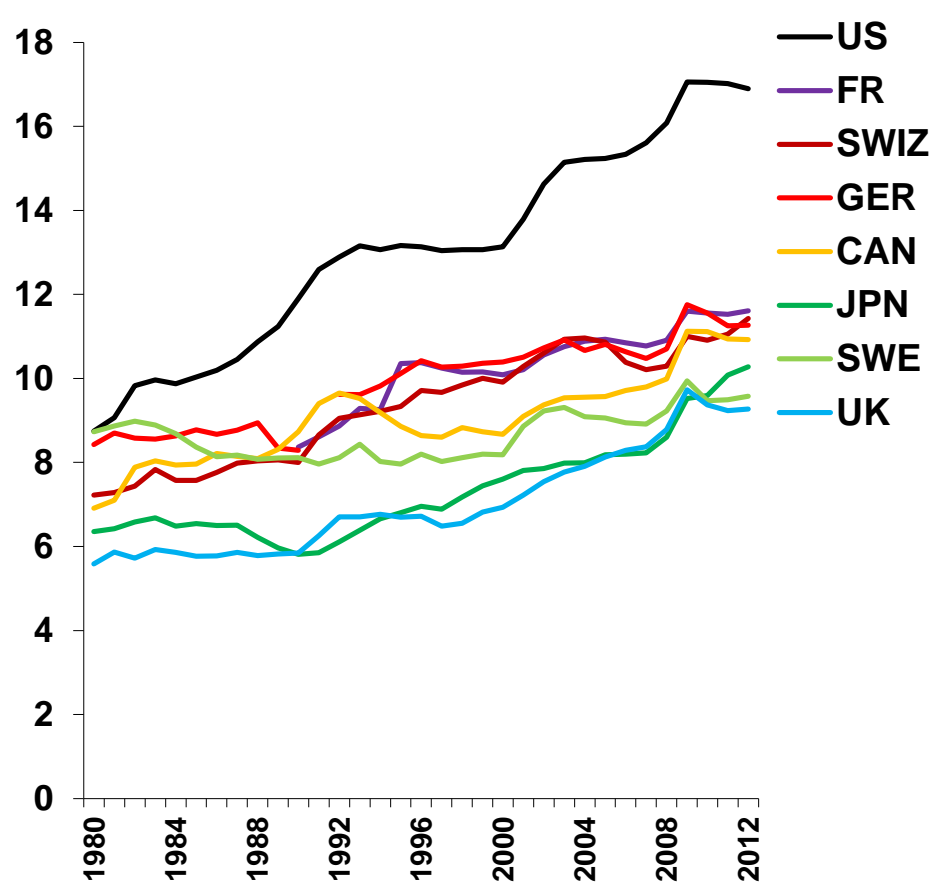
*Affordable, quality health care. For everyone.*

# International Comparison of Spending on Health, 1980–2012

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



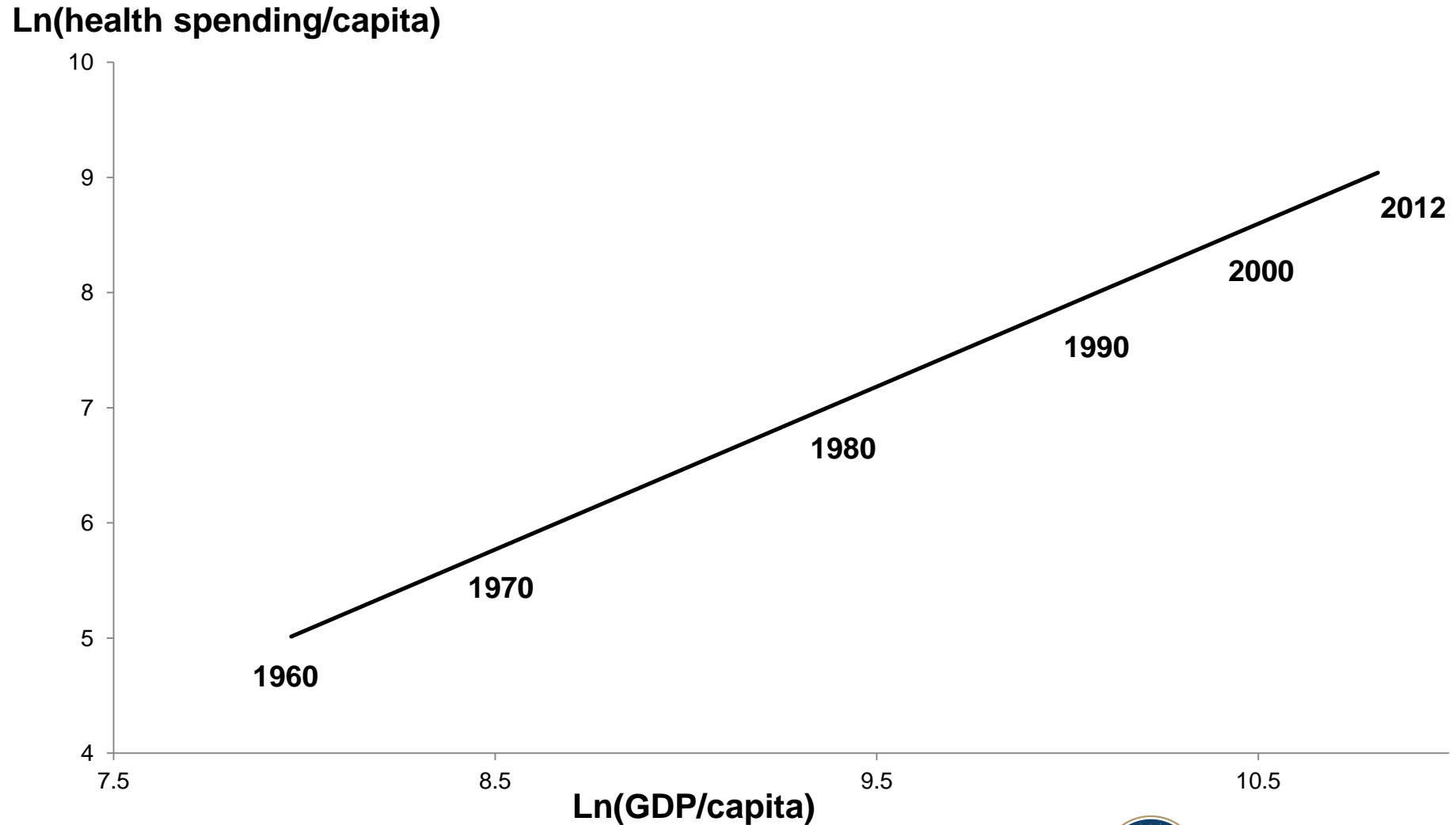
Total health expenditures as percent of GDP



Note: PPP = Purchasing power parity.  
 Source: Commonwealth Fund, based on OECD Health Data 2014.



# The Relationship Between Health Spending and GDP Has Been Remarkably Constant



Source: Woodward RS, Wang L, "The Oh-So Straight and Narrow Path: Can the Health Care Expenditure Curve Be Bent?" *Health Economics*, 2011. Updated with data from the National Health Expenditure Accounts.

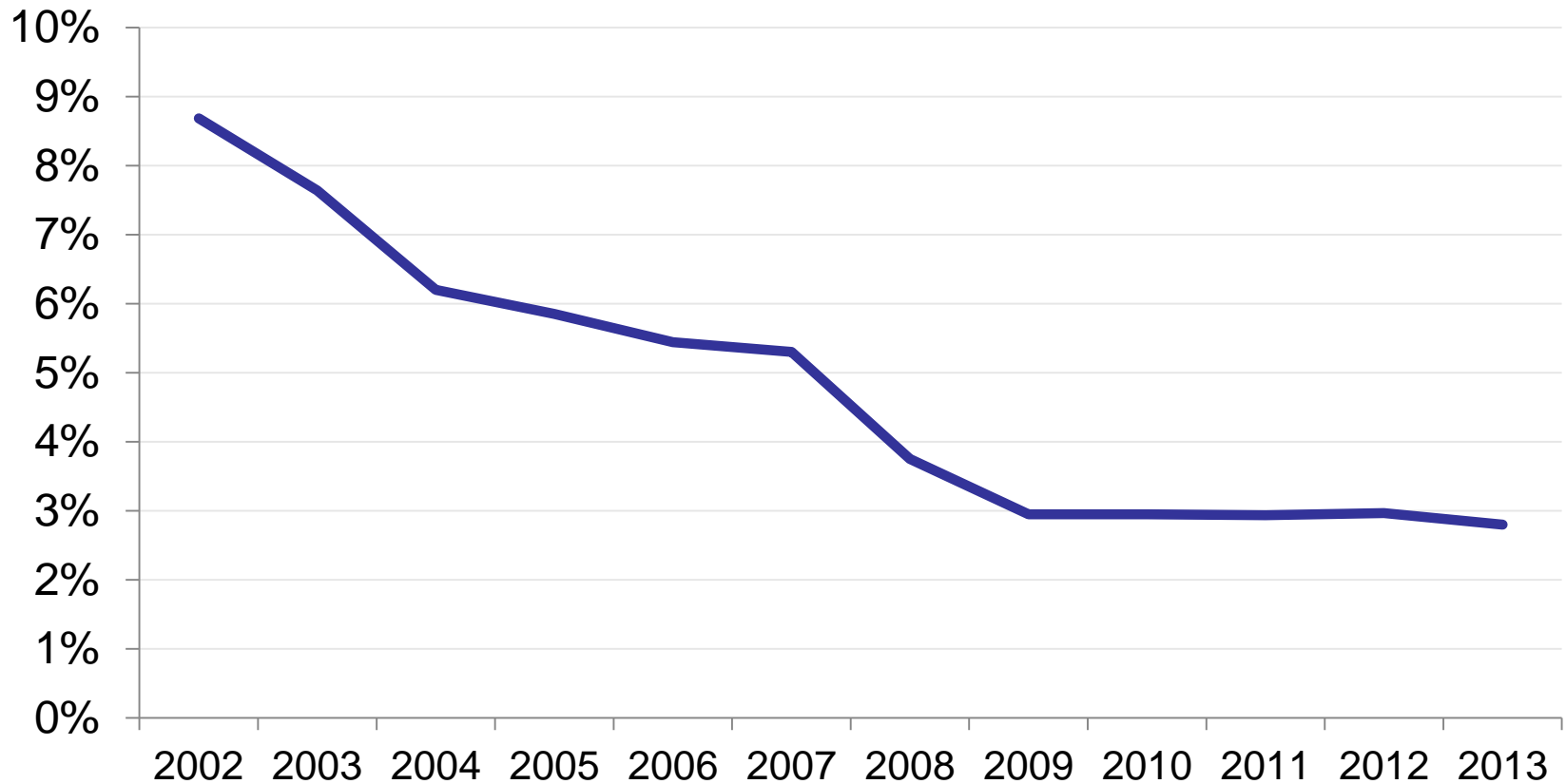


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# Health Spending Growth Has Slowed in Recent Years

Percent

## NHE per capita spending growth



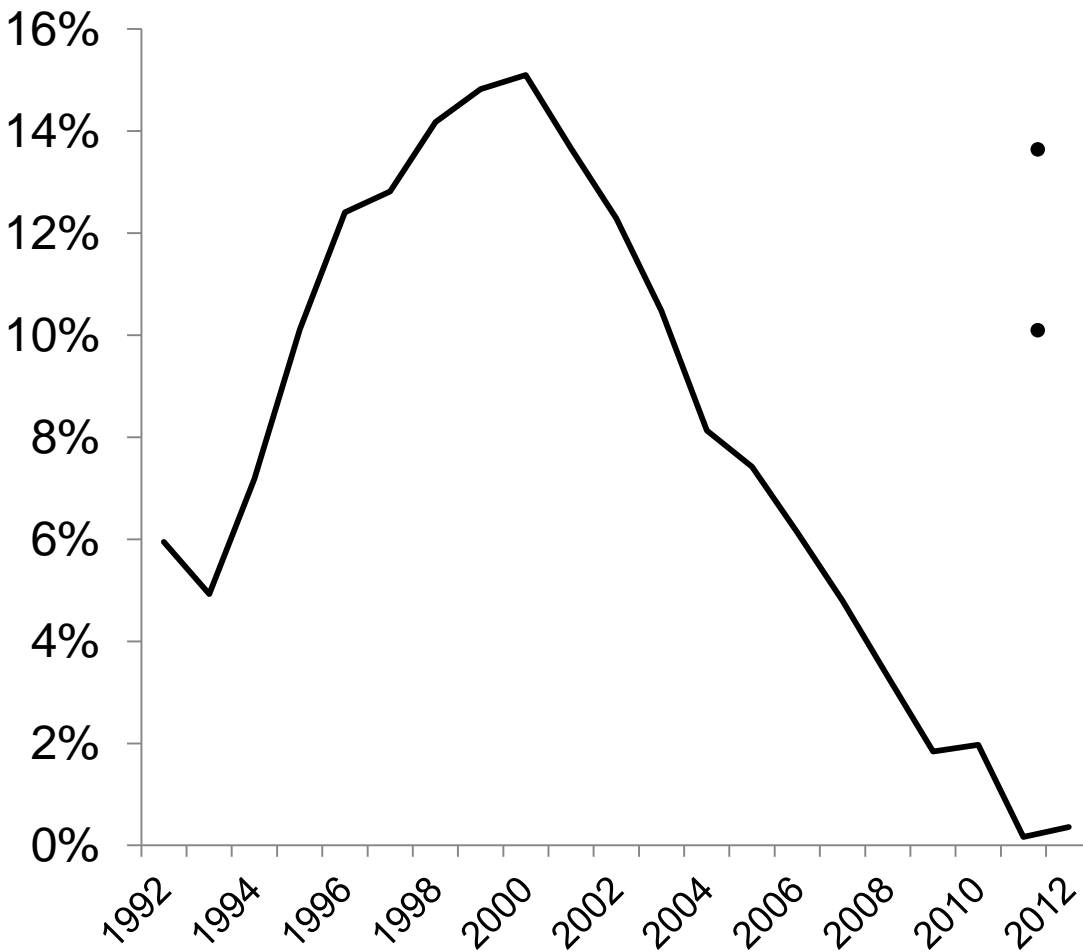
Source: National Health Expenditure Accounts; Sisko AM, "National Health Expenditure Projections, 2013-23: Faster Growth Expected with Expanded Coverage and Improving Economy," *Health Affairs*, September 2014.



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# The Pharmaceutical Spending Question

**Rx Spending, Per Capita  
Annual Growth**



- Drug spending has slowed in past decade, but growing at 10%+ in 2013/14.
- Driven by release of higher-priced specialty drugs.
- Exhibit A: Sovaldi
  - Cures hepatitis C
  - \$84,000 per course.
  - If all patients were treated, US annual drug bill would double.



# What Factors Have Contributed to the Slowdown?

- **Great Recession**
- **Slowdown in technology**
- **Higher cost sharing**
- **Increased provider efficiency**

