U.S. Health Care Spending: Trends and Perspectives

David Blumenthal, MD, MPP
President, The Commonwealth Fund
www.commonwealthfund.org
db@cmwf.org

Rhode Island Public Expenditure Council
Providence, RI
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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

Health Spending Growth Has Slowed in Recent Years

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

Source: Presentation by Mark Pauly, University of Pennsylvania and David Cutler, Harvard University, Commonwealth Fund 2014 Bipartisan Congressional Health Policy Conference, March 1, 2014.