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Putting the Brakes on Health Costs

What's Driving Them and How to Take the Wheel

Hannah Wear and Sara Schmitt

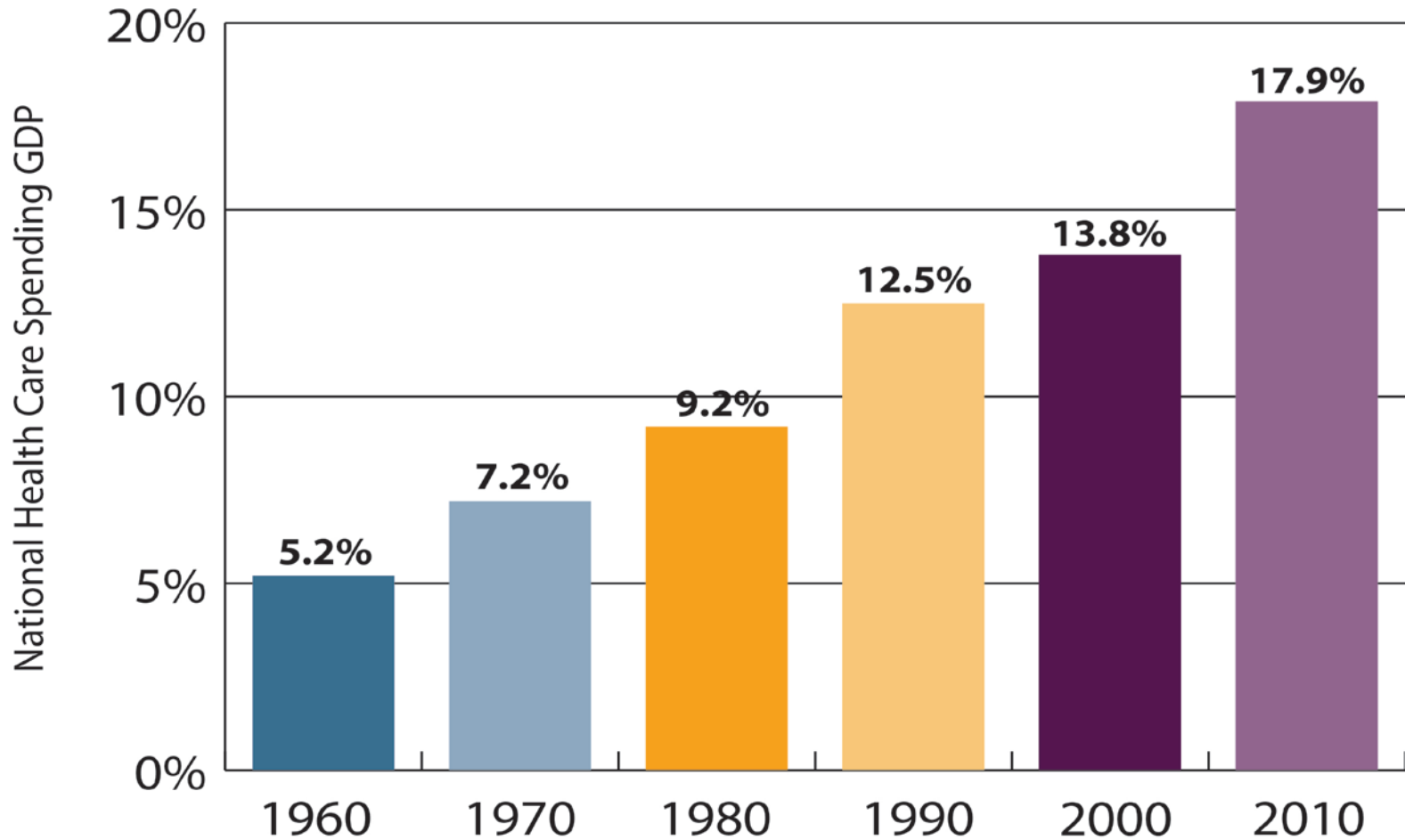
December 4, 2014



Three Takeaways

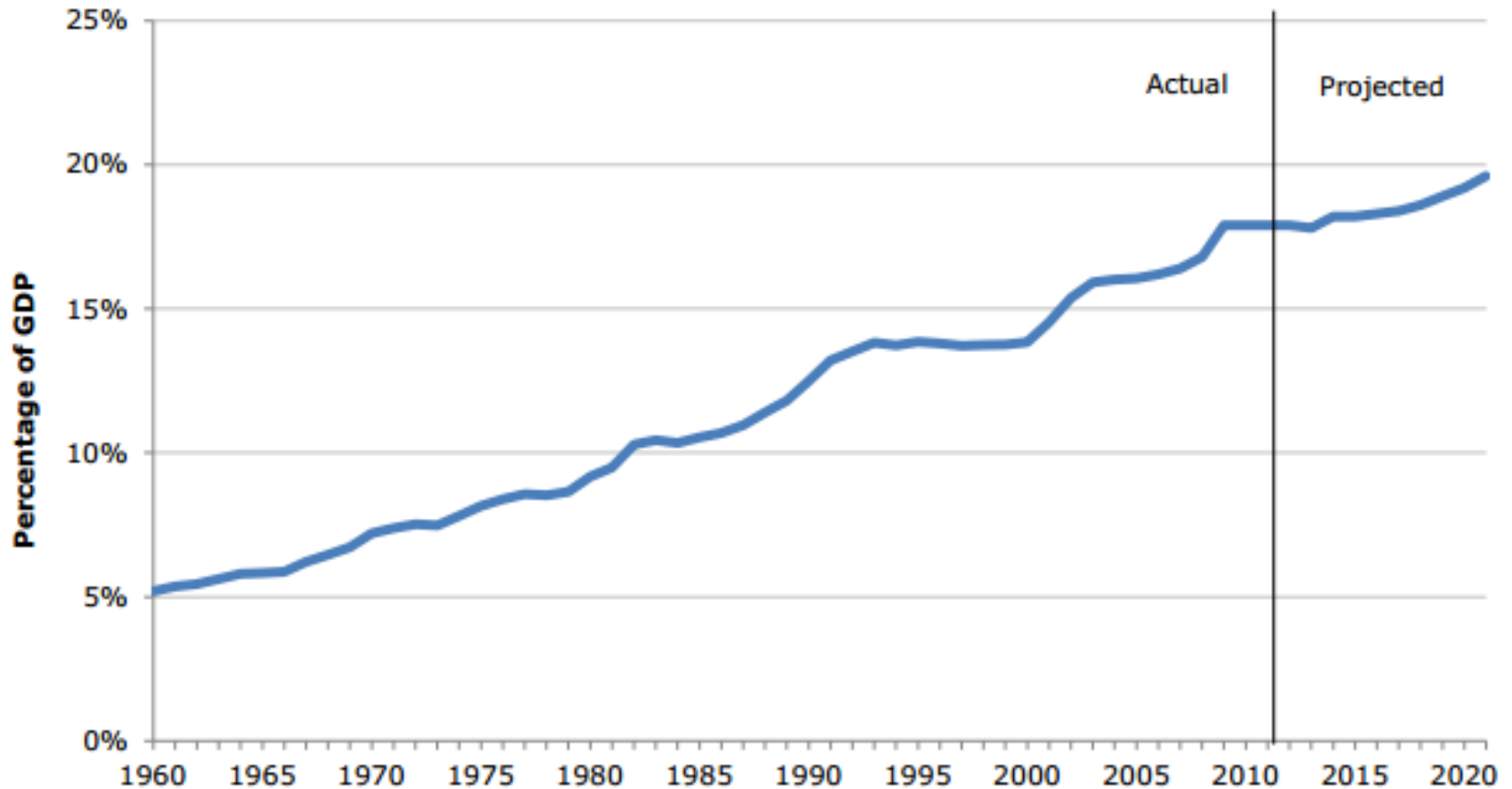
- Health care cost growth has slowed, but is on the rise again.
- Many factors drive health care costs, including technology and demographics.
- Changing payment and care delivery systems can put the brakes on rising costs.

U.S. Health Care Spending



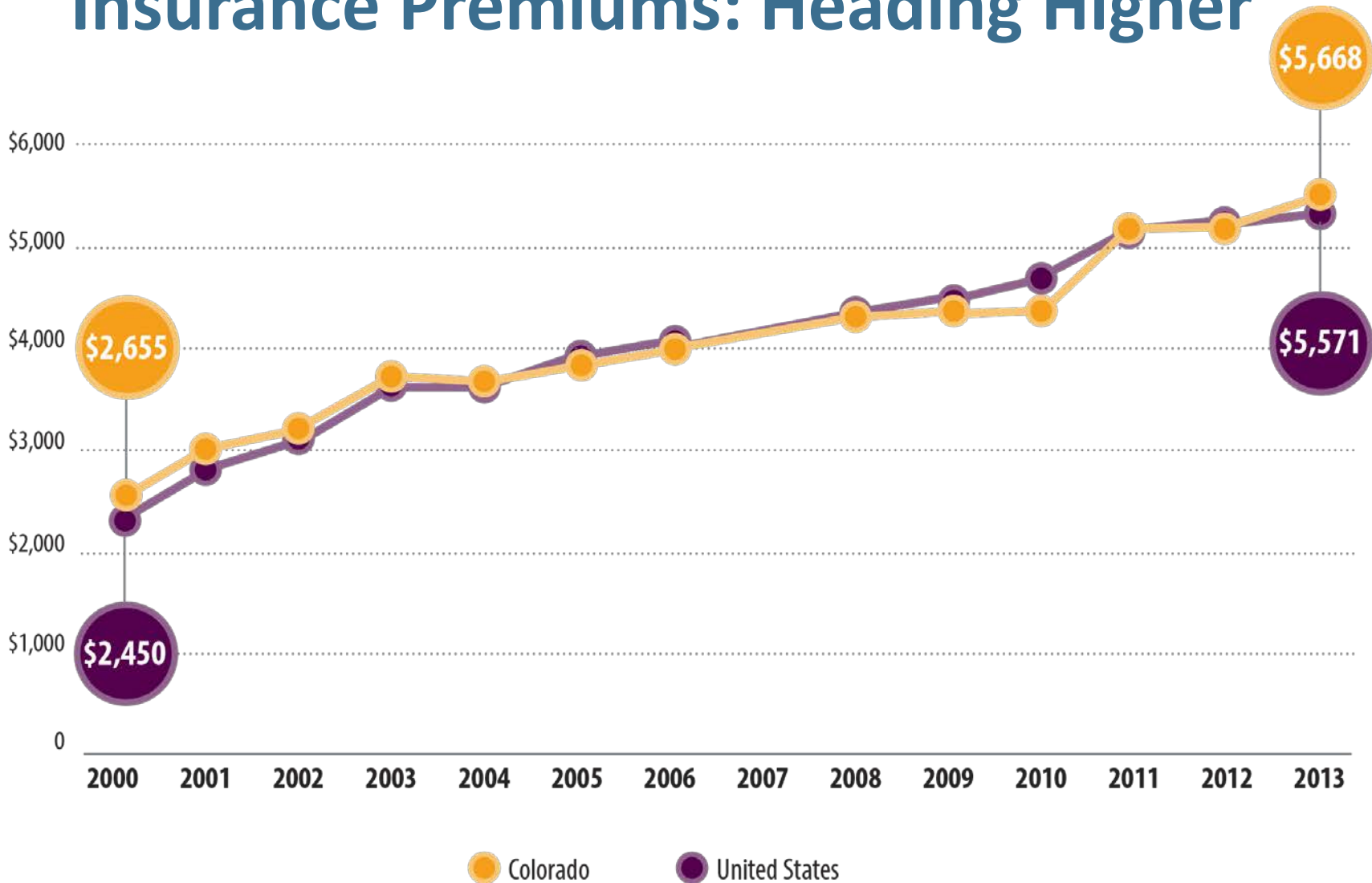
Source: Centers for Medicare and Medicaid Services, Office of the Actuary

Spending: A Slowdown, But Not For Long



Source: Centers for Medicare and Medicaid Services.

Insurance Premiums: Heading Higher





What Are We Getting For Our Health Care Dollars?

Health Care Cost Drivers



Technology



Health Insurance

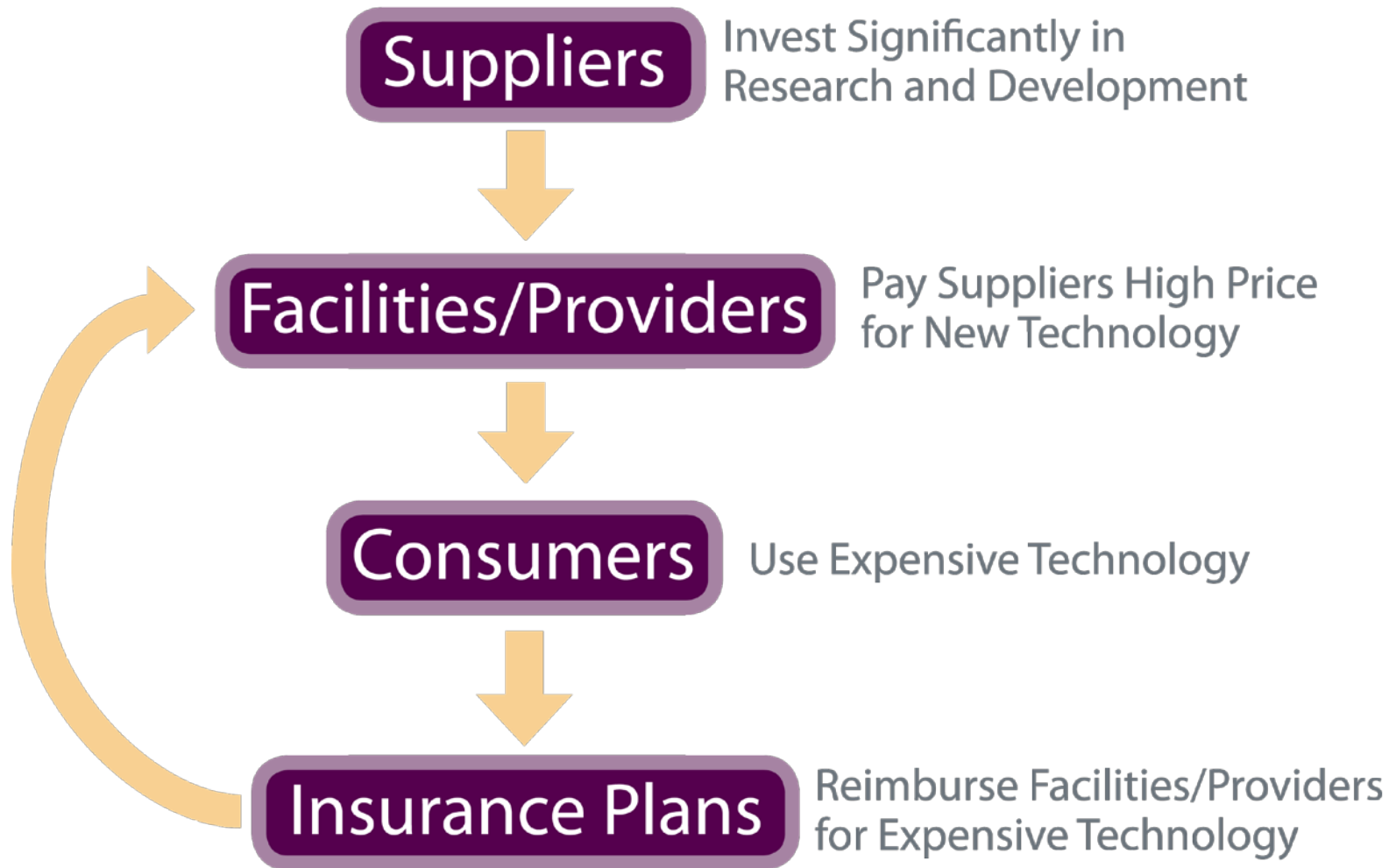


Population

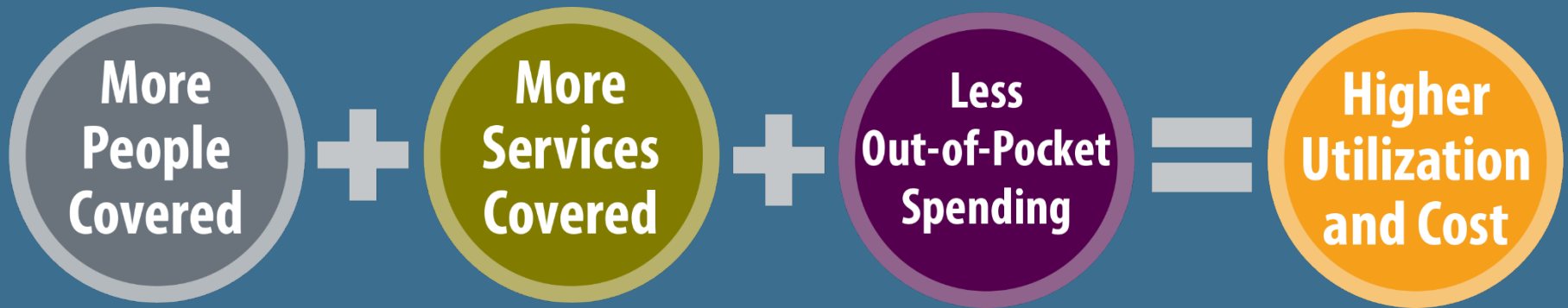


Consolidation

#1: The Technology Conundrum



#2: More Coverage



#3: Population Changes

Consumers: Varying Use of Care





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1

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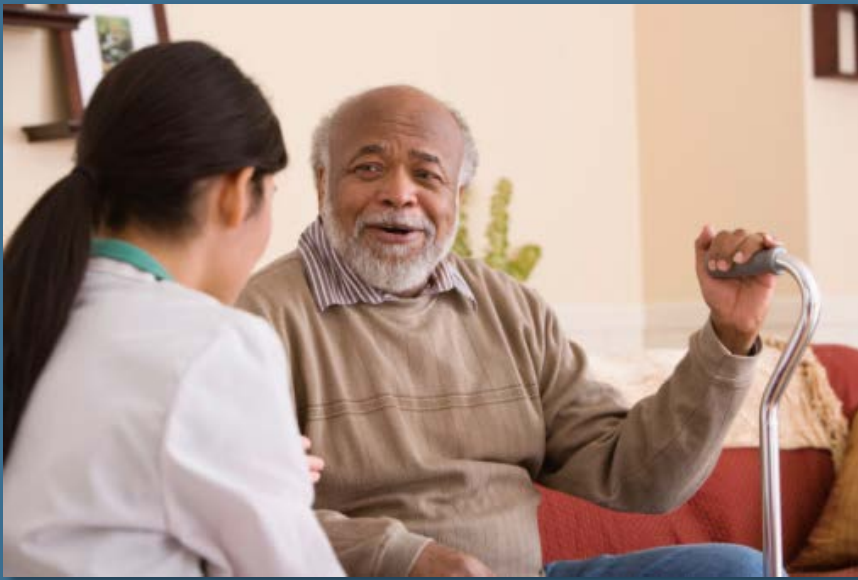
2

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#4: Consolidation



Questions?

Putting the Brakes on Health Care Costs:

Slowing Volume, Accelerating Value

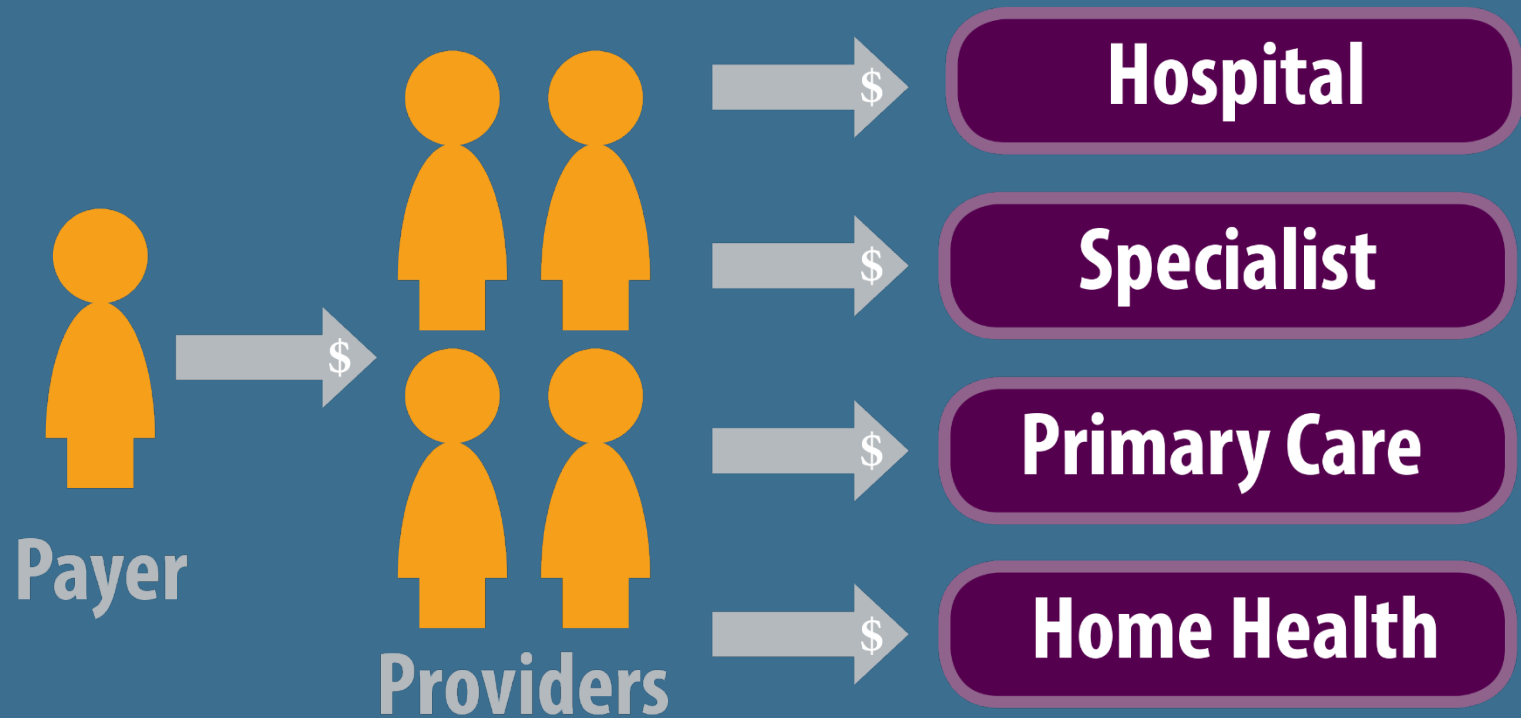
SLOW

Changing How We Pay for Care

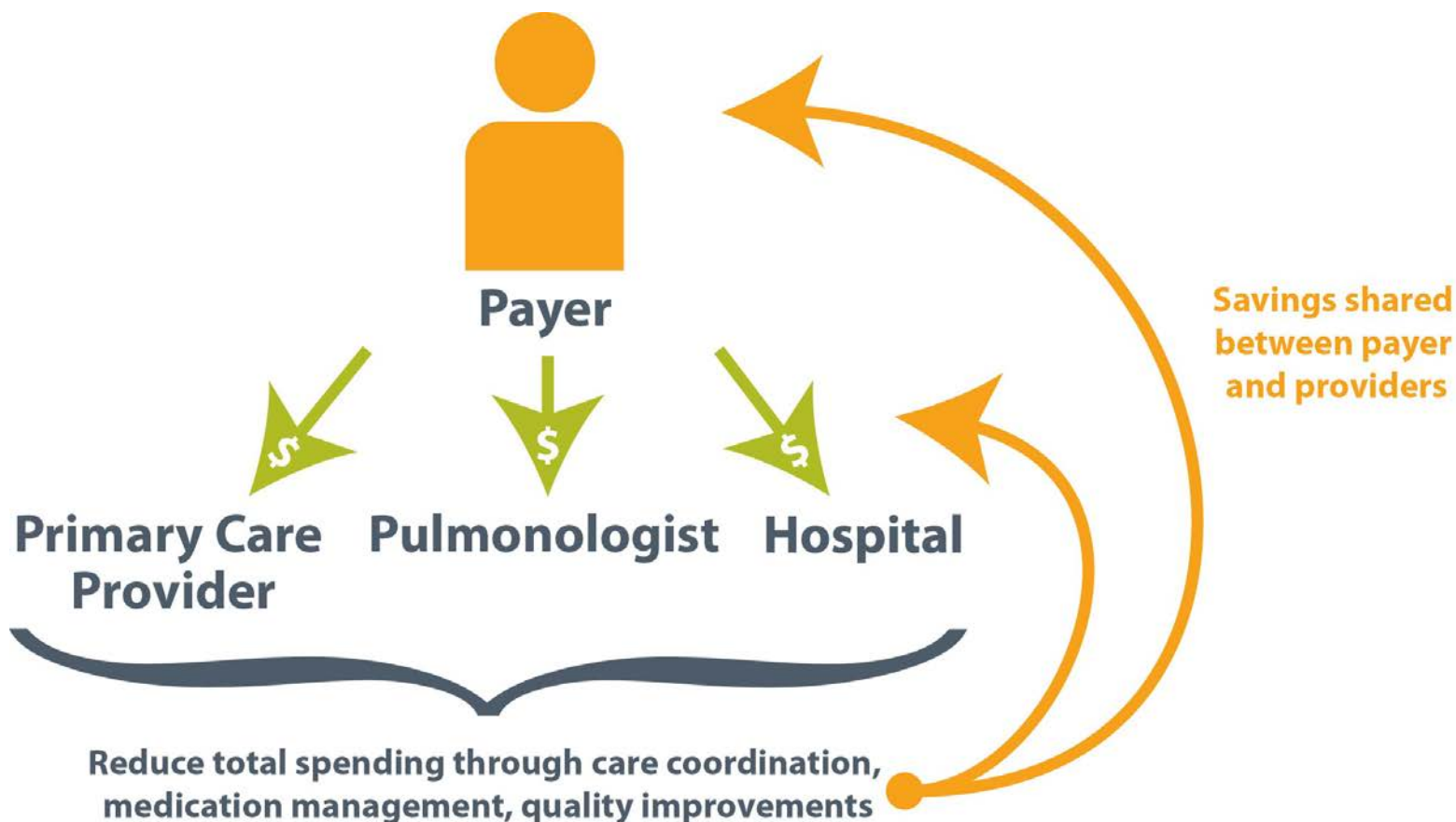


From Volume to Value

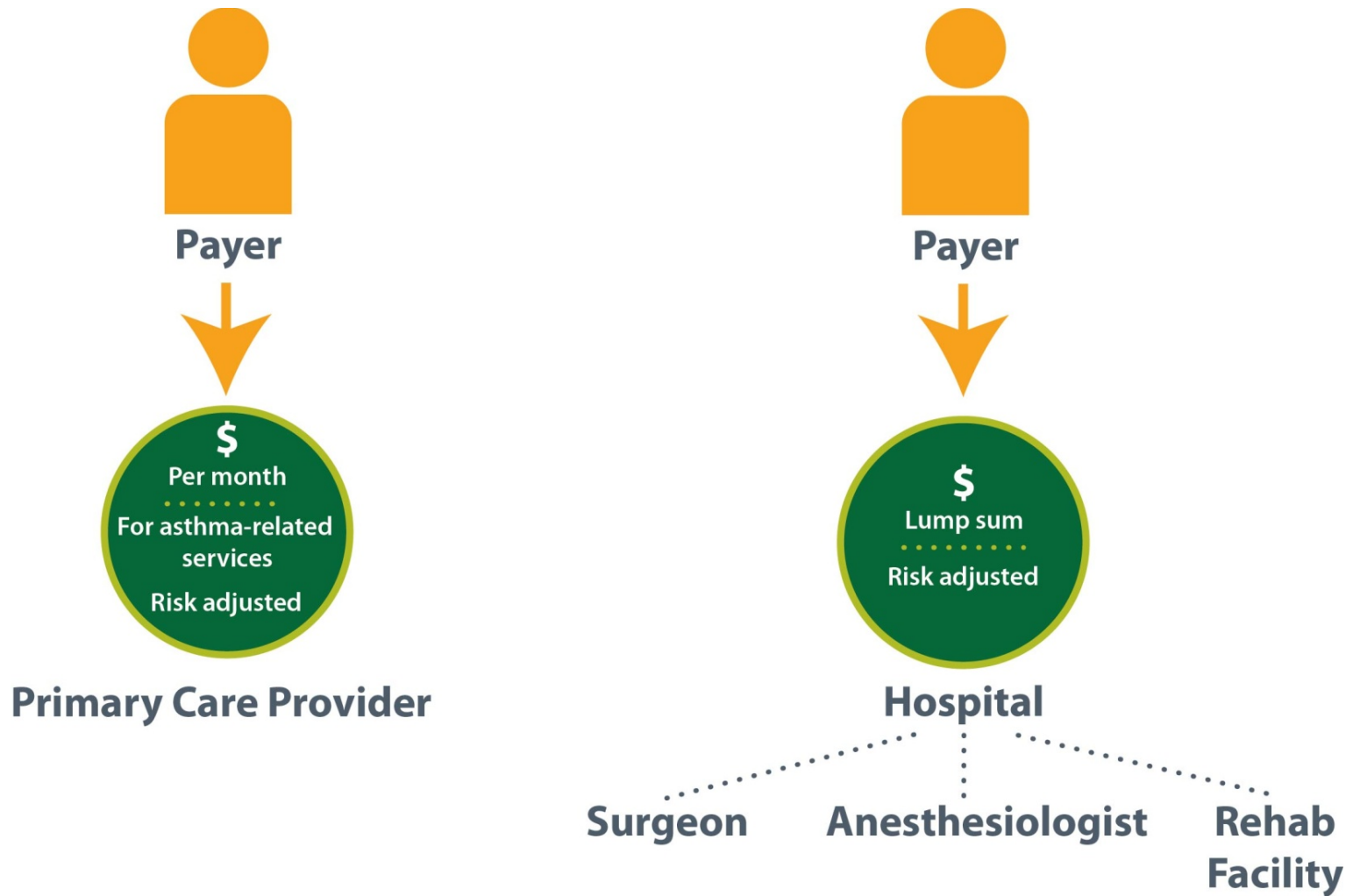
Fee-For-Service Payment Model



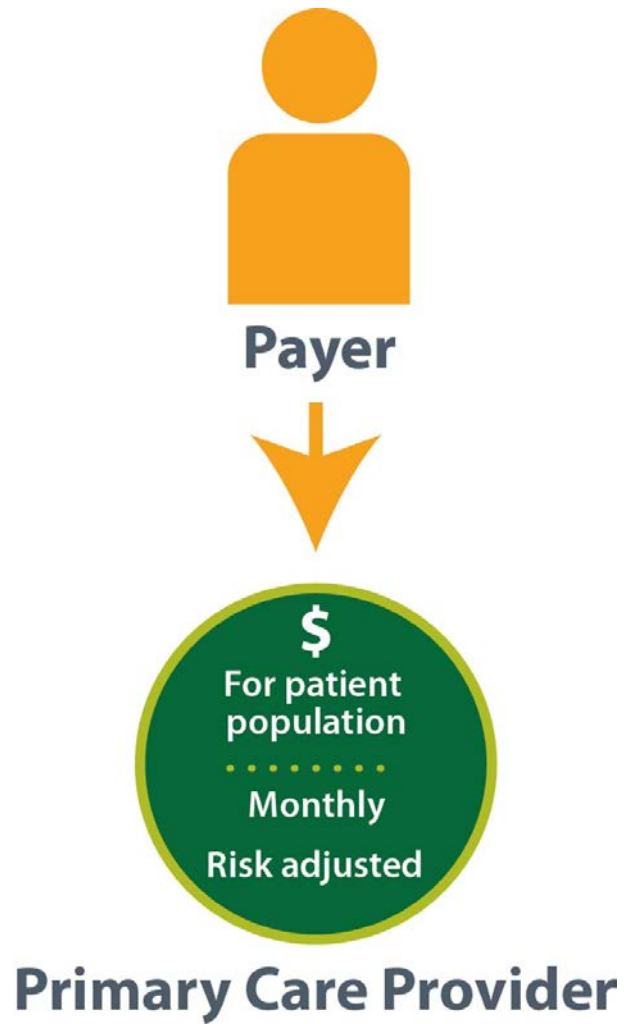
Gain-Sharing and Shared Savings



Bundled Payment Model



Global Payment Model



Global Payment in Colorado:

Kaiser Permanente

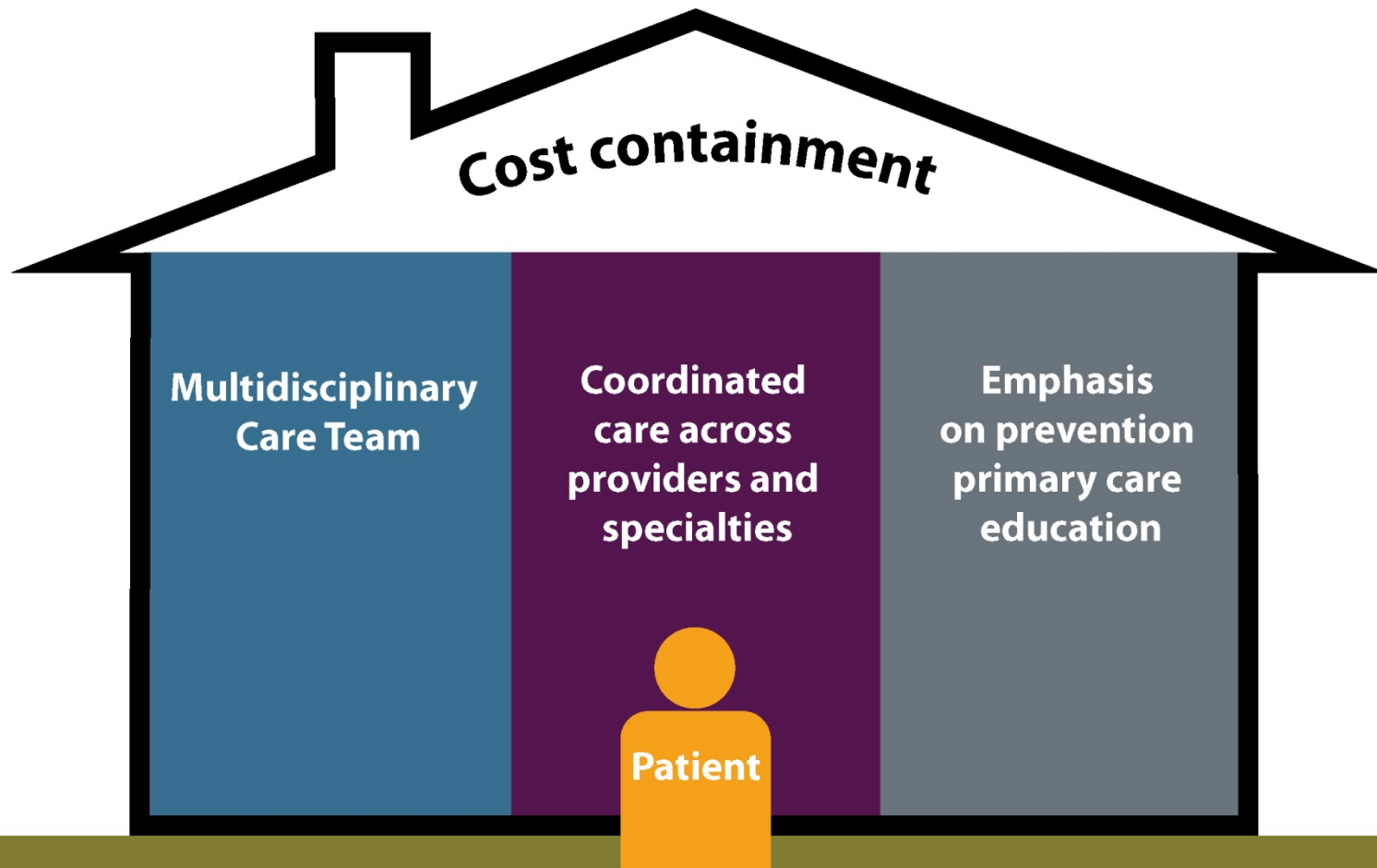
Rocky Mountain Health Plans Medicaid Prime

Medicare Advantage

Providers Changing How They Deliver Care

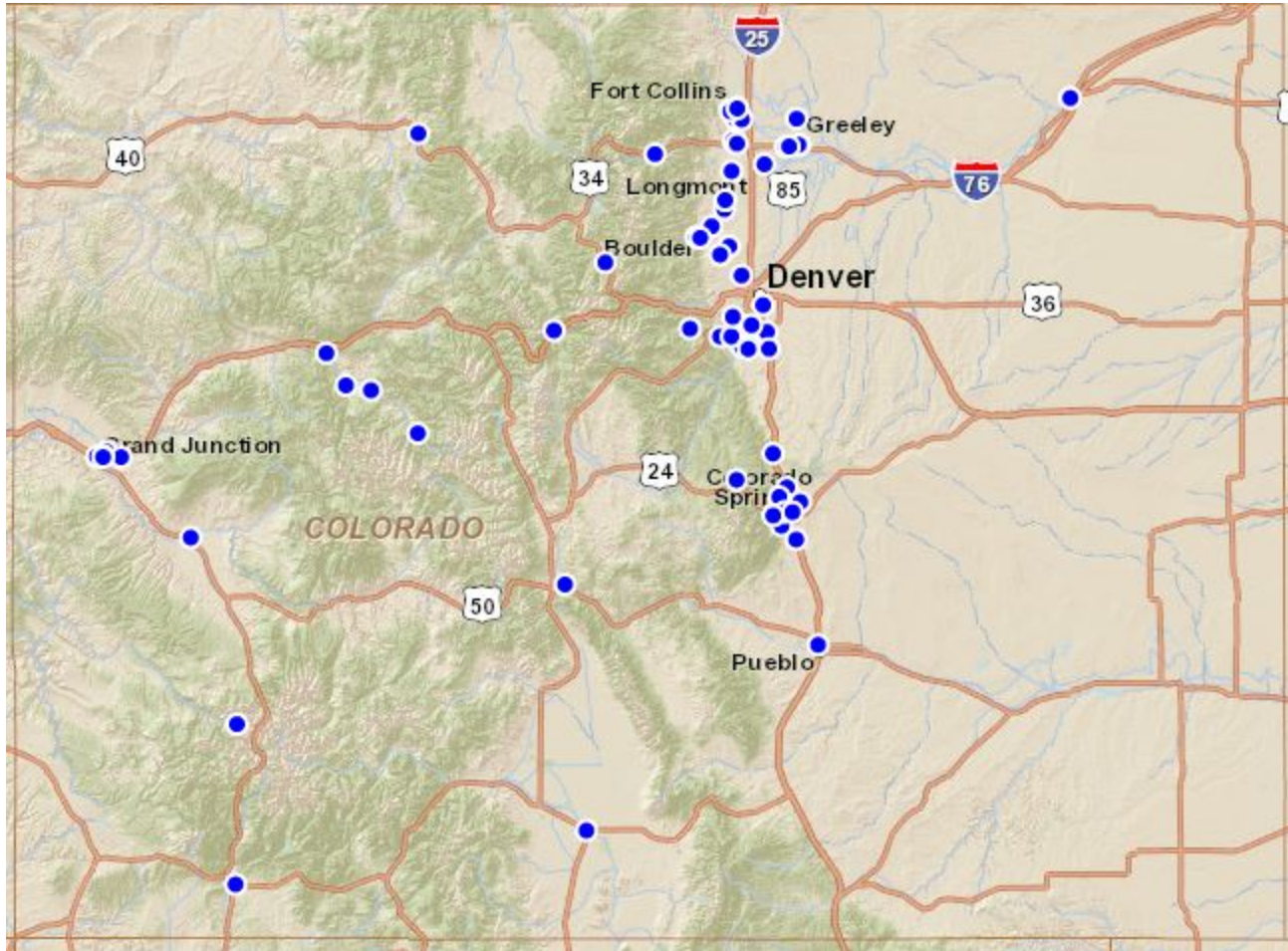


Patient Centered Medical Home



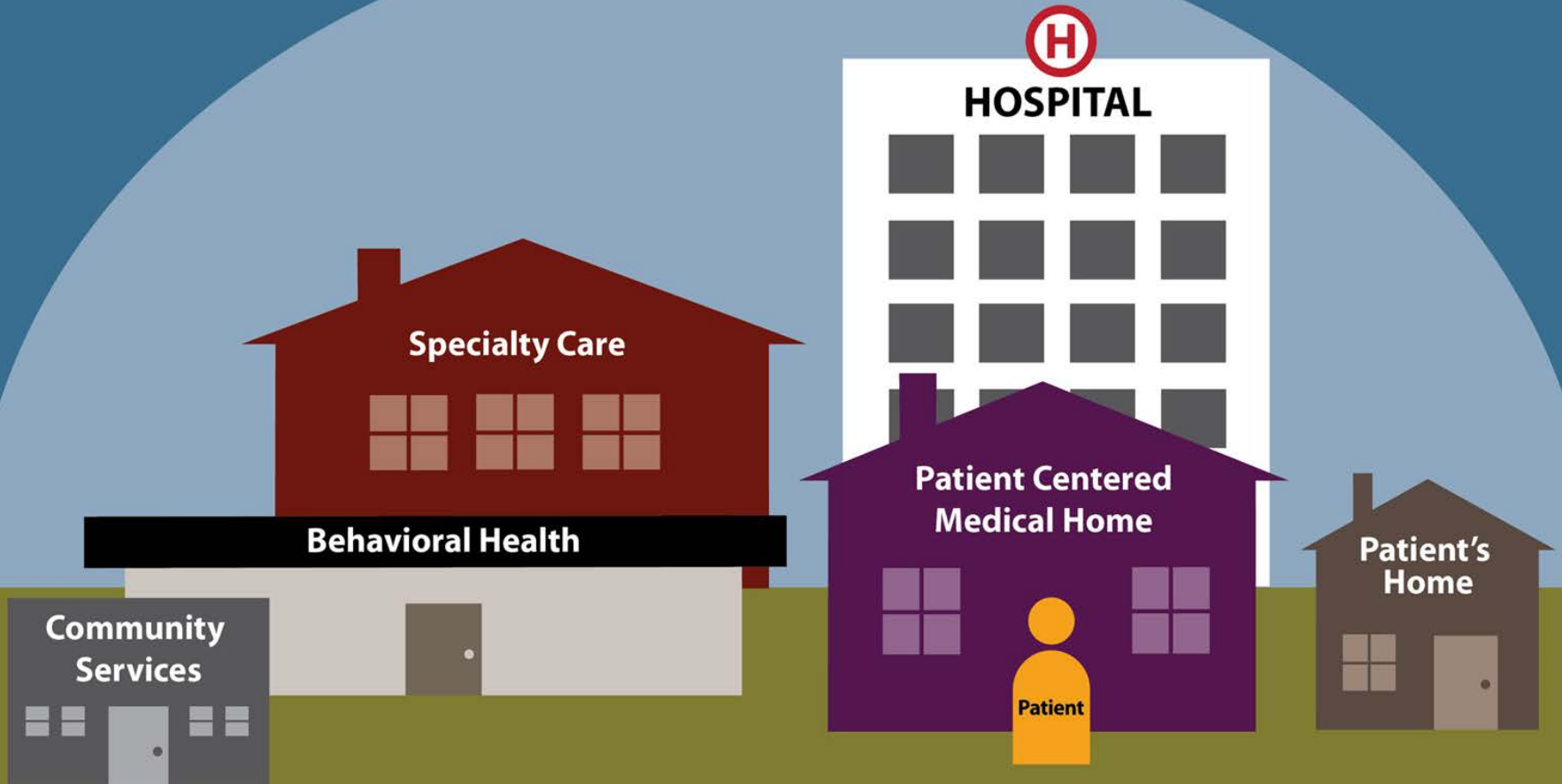
Enhanced payments

Patient Centered Medical Homes in Colorado: Comprehensive Primary Care Initiative



Accountable Care Organization

Care Coordination



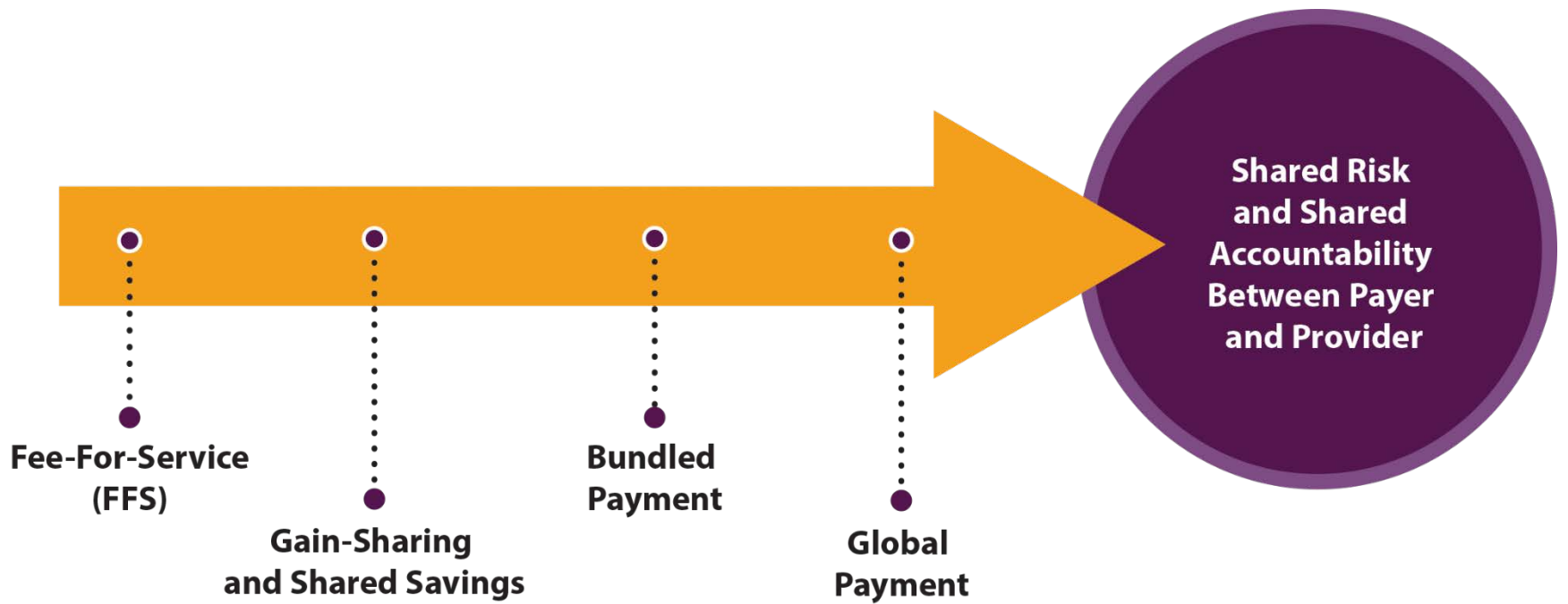
Data and Analytics

Accountable Care Organizations in Colorado



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