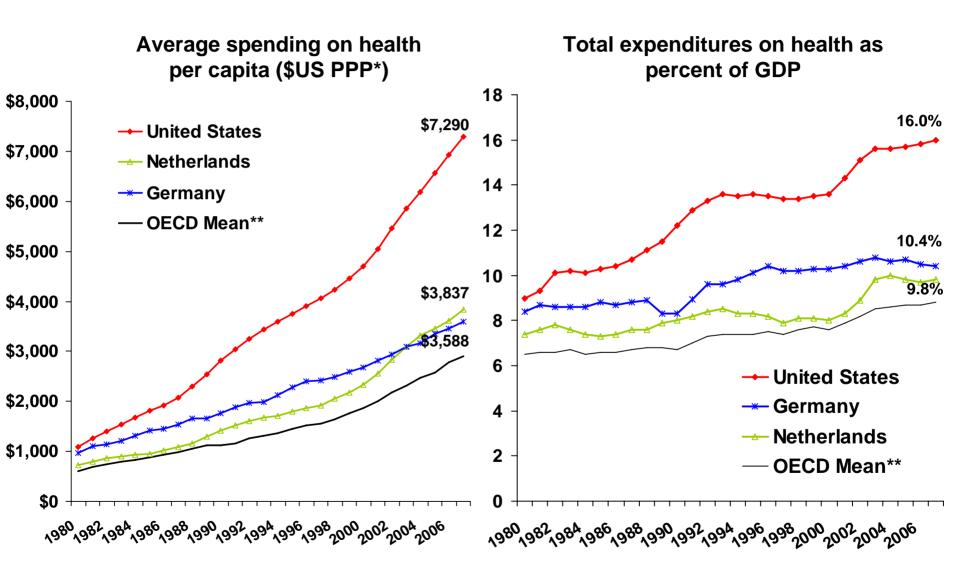
Exhibit ES-1. Key German and Dutch Policies for a Multipayer System, with Insights for U.S. National Reforms

- Insurance Markets
 - Insurance exchanges with insurance market rules/reforms
 - Prohibition on health risk rating; community rating
 - Value-based insurance benefit design and pricing
 - Risk equalization
- Payment coordination and use of group purchasing power in public interest
- Comparative effectiveness to inform value and prices
- Public reporting, benchmarks, and incentives for quality

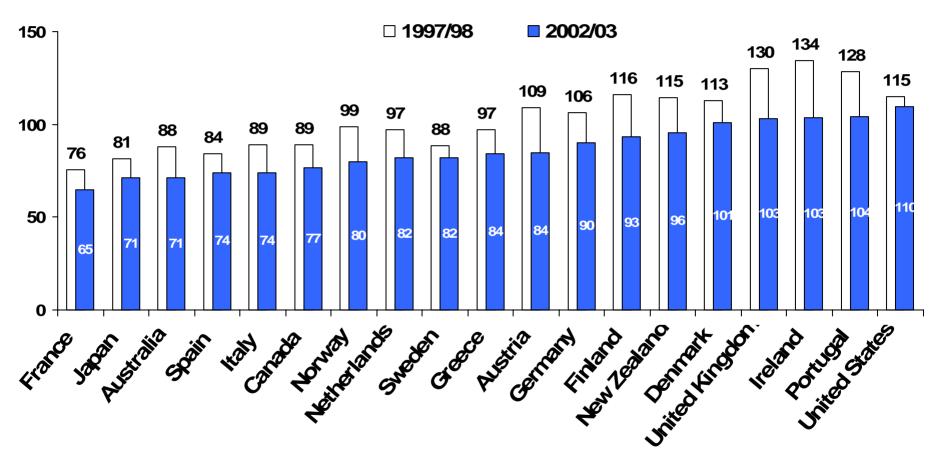
Exhibit 1. International Comparison of Spending on Health, 1980–2007



^{*} PPP=Purchasing Power Parity. ** All 30 OECD countries except U.S. Source: OECD Health Data 2009, Version 06/20/09.

Exhibit 2. Mortality Amenable to Health Care, 2002/2003 U.S. Rank Fell from 15 to Last out of 19 Countries

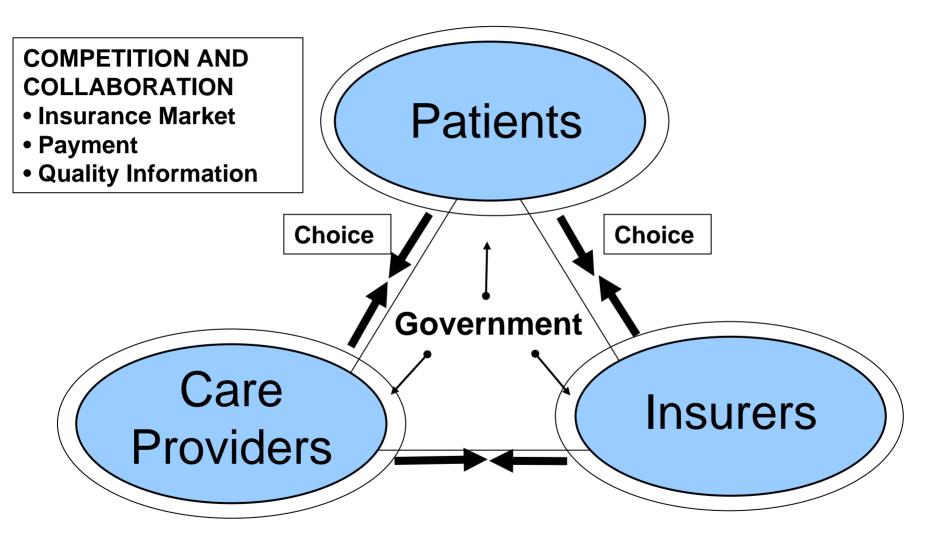
Deaths per 100,000 population *



^{*} Countries' age-standardized death rates before age 75; from conditions where timely effective care can make a difference including: diabetes, asthma, ischemic heart disease, stroke, infections, screenable cancer. Data: E. Nolte and C. M. McKee, "Measuring the Health of Nations," Health Affairs, Jan/Feb 2008).

Source: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2008

Exhibit 4. The Netherlands and Germany Health Care Triangle: National Leadership Central

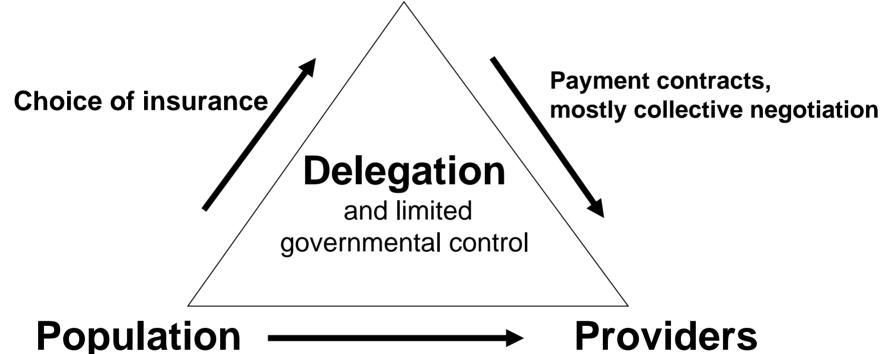


Source: Adapted from presentations to AcademyHealth Netherlands Health Study Tour on Sept. 22, 2008, "The Position of the Patient and Healthcare Quality."

Exhibit 5. The German Insurance System at a Glance

Insurers

Social insurance (~200 sickness funds) and private (~50)



Social health insurance: 90%

Private health insurance: 10%

Choice of provider

Public-private mix, organized in associations ambulatory care/hospitals

Exhibit 6. German Federal Health Insurance Fund: 2007

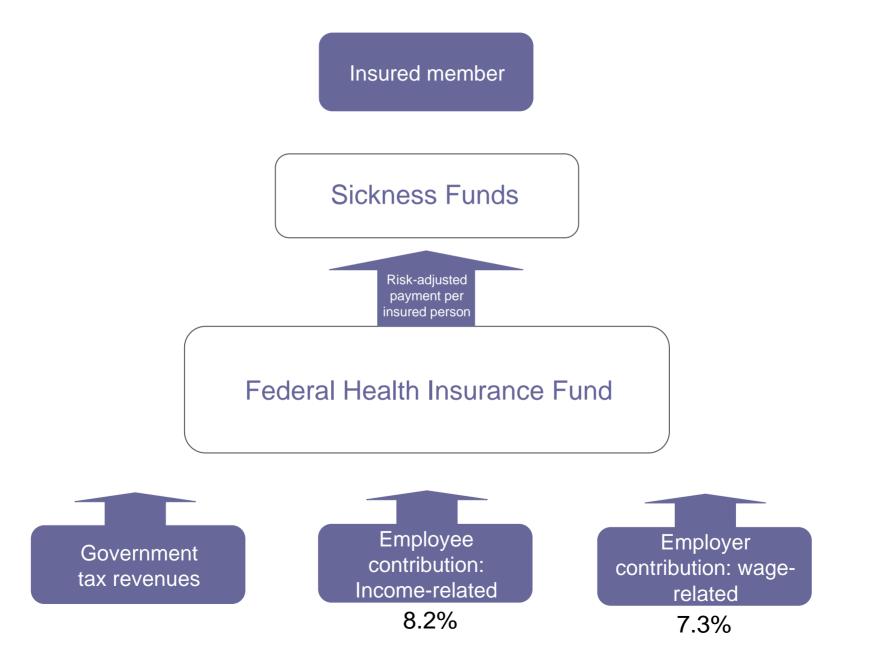
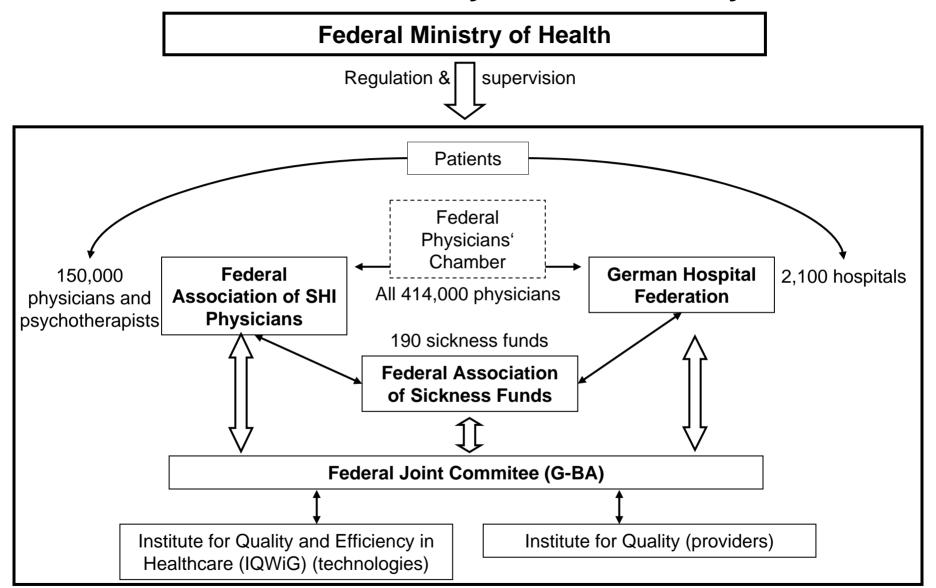


Exhibit 7. Oversight of the German Health Care System

- German Federal Ministry of Health: Legal framework, planning, supervision, accreditation, commissioning, and enforcement
- Federal Joint Committee: Core of self-regulatory structure
 - composed of insurer, provider, and neutral representatives;
 patients participate with advisory role
 - issues legally binding directives
 - defines sickness fund benefit package
- Institute for Quality and Efficiency in Healthcare (IQWiG): Comparative/cost effectiveness
- Federal Health Insurance Fund: Risk equalization
- Federal Office for Quality Assurance: Hospital quality indicators, benchmarks, and feedback

Exhibit 8. Health System in Germany



Statutory Health Insurance

Source: Richard Busse, "The Health System in Germany–Combining Coverage, Choice, Quality, and Cost-Containment," PowerPoint Presentation, 2008. Updated April 13, 2009.

Exhibit 9. National Quality Benchmarking in Germany

Size of the project:

- 2,000 German hospitals (> 98%)
- 5,000 medical departments
- 3 million cases in 2005
- 20% of all hospital cases in Germany
- 300 quality indicators in 26 areas of care
- 800 experts involved (national and regional)

Ideas and goals:

- → define standards (evidence based, public)
- → define levels of acceptance
- → document processes, risks and results
- → present variation
- → start structured dialog
- → improve and check

Exhibit 10. National Leadership Oversight Within the Dutch Health Ministry

- The Dutch Health Insurance Board: risk equalization fund and comparative effectiveness/benefits (acute and longterm).
- The Dutch Health Care Authority manages competition; prices and budgets; transparency.
- The Dutch Health Care Inspectorate supervises the quality of the care.
- The Dutch Competition Authority prevents cartels, authorizes or forbids mergers, and prevents the abuse of a dominant market position.

Exhibit 11. Dutch Risk-Equalization System: Each Adult Pays Premium About 1,050 Euros Annually

In Euros per year	Woman, 40, jobless with disability income allowance, urban region, hospitalized last year for osteoarthritis	Man, 38, employed, prosperous region, no chronic disease and no medication or hospitalization last year
Age/gender	€ 934	€ 872
Income	€ 941	-€ 63
Region	€ 98	-€ 67
Pharmaceutical cost group	-€ 315	–€ 315
Diagnostic cost group	€ 6202	–€ 130
From Risk Fund	€ 7800	€ 297

Source: G. Klein Ikkink, Ministry of Health, Welfare and Sport; Presentation to AcademyHealth Netherlands Health Study Tour on September 22, 2008, "Reform of the Dutch Health Care System."

Exhibit 12. Benchmarking in the Netherlands

