Exhibit ES-4. Cumulative Impact on National Health Expenditures (NHE) of Insurance Connector Approach Plus Selected Individual Options

Dollars in billions

Note: Selected individual options include improved information, payment reform, and public health.
Source: Based on projected expenditures absent policy change and Lewin estimates.
Exhibit ES-5. Total National Health Expenditures, 2008–2017
Projected and Various Scenarios

Dollars in trillions

* Selected individual options include improved information, payment reform, and public health.
Source: Based on projected expenditures absent policy change and Lewin estimates.
### Exhibit 1. Projected National Health Expenditures (NHE) by Payer Source, 2005–2016

<table>
<thead>
<tr>
<th>Total</th>
<th>2005</th>
<th>2011</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHE (in billions)</td>
<td>$1,987.7</td>
<td>$2,966.4</td>
<td>$4,136.9</td>
</tr>
<tr>
<td>NHE as percent of GDP</td>
<td>16.0%</td>
<td>17.5%</td>
<td>19.6%</td>
</tr>
<tr>
<td><strong>Payer Source</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private</td>
<td>$1,085.0</td>
<td>$1,566.1</td>
<td>$2,123.3</td>
</tr>
<tr>
<td>Consumer Payments*</td>
<td>943.8</td>
<td>1,347.0</td>
<td>1,811.9</td>
</tr>
<tr>
<td>Other Private Funds</td>
<td>141.2</td>
<td>219.1</td>
<td>311.4</td>
</tr>
<tr>
<td>Public</td>
<td>902.7</td>
<td>1,400.3</td>
<td>2,013.6</td>
</tr>
<tr>
<td>Federal</td>
<td>643.7</td>
<td>1,027.4</td>
<td>1,486.5</td>
</tr>
<tr>
<td>State and Local</td>
<td>259.0</td>
<td>372.9</td>
<td>527.1</td>
</tr>
</tbody>
</table>

* Consumer payments include out-of-pocket payments and private health insurance.

Exhibit 2. International Comparison of Health Spending, 1980–2005

Average spending on health per capita ($US PPP)

Exhibit 3. Financial Burden for Low- and Middle-Income Families Is Increasing

Percent of nonelderly adults spending 10% or more of disposable income on family out-of-pocket medical costs and premiums

Note: Financial burden includes out-of-pocket costs for premiums for private insurance and other health services.
Exhibit 4. One-Third of Adults Ages 19–64 Are Uninsured or Underinsured, as Are Two-Thirds of Low-Income Adults

*Underinsured defined as insured all year but experienced one of the following: medical expenses equaled 10% or more of income; medical expenses equaled 5% or more of incomes if low-income (<200% of poverty); or deductibles equaled 5% or more of income. Data: 2003 Commonwealth Fund Biennial Health Insurance Survey (Schoen et al. 2005b). Source: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2006.
Exhibit 5. Growth in National Health Expenditures (NHE) Under Various Scenarios

NHE, in trillions of dollars

Cumulative savings projections to 2016:
- One-time savings of 5%: $1.56 trillion
- Slowing trend by 1% annually: $1.72 trillion
- Combination of one-time savings and slowing trend: $3.19 trillion

$1.99 T in 2005

Baseline NHE
One-time savings scenario
Slowing trend scenario
Reduced level & trend scenario

$4.14 T (19.6% GDP)
$3.93 T (18.6% GDP)
$3.77 T (17.8% GDP)
$3.58 T (16.9% GDP)

Exhibit 8. Distribution of 10-Year Impact on Spending from Promoting Health Information Technology

Dollars in billions

- Systemwide: -$87.8
- Federal Gov't: -$41.4
- State and Local Gov't: -$19.3
- Private Payer: $0.2
- Households: -$27.2

Source: Based on estimates by The Lewin Group for The Commonwealth Fund, 2007.
Exhibit 9. Distribution of 10-Year Impact on Spending from Center for Medical Effectiveness and Health Care Decision-Making

Dollars in billions

<table>
<thead>
<tr>
<th></th>
<th>Systemwide</th>
<th>Federal Gov't</th>
<th>State and Local Gov't</th>
<th>Private Payer</th>
<th>Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAVINGS</td>
<td>-$367.5</td>
<td>-$13.6</td>
<td>-$49.1</td>
<td>-$97.7</td>
<td>-$107.1</td>
</tr>
<tr>
<td>COSTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Based on estimates by The Lewin Group for The Commonwealth Fund, 2007.
Exhibit 10. Distribution of 10-Year Impact on Spending from Patient Shared Decision-Making

Dollars in billions

Source: Based on estimates by The Lewin Group for The Commonwealth Fund, 2007.
Exhibit 11. Distribution of 10-Year Impact on Spending from Reducing Tobacco Use

Dollars in billions

<table>
<thead>
<tr>
<th>Source</th>
<th>Costs</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemwide</td>
<td>-$190.5</td>
<td></td>
</tr>
<tr>
<td>Federal Gov't</td>
<td>-$68.2</td>
<td></td>
</tr>
<tr>
<td>State and Local Gov't</td>
<td>-$34.9</td>
<td></td>
</tr>
<tr>
<td>Private Payer</td>
<td>-$38.5</td>
<td></td>
</tr>
<tr>
<td>Households</td>
<td>-$48.9</td>
<td></td>
</tr>
</tbody>
</table>

Source: Based on estimates by The Lewin Group for The Commonwealth Fund, 2007.
Exhibit 12. Distribution of 10-Year Impact on Spending from Reducing Obesity

Dollars in billions

<table>
<thead>
<tr>
<th>Source</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemwide</td>
<td>-$282.6</td>
</tr>
<tr>
<td>Federal Gov't</td>
<td>-$101.2</td>
</tr>
<tr>
<td>State and Local Gov't</td>
<td>-$51.8</td>
</tr>
<tr>
<td>Private Payer</td>
<td>-$57.2</td>
</tr>
<tr>
<td>Households</td>
<td>-$72.5</td>
</tr>
</tbody>
</table>

Source: Based on estimates by The Lewin Group for The Commonwealth Fund, 2007.
Exhibit 13. Distribution of 10-Year Impact on Spending from Positive Incentives for Health

Dollars in billions

Systemwide                  Federal Gov’t       State and Local Gov’t   Private Payer   Households
-19.0                      -2.2              -11.5                     -4.5            -5.2

Source: Based on estimates by The Lewin Group for The Commonwealth Fund, 2007.
Exhibit 14. Distribution of 10-Year Impact on Spending from Hospital Pay-for-Performance

Dollars in billions

Source: Based on estimates by The Lewin Group for The Commonwealth Fund, 2007.
Exhibit 15. Distribution of 10-Year Impact on Spending from Episode-of-Care Payment

Dollars in billions

<table>
<thead>
<tr>
<th>Source</th>
<th>Systemwide</th>
<th>Federal Gov't</th>
<th>State and Local Gov't</th>
<th>Private Payer</th>
<th>Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAVINGS</td>
<td>-$229.2</td>
<td>-$377.4</td>
<td></td>
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<tr>
<td>COSTS</td>
<td>$18.3</td>
<td>$90.1</td>
<td>$39.7</td>
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</tbody>
</table>

Source: Based on estimates by The Lewin Group for The Commonwealth Fund, 2007.
Exhibit 16. Distribution of 10-Year Impact on Spending from Strengthening Primary Care and Care Coordination

Dollars in billions

Systemwide: -$193.5
Federal Gov't: -$156.9
State and Local Gov't: -$4.1
Private Payer: -$9.1
Households: -$23.4

Source: Based on estimates by The Lewin Group for The Commonwealth Fund, 2007.
Exhibit 17. Distribution of 10-Year Impact on Spending from Limit on Federal Tax Exemptions for Premium Contributions

Dollars in billions

Source: Based on estimates by The Lewin Group for The Commonwealth Fund, 2007.
Exhibit 18. Distribution of 10-Year Impact on Spending from Reset Benchmark Rates for Medicare Advantage Plans

Dollars in billions

<table>
<thead>
<tr>
<th>Source</th>
<th>Cost in Billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemwide</td>
<td>-$49.6</td>
</tr>
<tr>
<td>Federal Gov't</td>
<td>-$124.0</td>
</tr>
<tr>
<td>State and Local Gov't</td>
<td>$0.0</td>
</tr>
<tr>
<td>Private Payer</td>
<td>$0.0</td>
</tr>
<tr>
<td>Households</td>
<td>$74.4</td>
</tr>
</tbody>
</table>

Source: Based on estimates by The Lewin Group for The Commonwealth Fund, 2007.
Exhibit 19. Distribution of 10-Year Impact on Spending from Competitive Bidding

Dollars in billions

Costs

Savings

Systemwide Federal Gov't State and Local Gov't Private Payer Households

-$104.2 $-282.5 $0.0 $0.0 $178.3

Source: Based on estimates by The Lewin Group for The Commonwealth Fund, 2007.
Exhibit 20. Distribution of 10-Year Impact on Spending from Negotiated Prescription Drug Prices

Dollars in billions

<table>
<thead>
<tr>
<th>Source</th>
<th>Savings</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemwide</td>
<td>-$43.4</td>
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<tr>
<td>Federal Gov't</td>
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<td>-$71.5</td>
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<tr>
<td>State and Local Gov't</td>
<td>$3.5</td>
<td>$17.1</td>
</tr>
<tr>
<td>Private Employer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Households</td>
<td></td>
<td>$7.5</td>
</tr>
</tbody>
</table>

Source: Based on estimates by The Lewin Group for The Commonwealth Fund, 2007.
Exhibit 21. Distribution of 10-Year Impact on Spending from All-Payer Provider Payment Methods and Rates

Dollars in billions

- Systemwide: $-122.4
- Federal Gov't: $0.0
- State and Local Gov't: $0.0
- Private Payer: $-104.7
- Households: $-17.7

Source: Based on estimates by The Lewin Group for The Commonwealth Fund, 2007.
Exhibit 22. Distribution of 10-Year Impact on Spending from Limit on Payment Updates in High-Cost Areas

Dollars in billions

Source: Based on estimates by The Lewin Group for The Commonwealth Fund, 2007.

Percent change

- **Net cost of private health insurance administration**
- **Family private health insurance premiums**
- **Personal health care**
- **Workers earnings**

Notes: Data on premium increases reflect the cost of health insurance premiums for a family of four/the average premium increase is weighted by covered workers. * 2006 and 2007 private insurance administration and personal health care spending growth rates are projections.

Exhibit 24. Cumulative Impact on National Health Expenditures (NHE) of Insurance Connector Approach Plus Selected Individual Options

Dollars in billions

Note: Selected individual options include improved information, payment reform, and public health.
Source: Based on projected expenditures absent policy change and Lewin estimates.

* Selected options include improved information, payment reform, and public health.

Source: Lewin Group modeling estimates of insurance option alone or insurance in combination with savings options compared with projected federal spending under current policies.
Projected and Various Scenarios

Dollars in trillions

* Selected individual options include improved information, payment reform, and public health.
Source: Based on projected expenditures absent policy change and Lewin estimates.