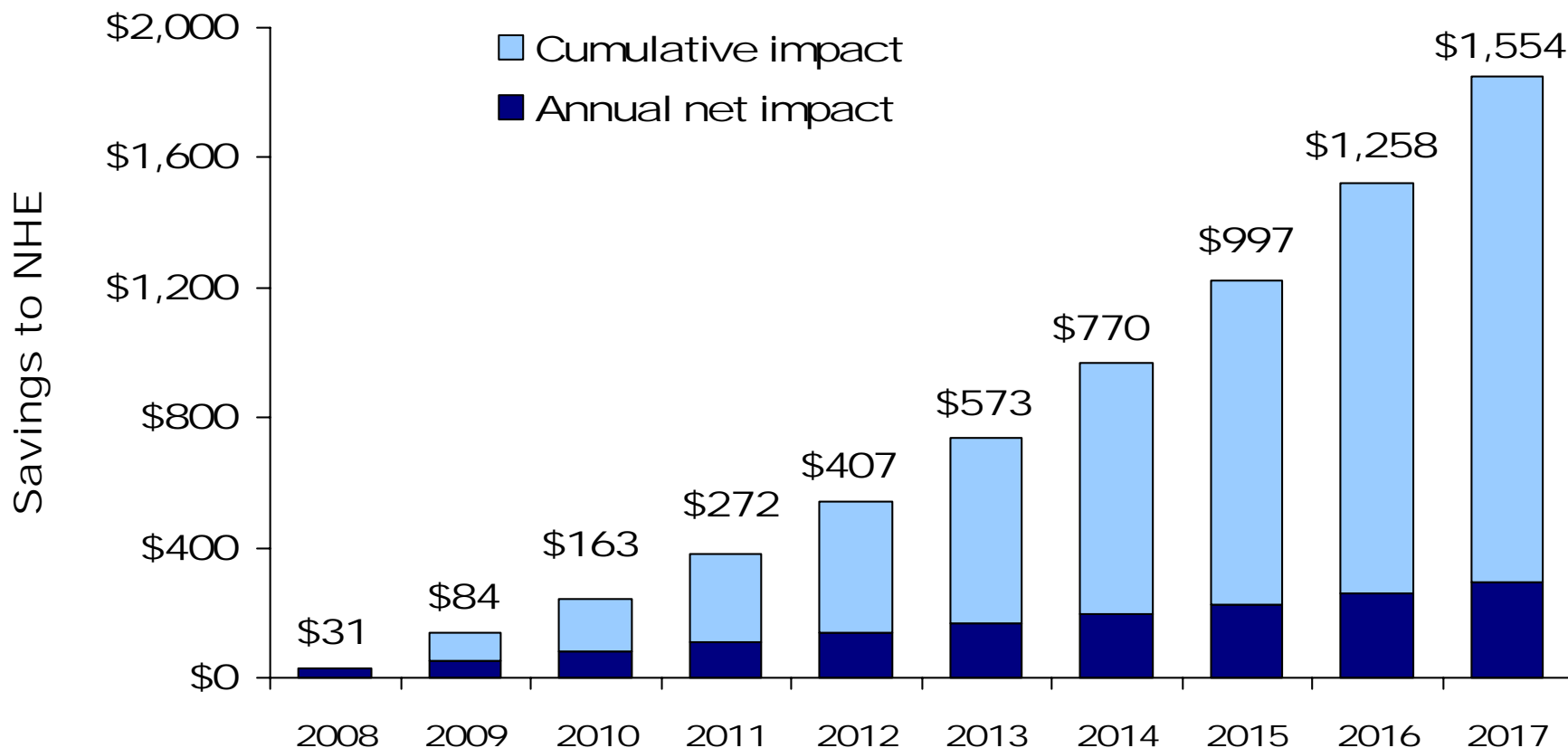


Exhibit ES-4. Cumulative Impact on National Health Expenditures (NHE) of Insurance Connector Approach Plus Selected Individual Options

Dollars in billions

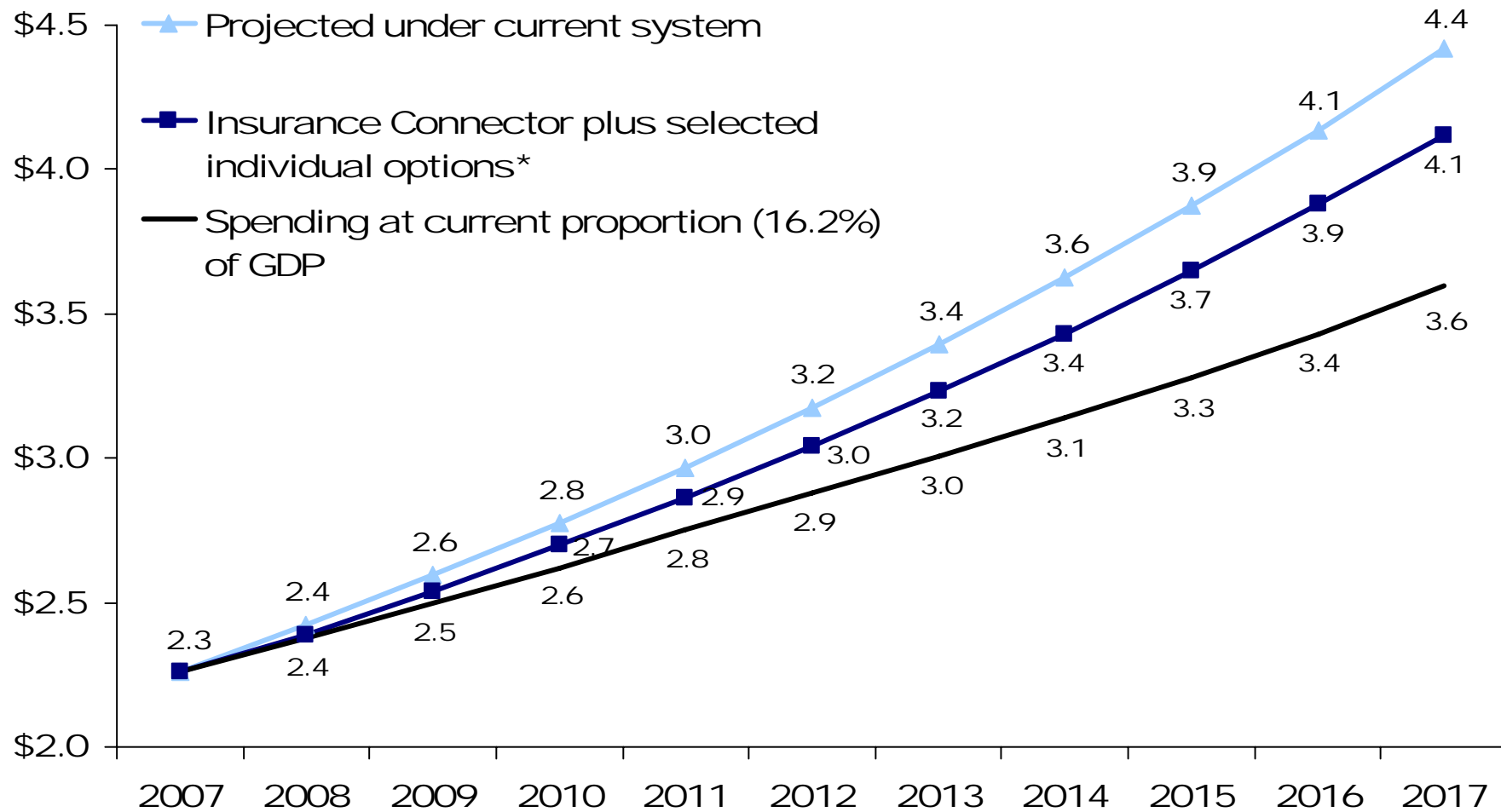


Note: Selected individual options include improved information, payment reform, and public health.

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

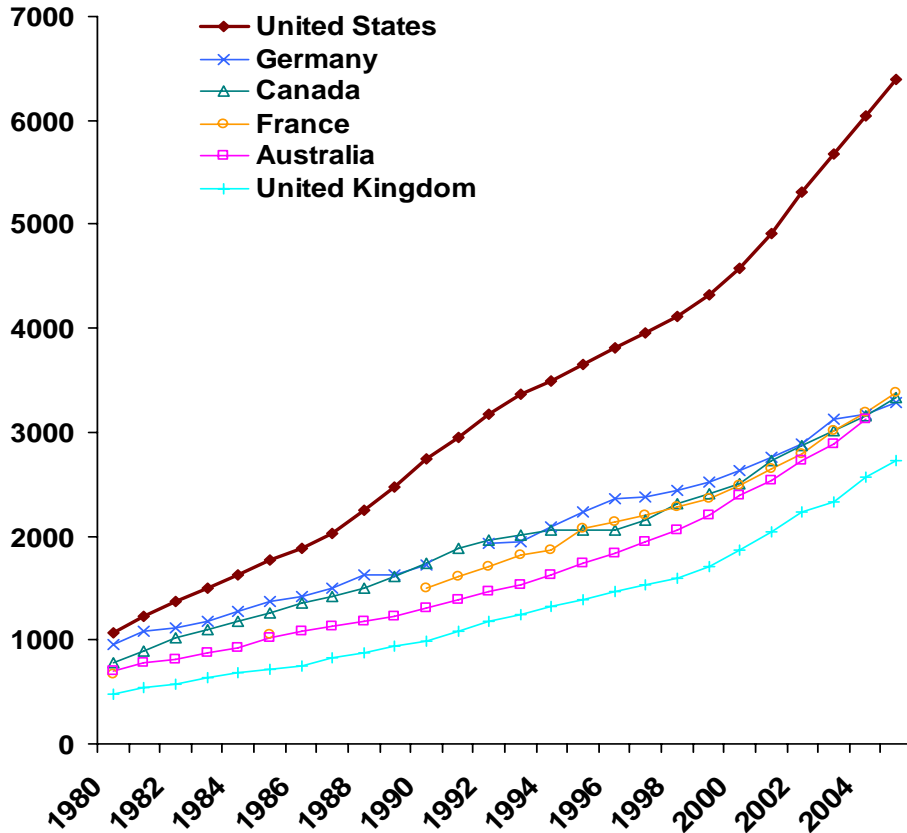
Total	2005	Projected	
		2011	2016
NHE (in billions)	\$1,987.7	\$2,966.4	\$4,136.9
NHE as percent of GDP	16.0%	17.5%	19.6%
Payer Source			
Private	\$1,085.0	\$1,566.1	\$2,123.3
Consumer Payments*	943.8	1,347.0	1,811.9
Other Private Funds	141.2	219.1	311.4
Public	902.7	1,400.3	2,013.6
Federal	643.7	1027.4	1,486.5
State and Local	259.0	372.9	527.1

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

Source: J. A. Poisal, C. Truffer, S. Smith et al., "Health Spending Projections Through 2016: Modest Changes Obscure Part D's Impact," *Health Affairs* Web Exclusive (Feb. 21, 2007):w242–w253.

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

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



Total health expenditures as percent of GDP

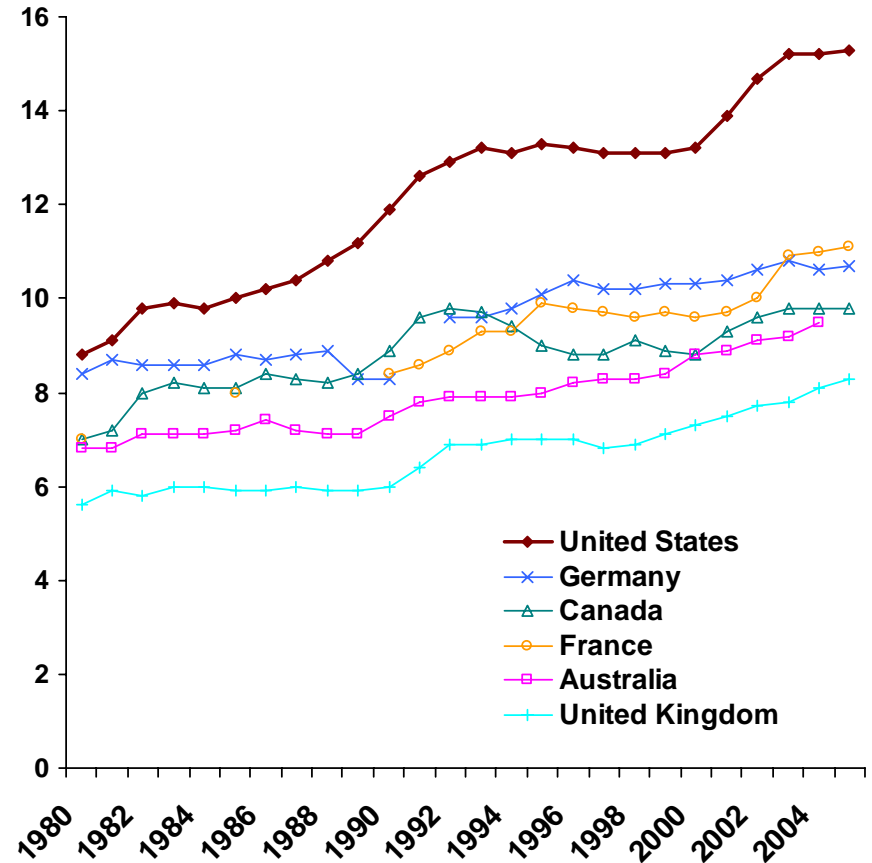
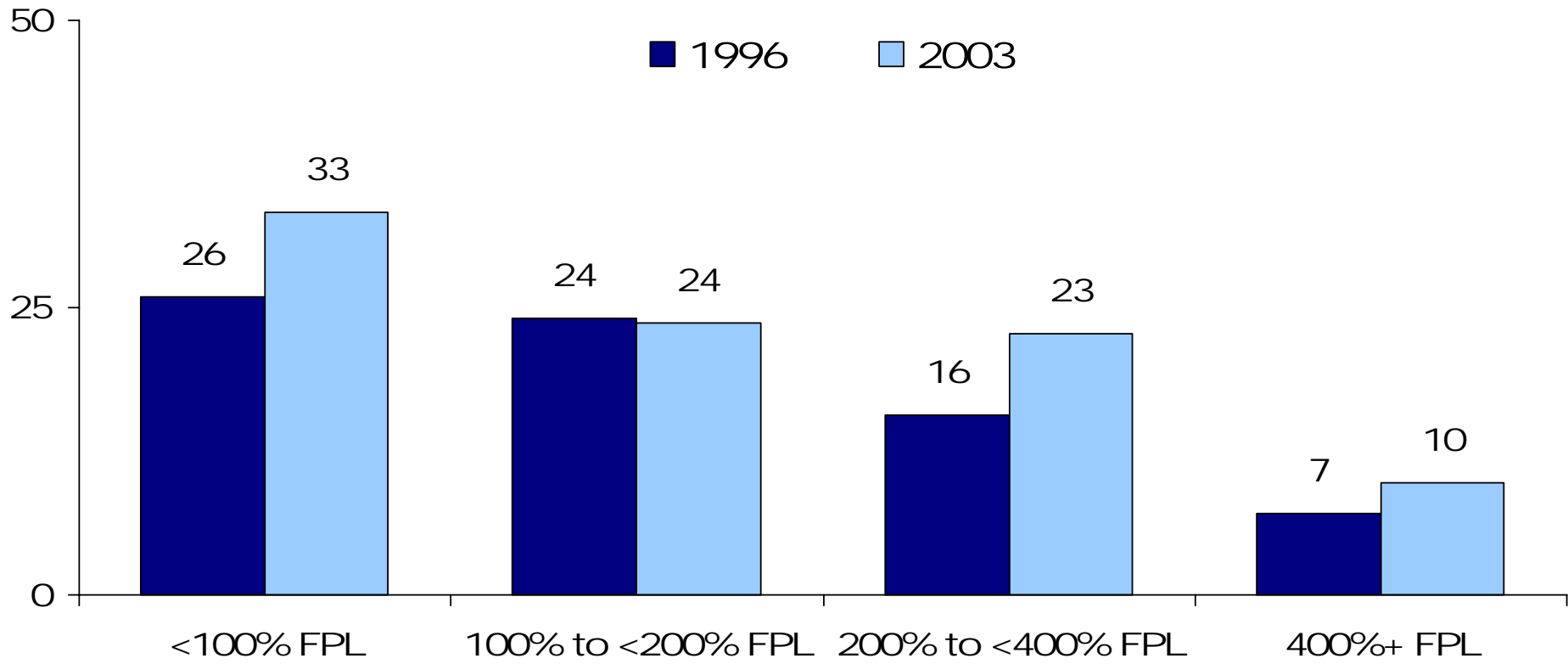


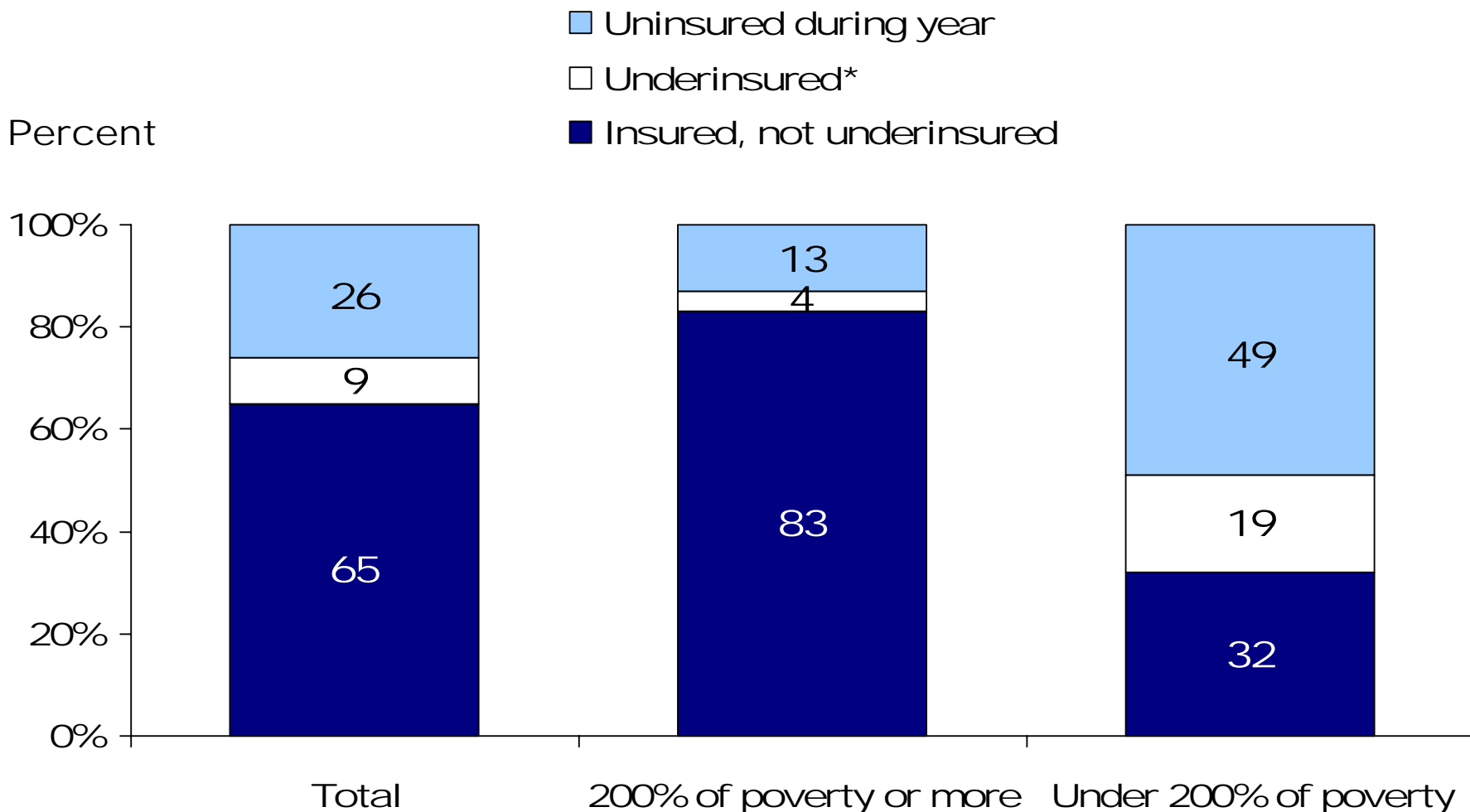
Exhibit 3. Financial Burden for Low- and Middle-Income Families Is Increasing

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.
Source: J. S. Banthin and D. M. Bernard, "Changes in Financial Burdens for Health Care: National Estimates for the Population Younger than 65 Years," *Journal of the American Medical Association*, Dec. 13, 2006 296(22):2712-19.

Exhibit 4. One-Third of Adults Ages 19-64 Are Uninsured or Underinsured, as Are Two-Thirds of Low-Income Adults

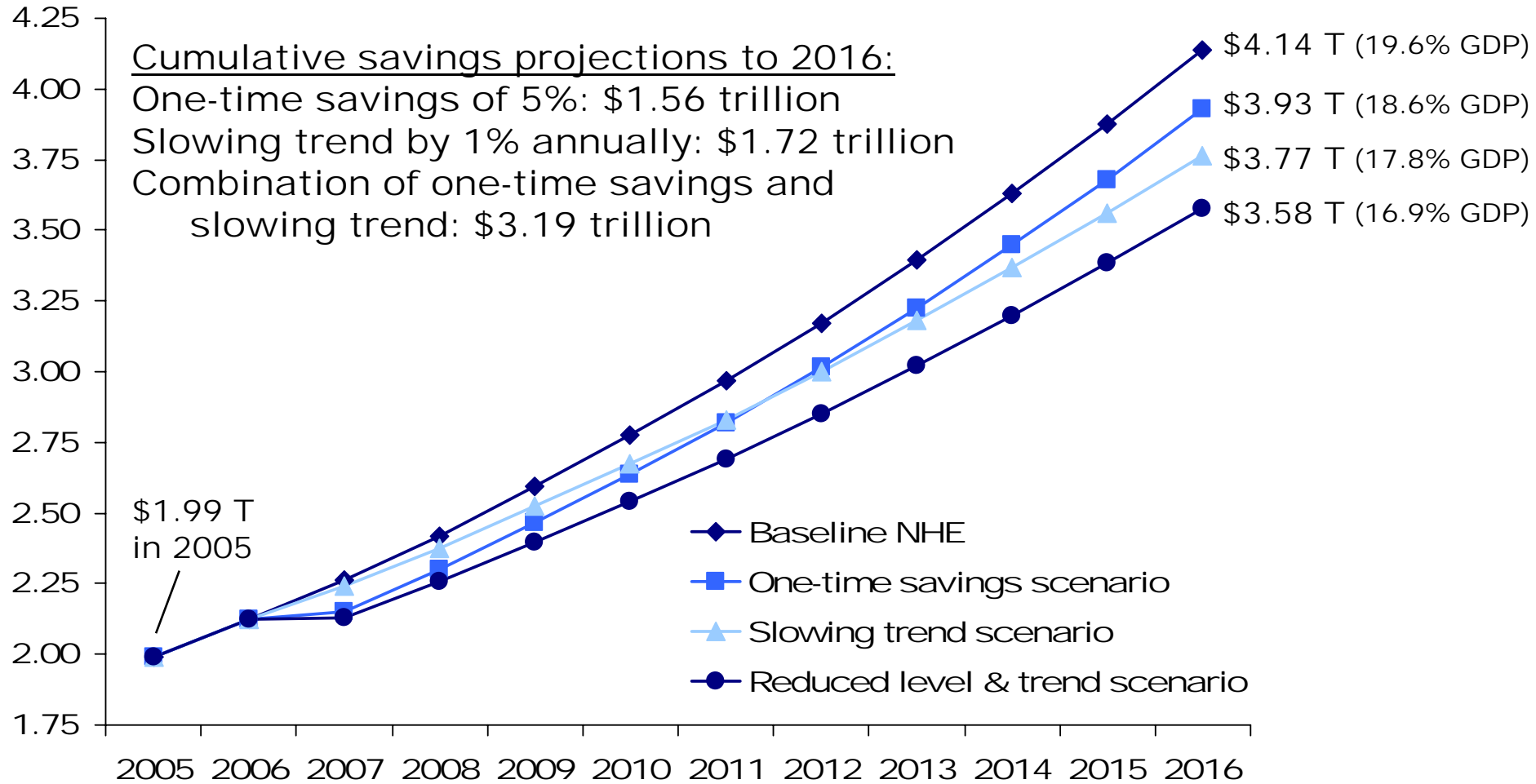


* Underinsured defined as insured all year but experienced one of the following: medical expenses equaled 10% or more of income; medical expenses equaled 5% or more of incomes if low-income (<200% of poverty); or deductibles equaled 5% or more of income. Data: 2003 Commonwealth Fund Biennial Health Insurance 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



Source: The Commonwealth Fund; data from J. A. Poisal, C. Truffer, S. Smith et al., "Health Spending Projections Through 2016: Modest Changes Obscure Part D's Impact," *Health Affairs* Web Exclusive (Feb. 21, 2007):w242-w253.

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

Dollars in billions

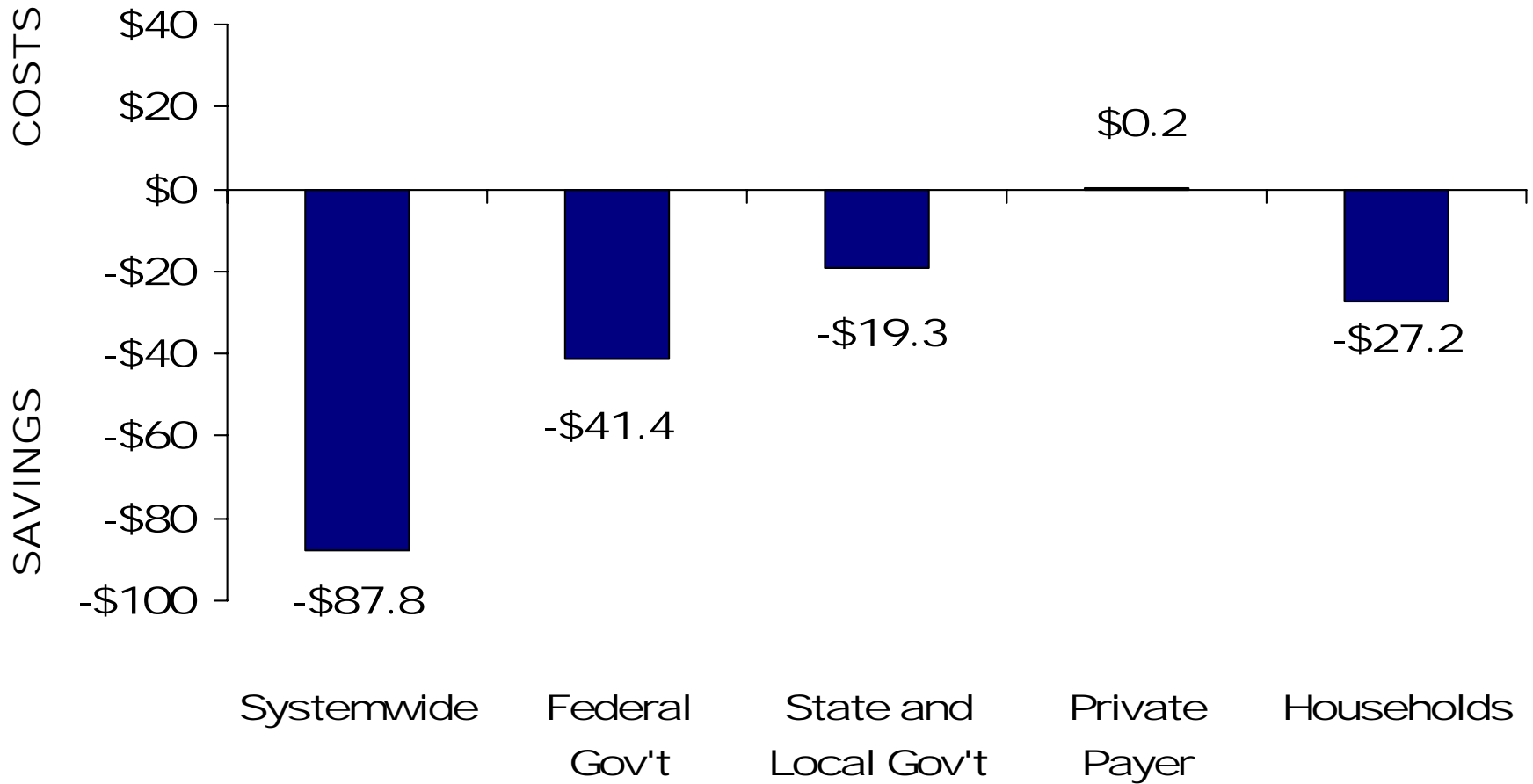


Exhibit 9. Distribution of 10-Year Impact on Spending from Center for Medical Effectiveness and Health Care Decision-Making

Dollars in billions

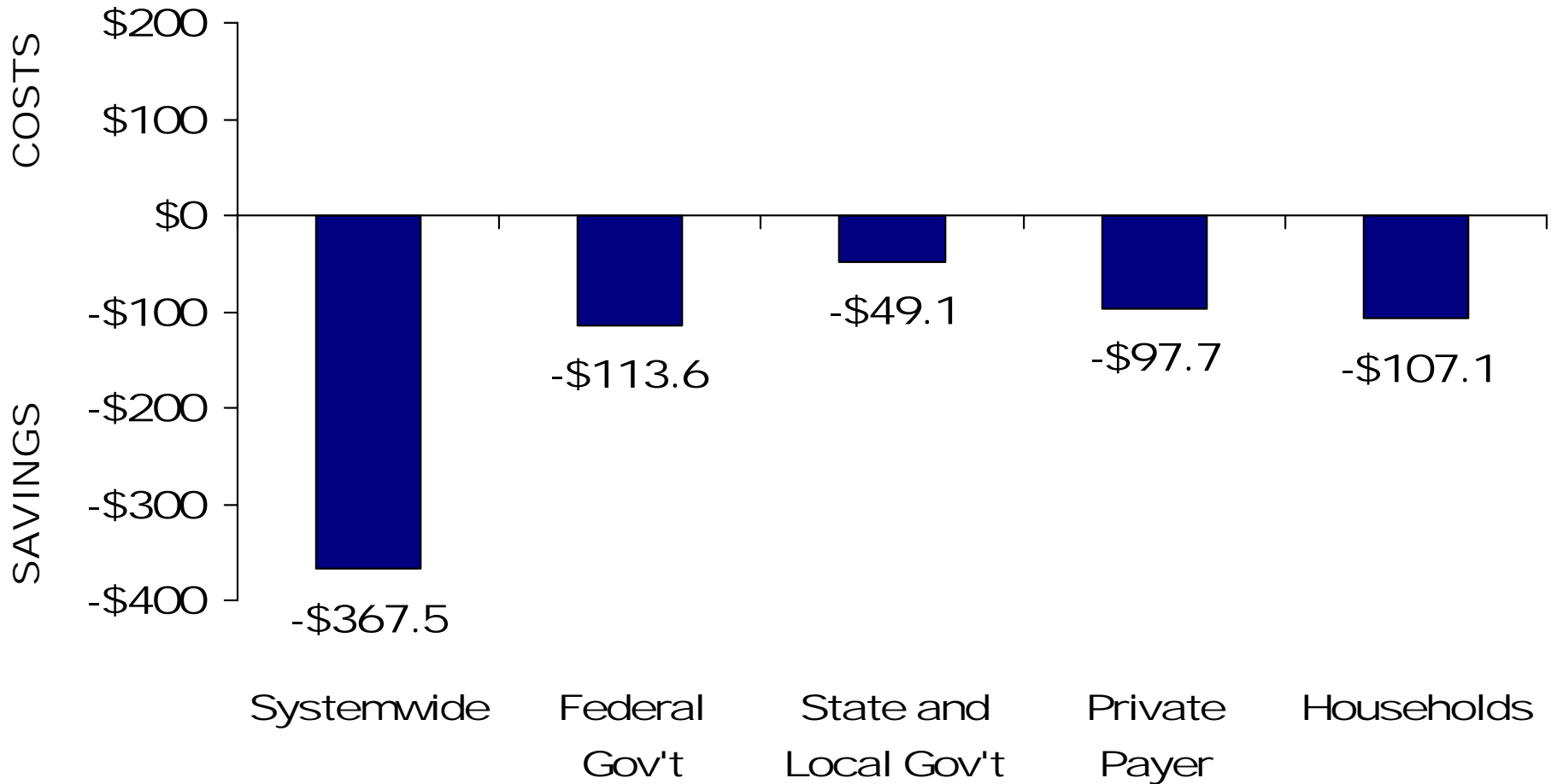
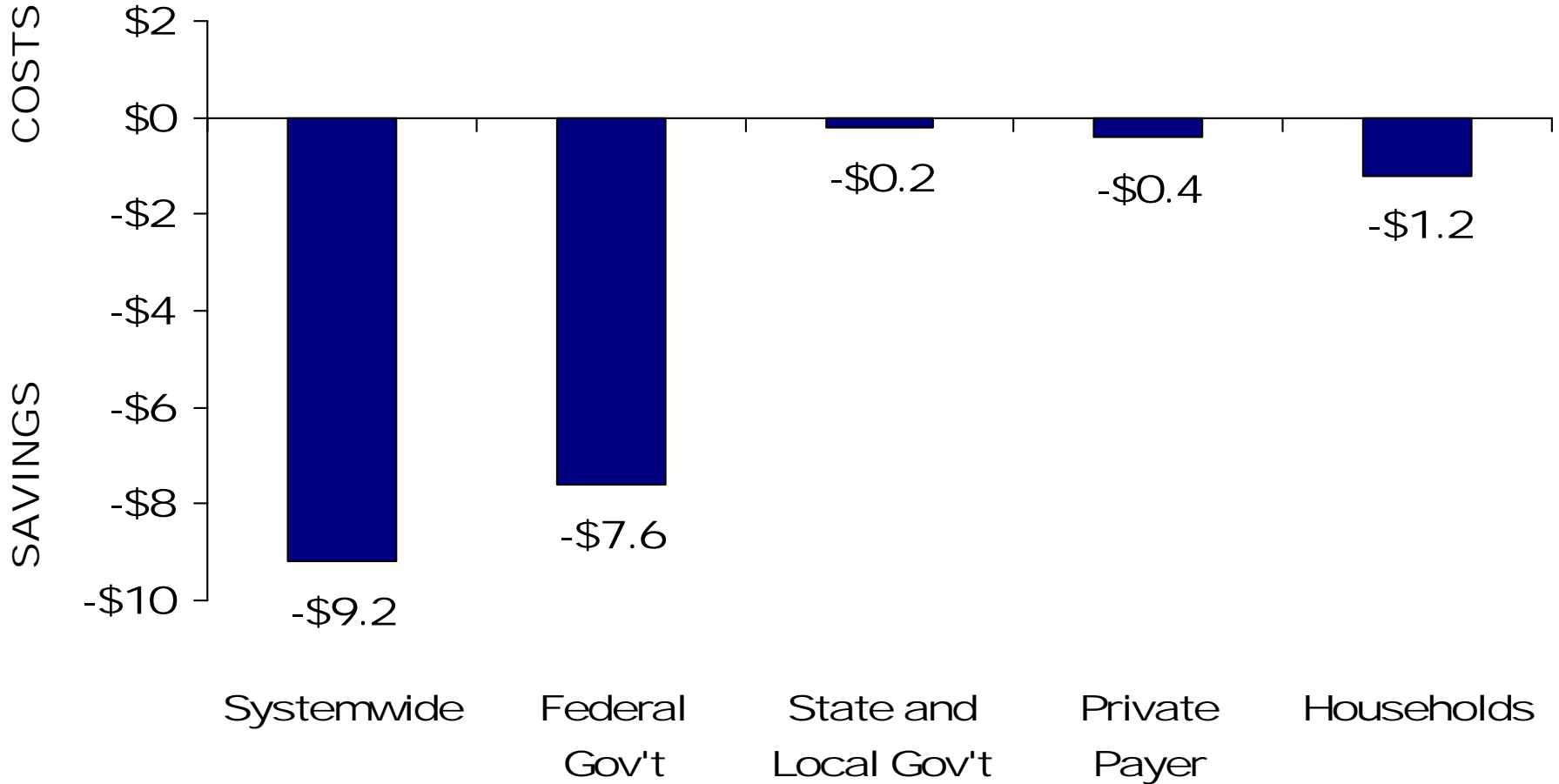


Exhibit 10. Distribution of 10-Year Impact on Spending from Patient Shared Decision-Making

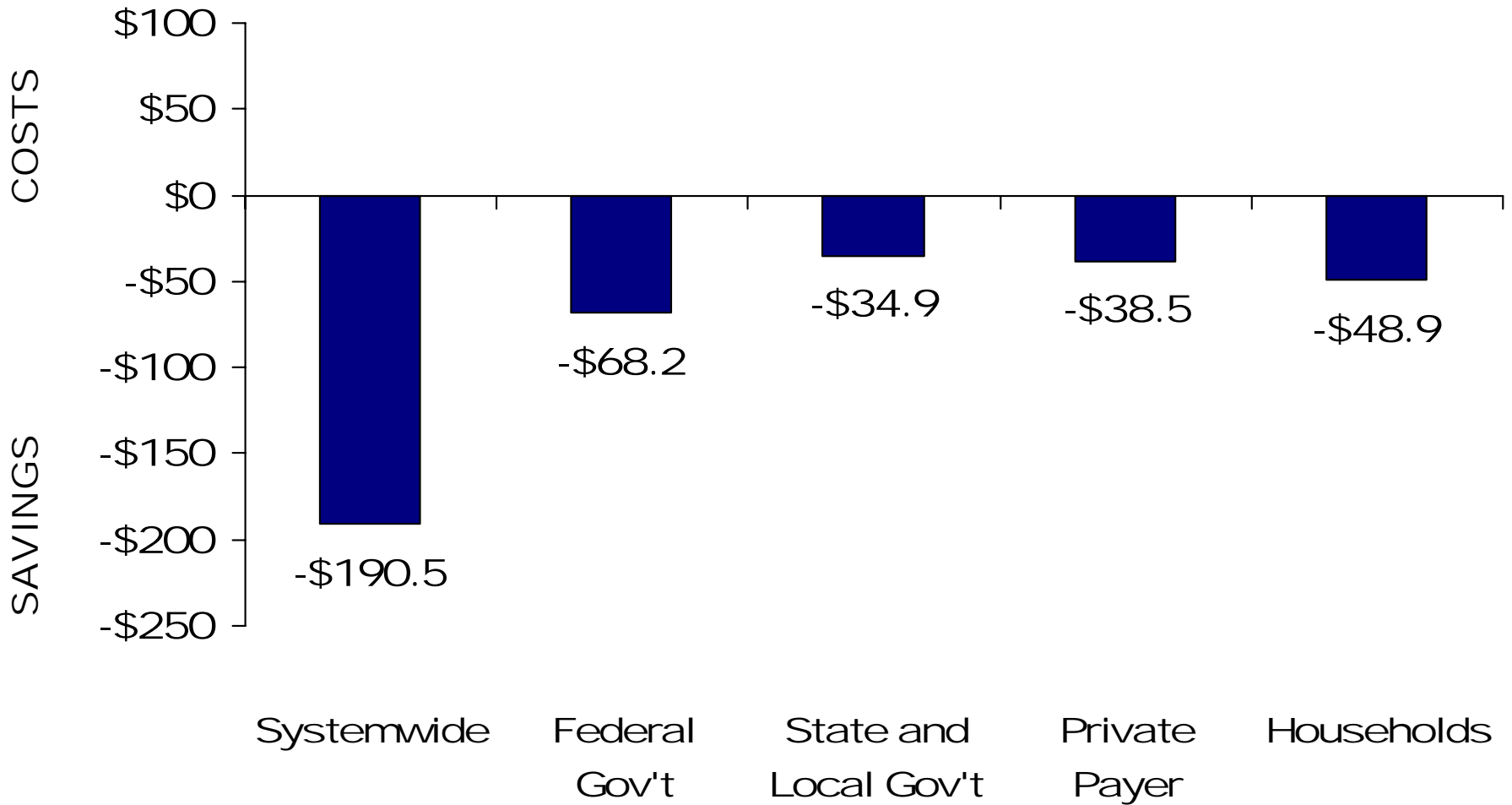
Dollars in billions



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

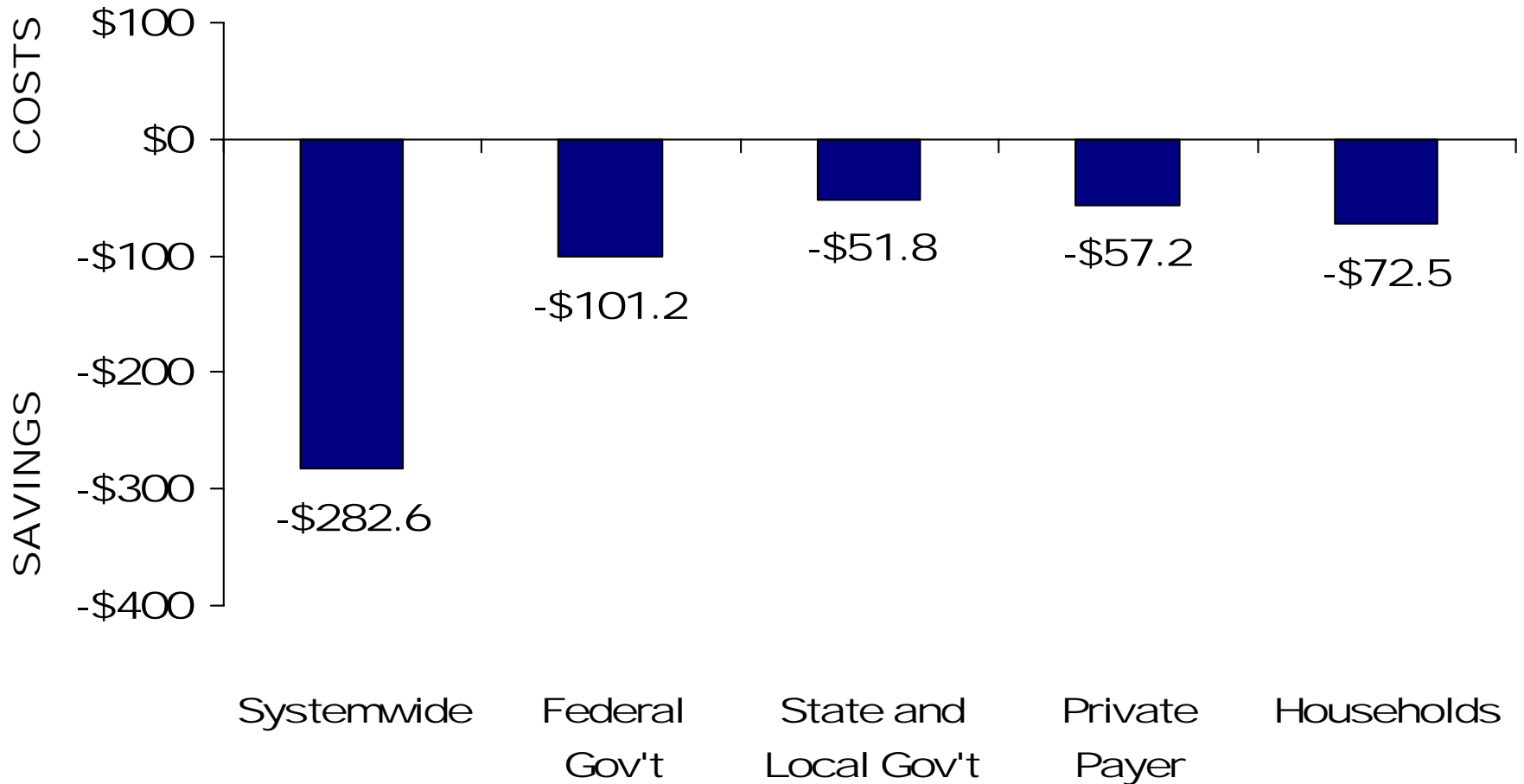
Dollars in billions



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



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

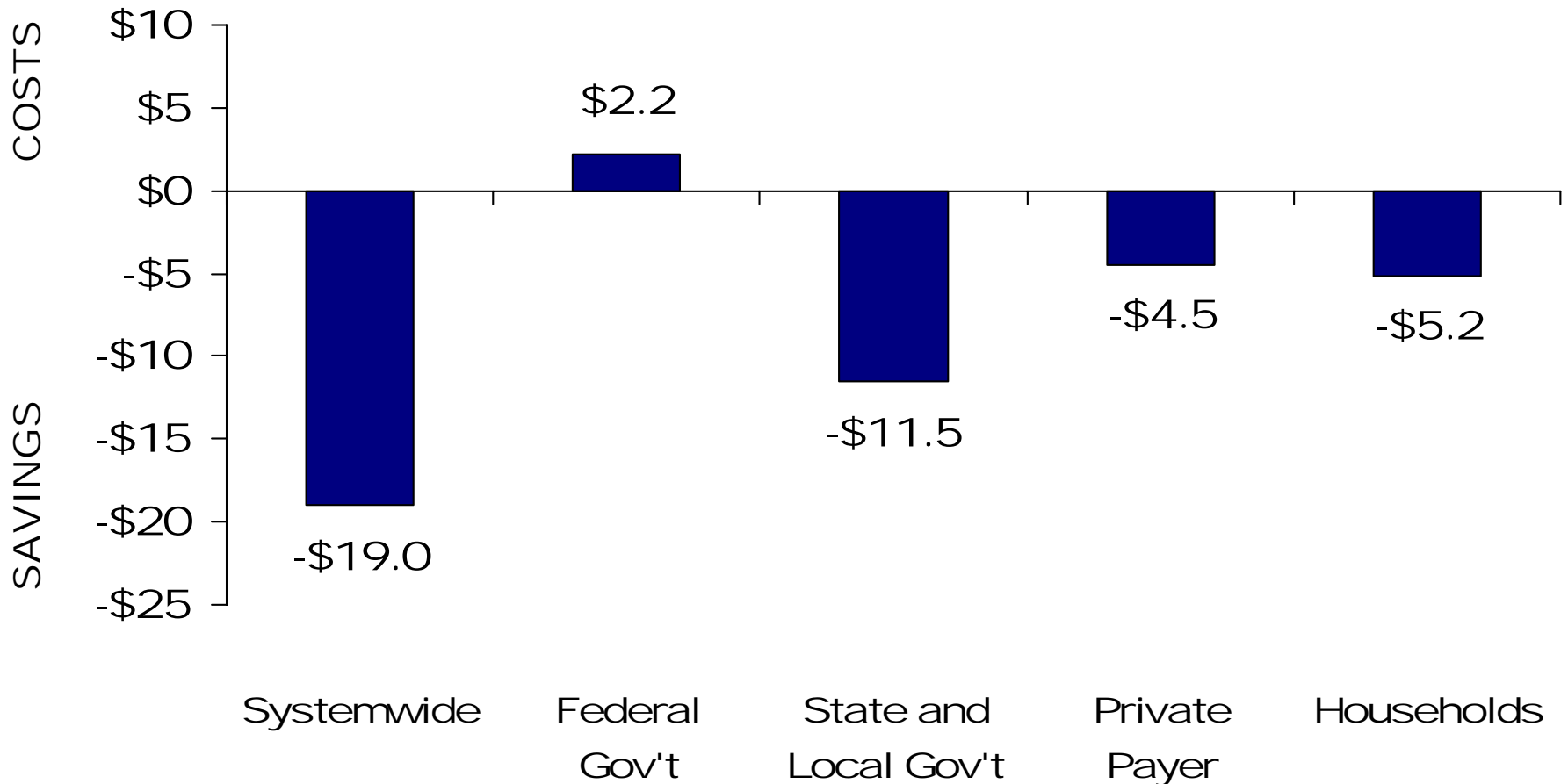


Exhibit 14. Distribution of 10-Year Impact on Spending from Hospital Pay-for-Performance

Dollars in billions

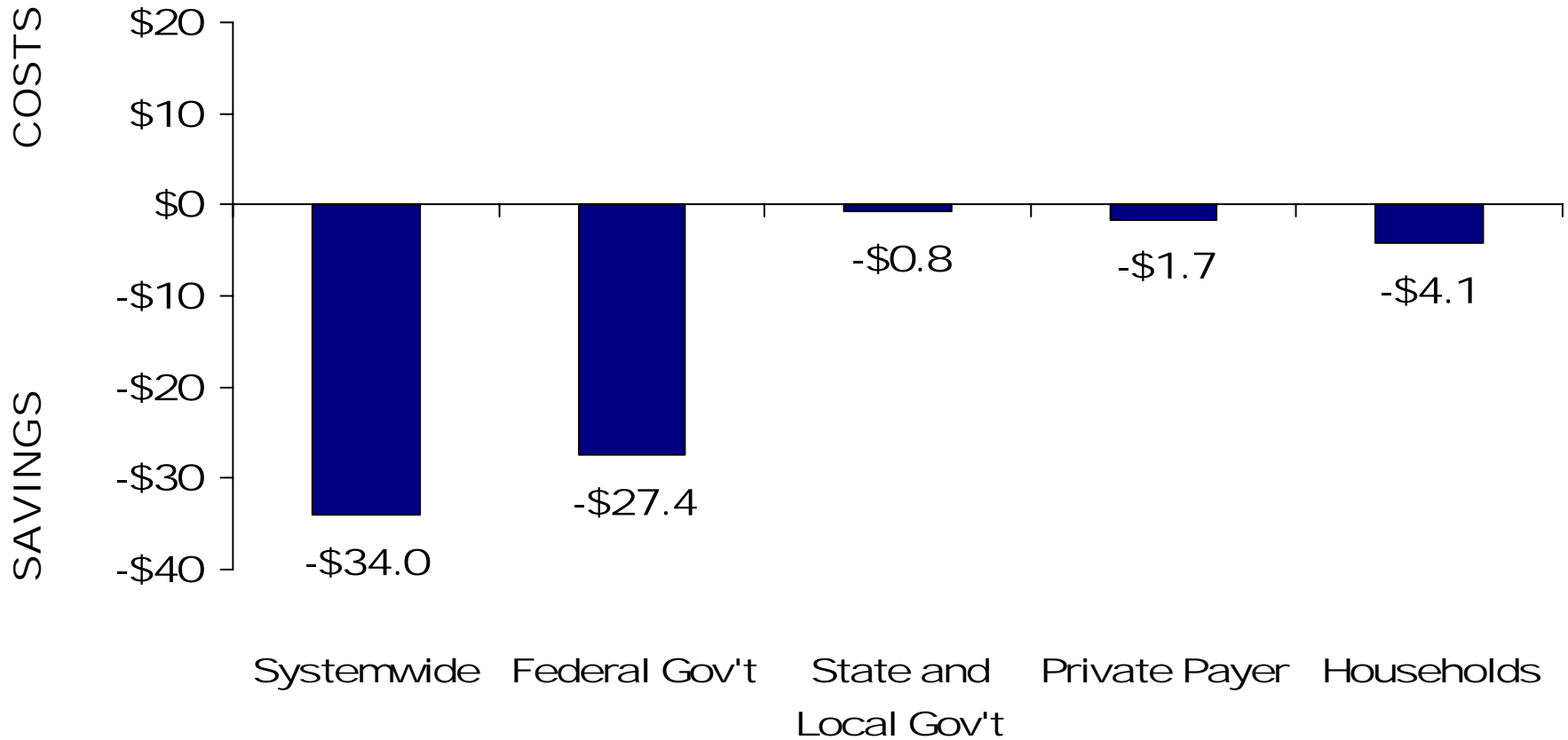


Exhibit 15. Distribution of 10-Year Impact on Spending from Episode-of-Care Payment

Dollars in billions

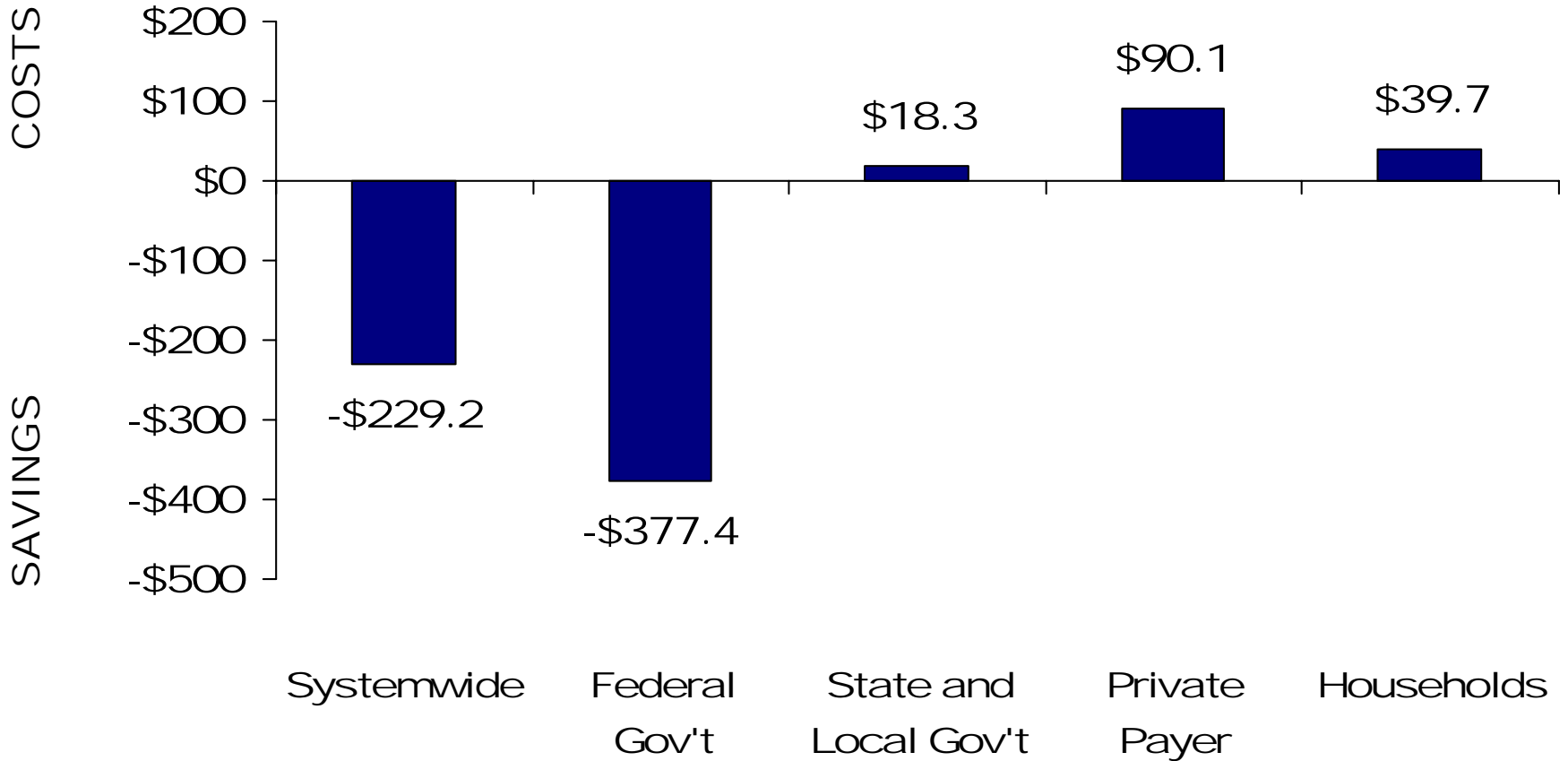
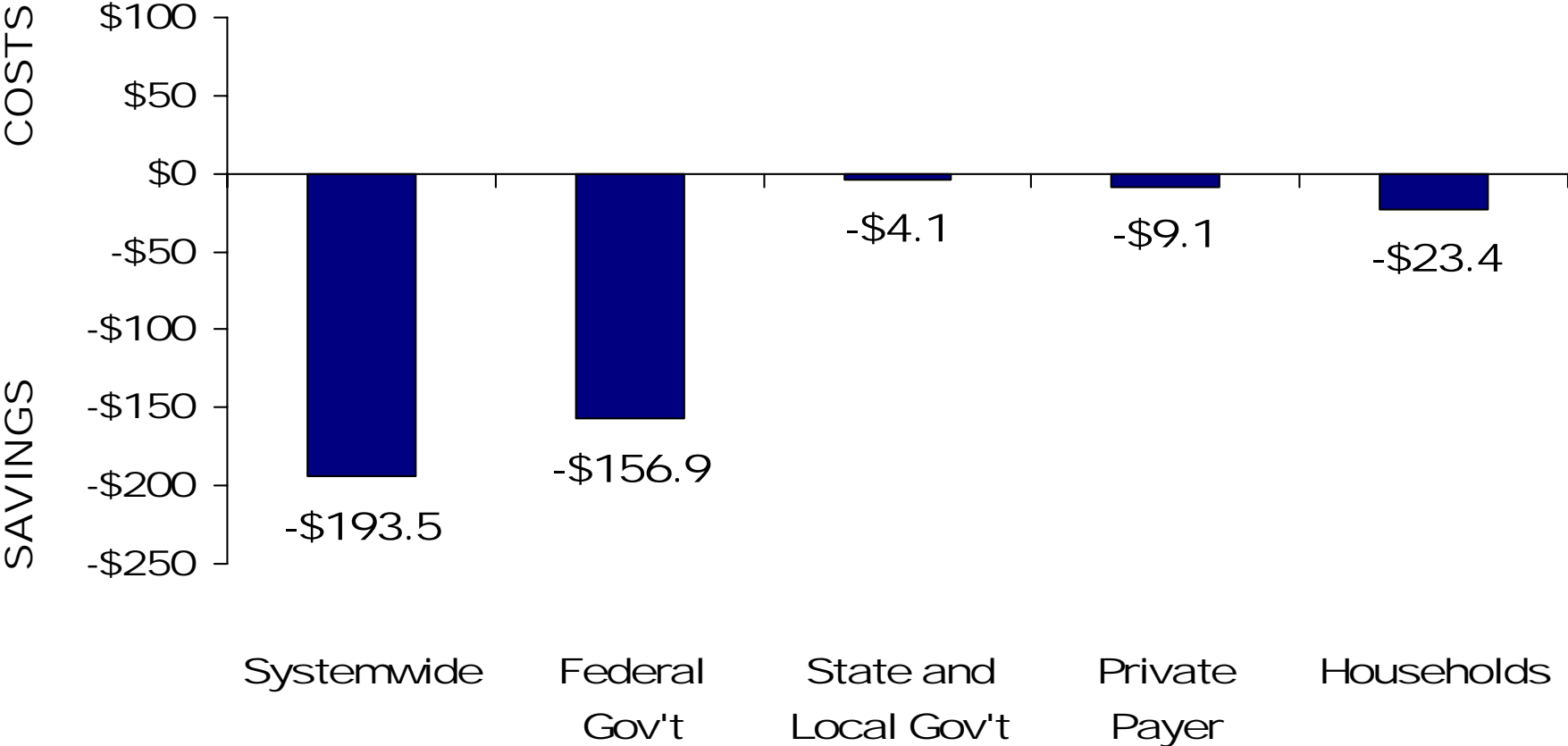


Exhibit 16. Distribution of 10-Year Impact on Spending from Strengthening Primary Care and Care Coordination

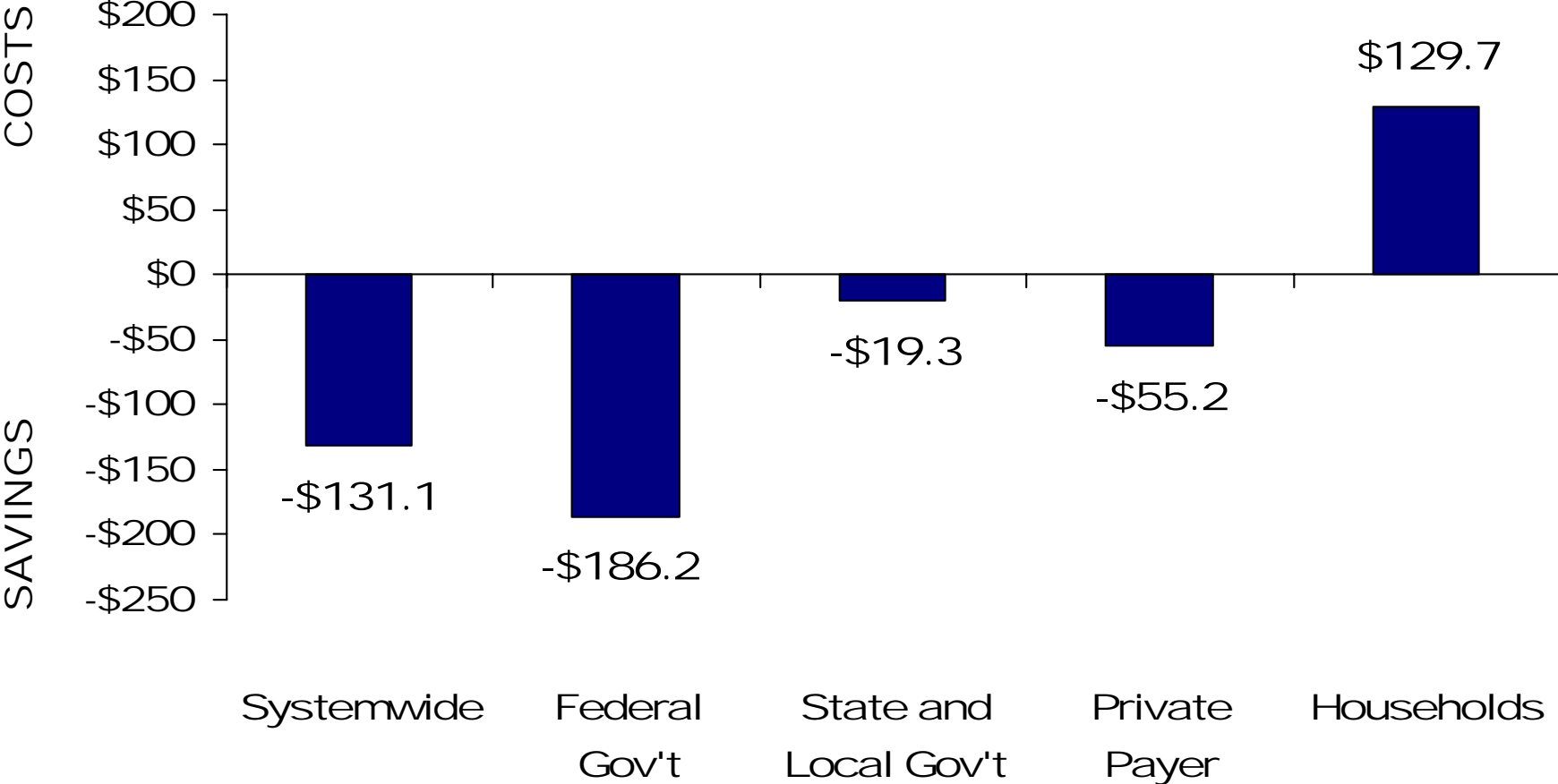
Dollars in billions



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

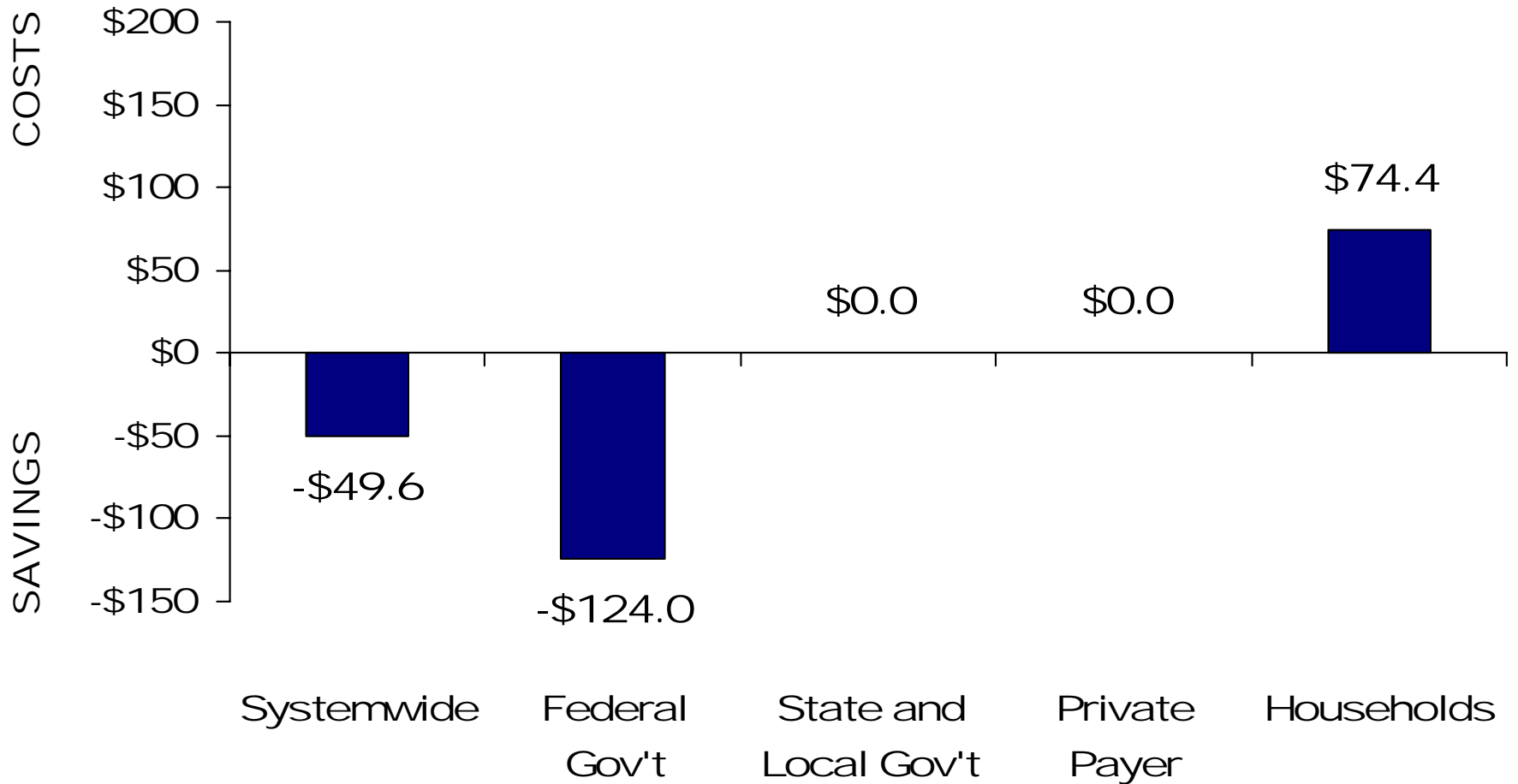
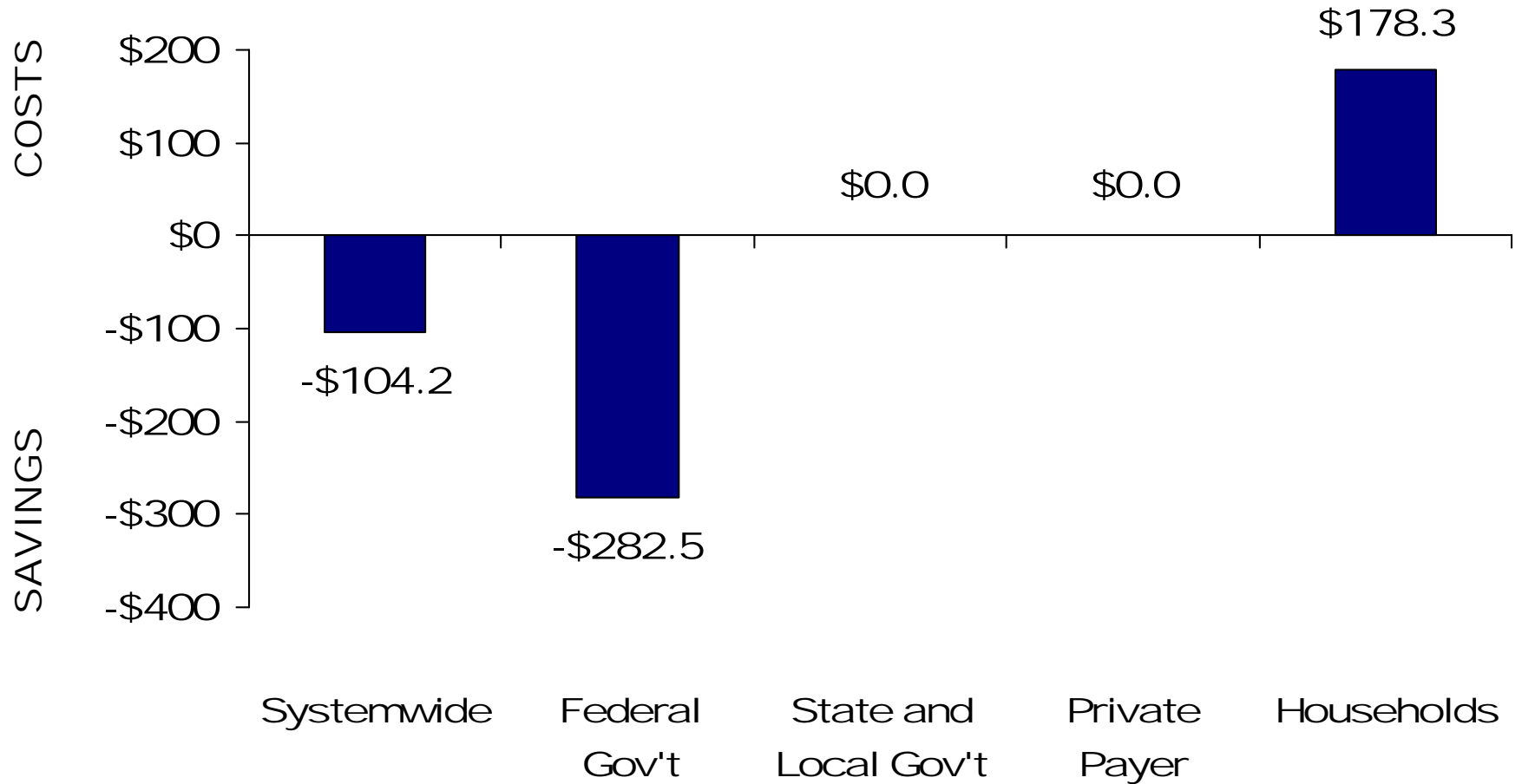


Exhibit 19. Distribution of 10-Year Impact on Spending from Competitive Bidding

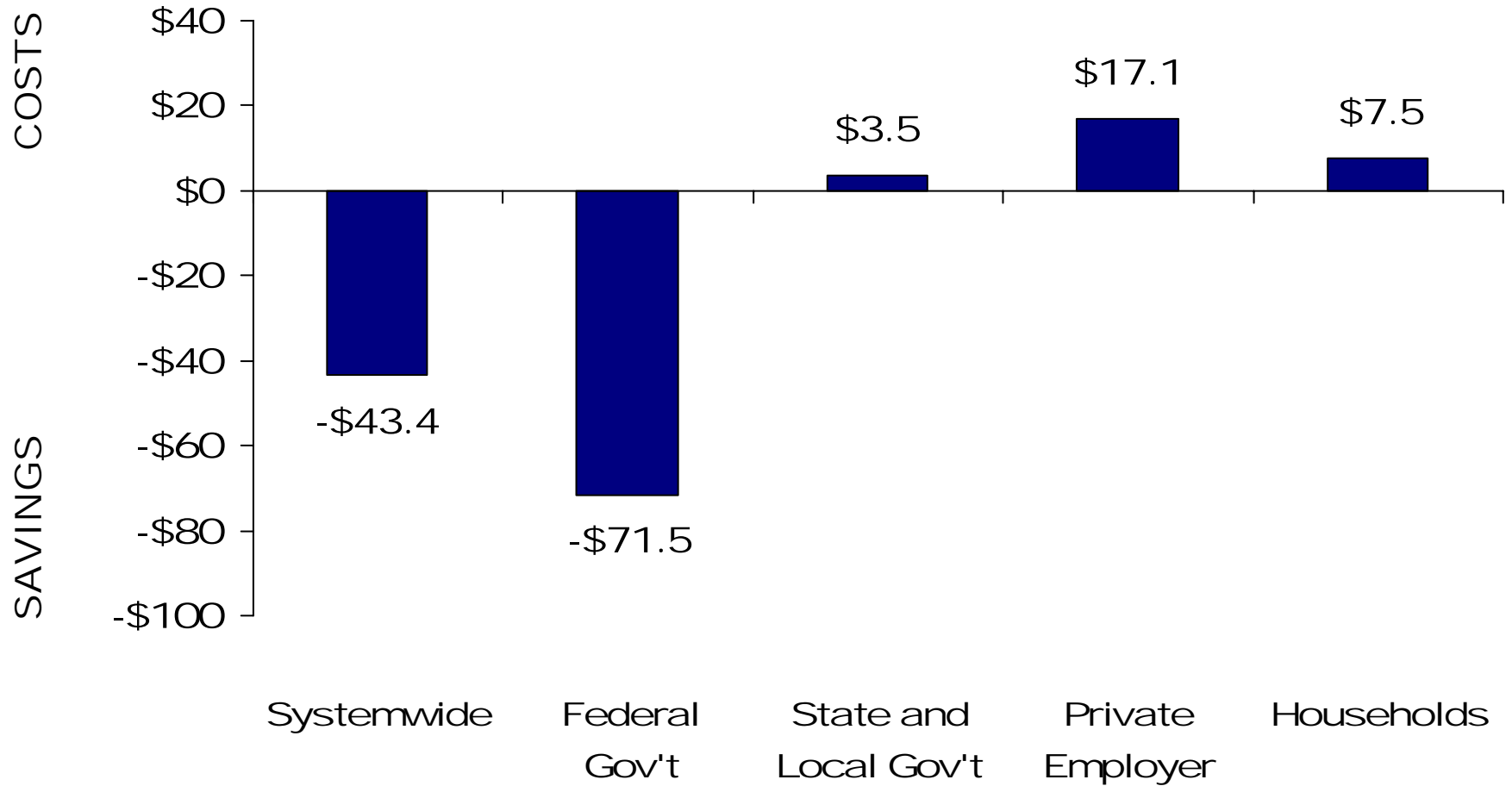
Dollars in billions



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



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

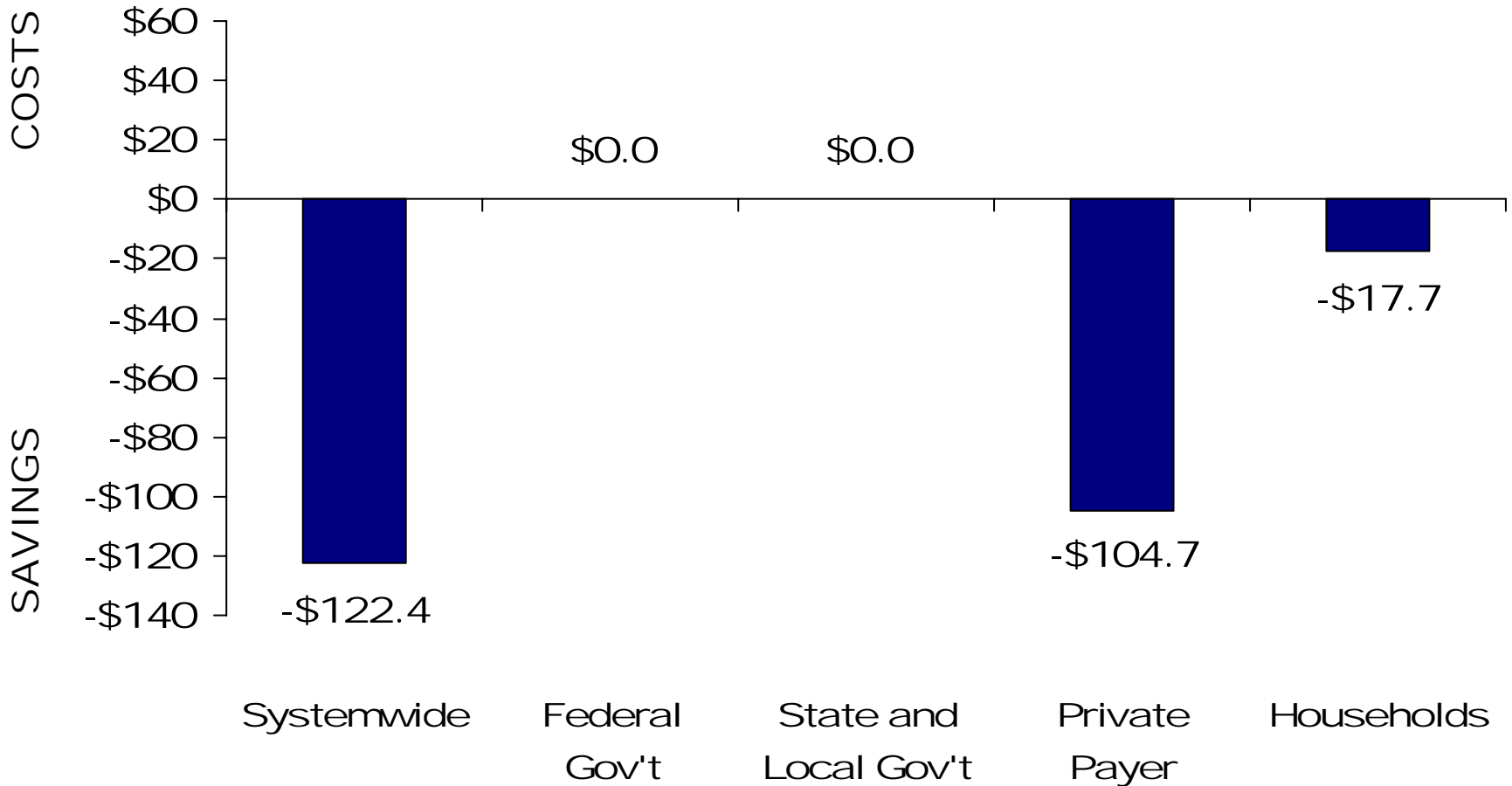


Exhibit 22. Distribution of 10-Year Impact on Spending from Limit on Payment Updates in High-Cost Areas

Dollars in billions

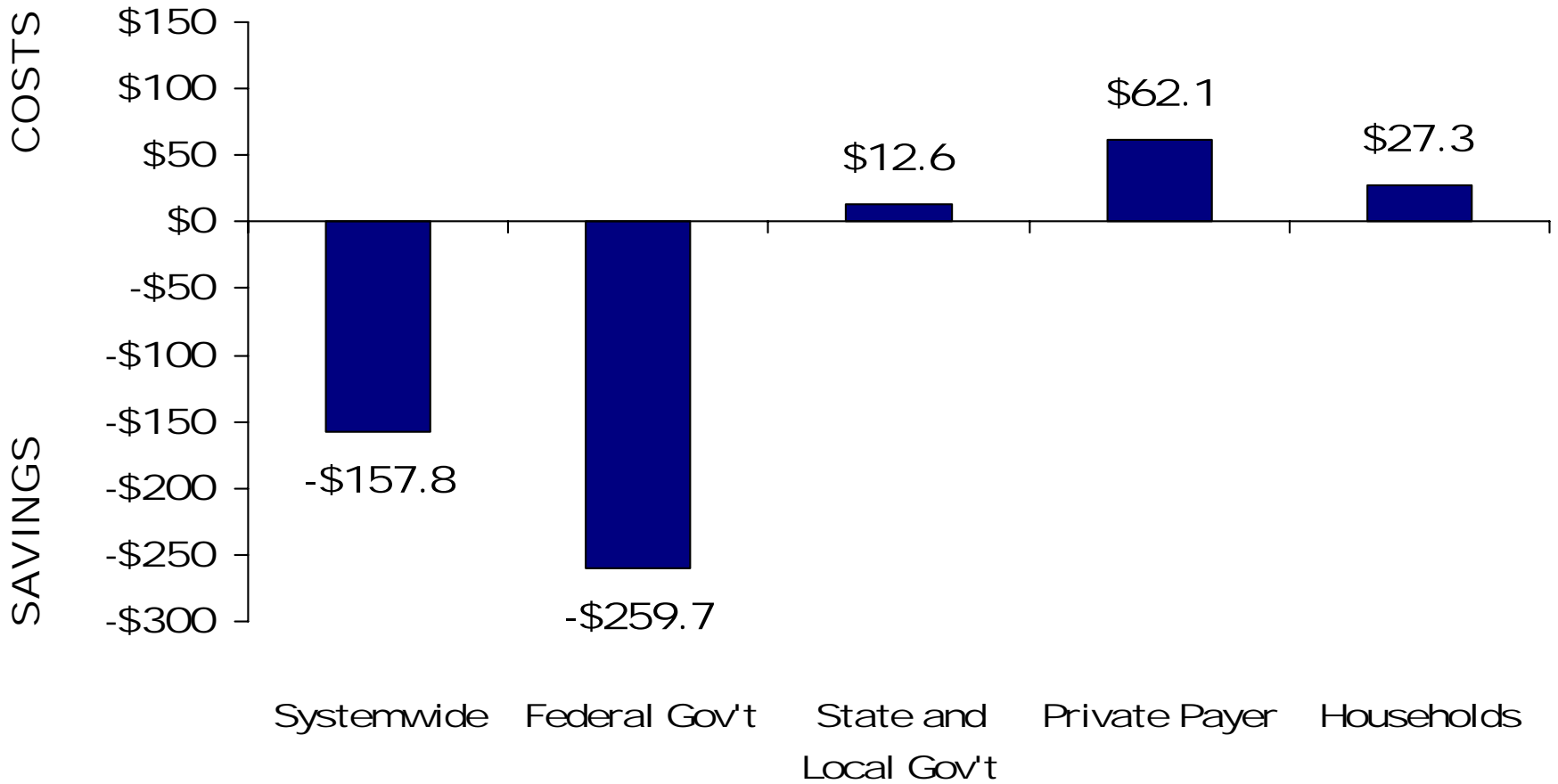
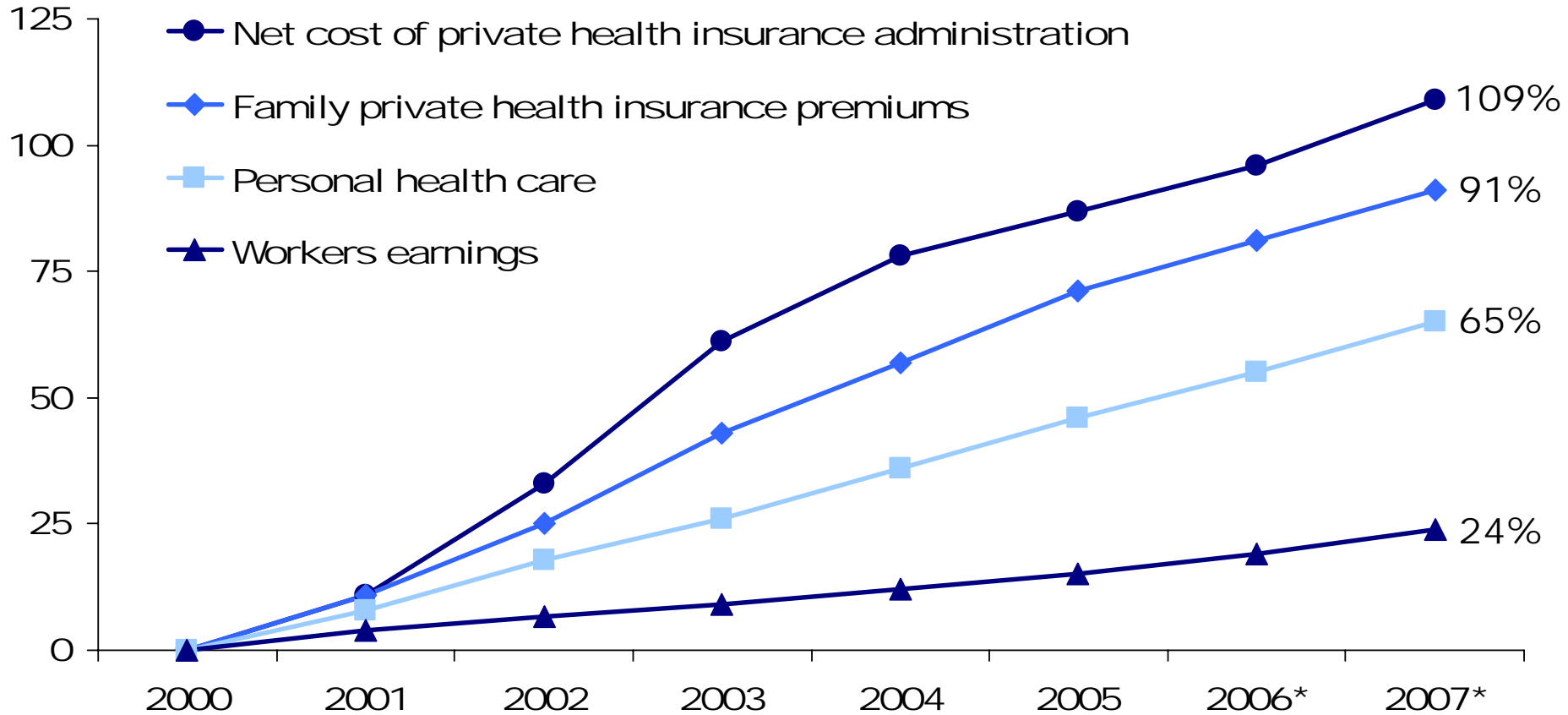


Exhibit 23. Cumulative Changes in Annual National Health Expenditures, 2000–2007

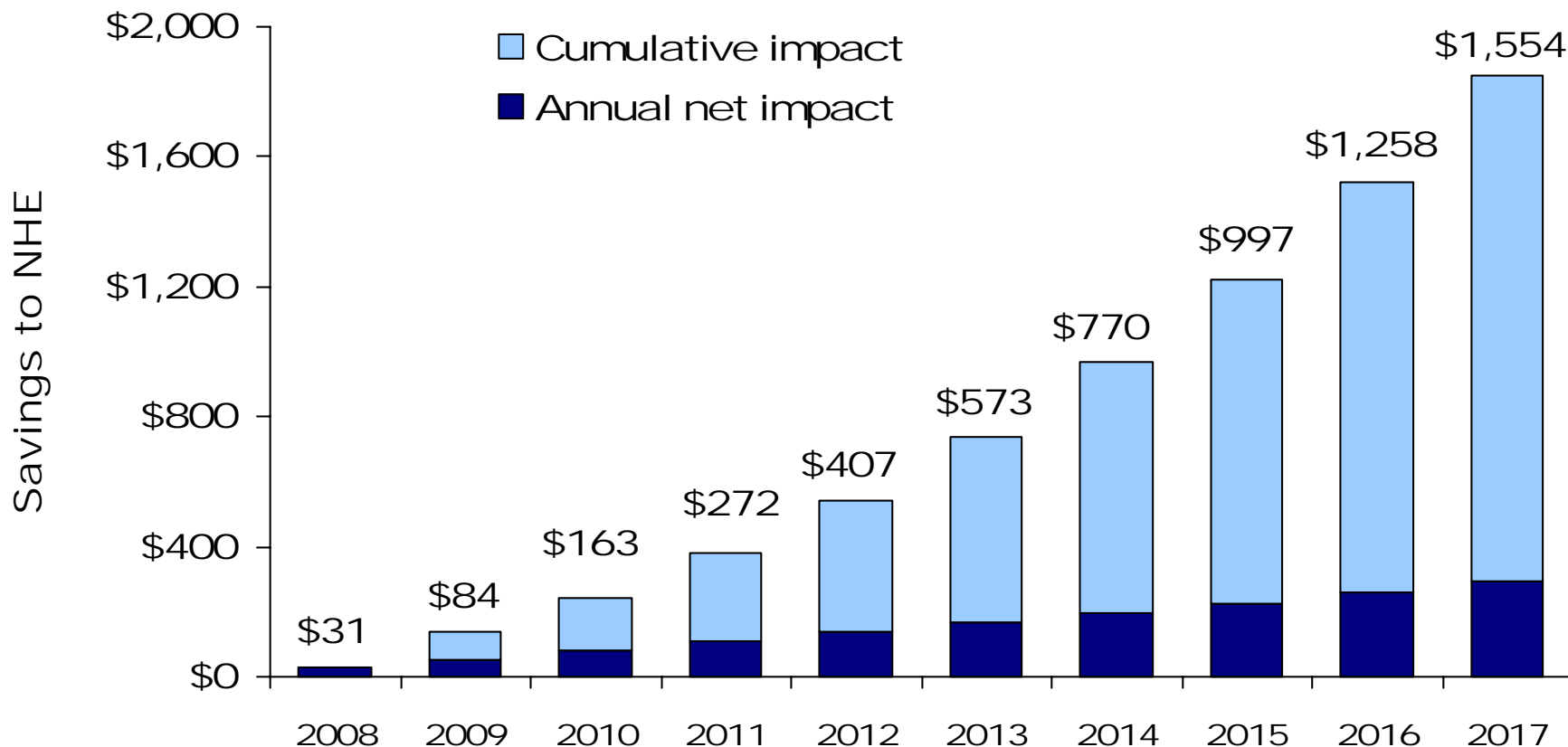
Percent change



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.
Sources: A. Catlin, C. Cowan, S. Heffler et al., "National Health Spending in 2005: The Slowdown Continues," *Health Affairs*, Jan./Feb. 2007 26(1):143–53; J. A. Poisal, C. Truffer, S. Smith et al., "Health Spending Projections Through 2016: Modest Changes Obscure Part D's Impact," *Health Affairs* Web Exclusive (Feb. 21, 2007):w242–w253; Henry J. Kaiser Family Foundation/Health Research and Educational Trust, *Employer Health Benefits Annual Surveys, 2000–2007* (Washington, D.C.: KFF/HRET).

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

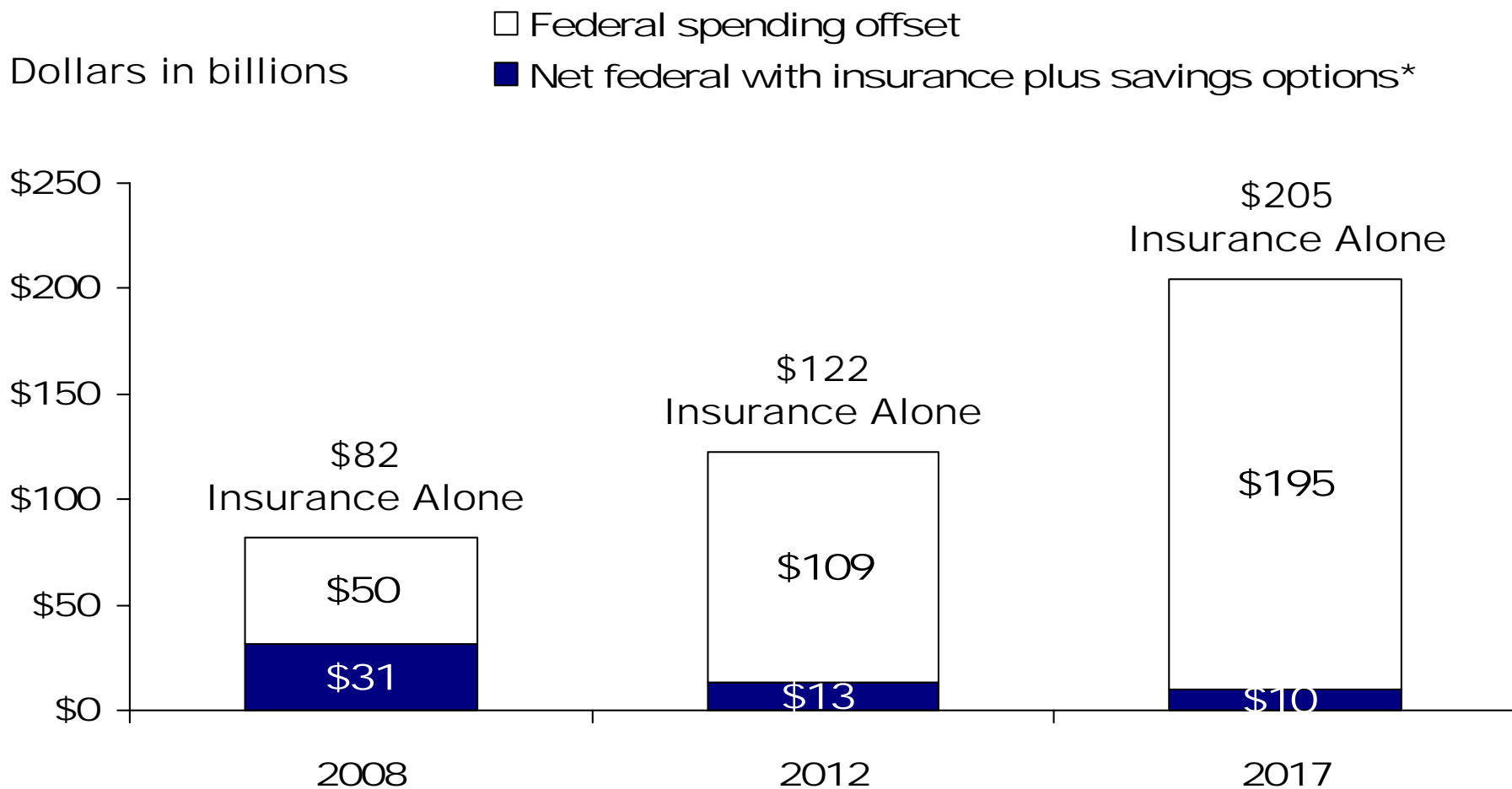
Dollars in billions



Note: Selected individual options include improved information, payment reform, and public health.

Source: Based on projected expenditures absent policy change and Lewin estimates.

Exhibit 25. Net Federal Spending with Insurance Connector Alone Compared with Net Federal with Insurance Plus Savings Options

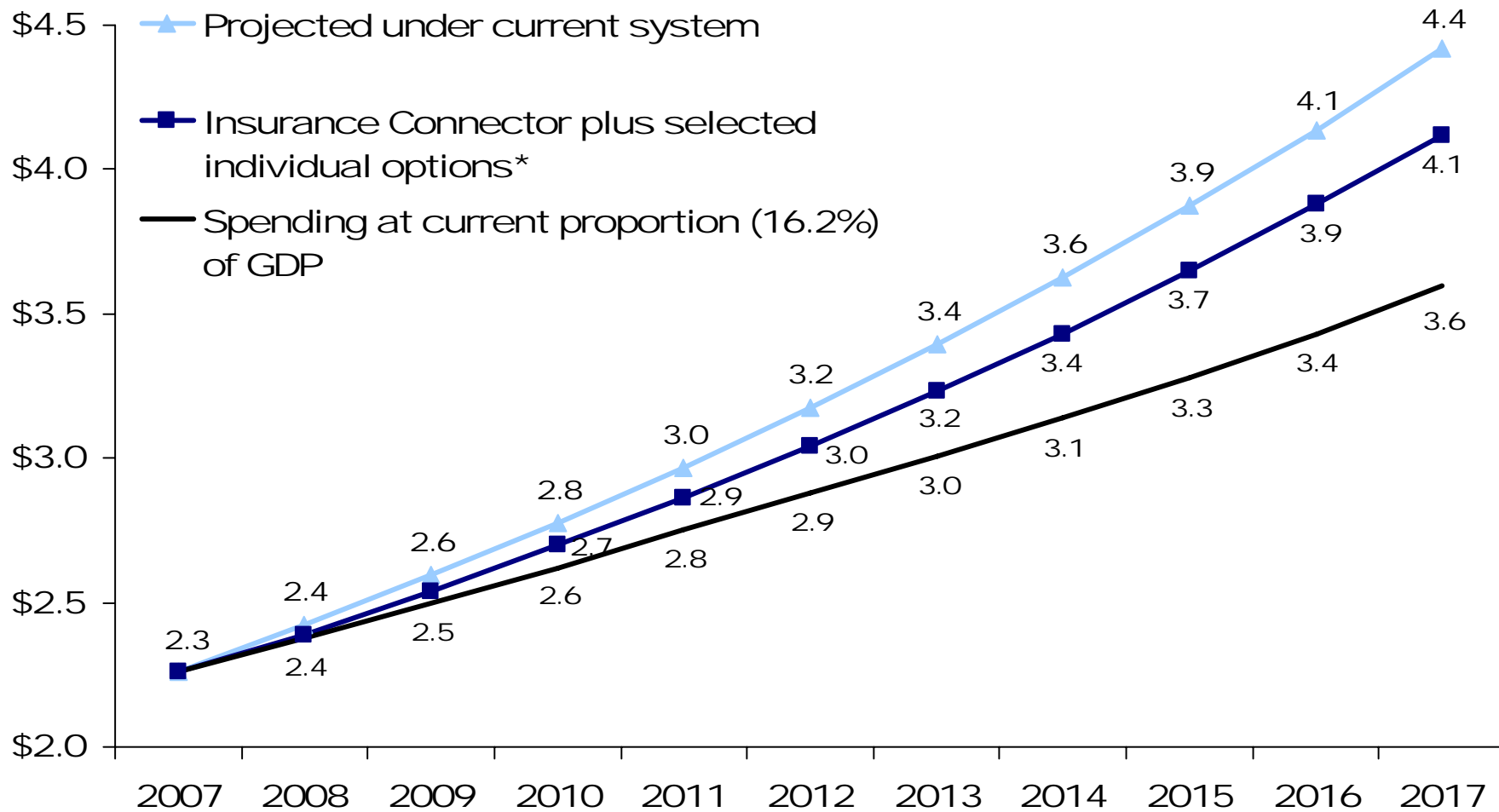


* Selected options include improved information, payment reform, and public health.

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

Exhibit 26. 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.