



Highlights of [GAO-04-793SP](#)

## Why GAO Convened This Forum

Unrelenting growth in health care spending has put pressure on policymakers to seek health care system reforms. The stress comes partly from a wide gap in expectations between what health care Americans want and what the nation can afford and sustain. GAO's Health Care Forum was held on January 13, 2004, to find ways to elevate the nation's understanding of health care cost, access, and quality challenges. Forum attendees included a select group of experts, business leaders, and public officials.

The forum's plenary speakers discussed issues associated with health care costs and value, including spending drivers, long-term affordability, and the effect of differences across the country in medical practices. Participants in breakout sessions led by the forum's faculty of experts deliberated on the merits of the various health care reform strategies, including

- focusing on consumer cost sensitivity,
- targeting high-cost patients,
- reducing unwarranted variation in medical practices, and
- managing technology to control spending growth.

GAO has developed a series of questions to evaluate all health care reform proposals, based in part, on the results of this forum.

[www.gao.gov/cgi-bin/getrpt?GAO-04-793SP](http://www.gao.gov/cgi-bin/getrpt?GAO-04-793SP).

To view the full product, click on the link above. For more information, contact A. Bruce Steinwald at (202) 512-7101 or [steinwalda@gao.gov](mailto:steinwalda@gao.gov).

## HIGHLIGHTS OF A GAO FORUM

### Health Care: Unsustainable Trends Necessitate Comprehensive and Fundamental Reforms to Control Spending and Improve Value

#### What Participants Said

The forum's plenary speakers made the following observations regarding health care costs and value:

- *U.S. wealth and other factors drive health care spending:* A nation's wealth is the principal driver of its health care spending. However, wealth alone does not explain the high level of spending in the United States. Other influential factors include the pluralistic organization of the U.S. health care system and ambivalent attitudes toward rationing health care. While health care spending appears affordable for another decade or two, added spending over time will draw resources away from other economic sectors and could induce adverse economic implications for government, individuals, and other private purchasers of health care.
- *Unwarranted variation in medical practices nationwide points to quality and efficiency problems:* Much of the nationwide variation in use of medical services has been attributed to differences in an area's resources and capacity to provide health care. Despite the greater volume of care provided to patients in high-spending areas, they do not have better health outcomes or experience greater satisfaction with care. Payment reforms can foster delivery of care that is clinically proven to be effective. In addition, health care spending can be reduced by identifying and rewarding efficient providers and encouraging inefficient providers to emulate best practices.

At the forum's breakout sessions, participants discussed several promising cost containment and value enhancement strategies. The sessions focused on the merits and drawbacks of efforts to (1) make consumers more conscious of health care costs, (2) coordinate care for the nation's costliest patients, (3) hold the appropriate parties accountable for the costs and benefits of their clinical decisions, and (4) ration technology without denying needed care. A common theme emerged from the four groups: namely, efforts to reward efficiency and achieve better health outcomes are dependent on a much more highly evolved information infrastructure than exists today. Collecting and maintaining the needed data would require political and financial support and a central, independent mechanism for setting standards and policies. Such structural changes are likely to take years to develop, but initiatives are under way to put promising strategies into practice. Commitment by all interested parties and political will are needed to achieve meaningful and sustainable results.