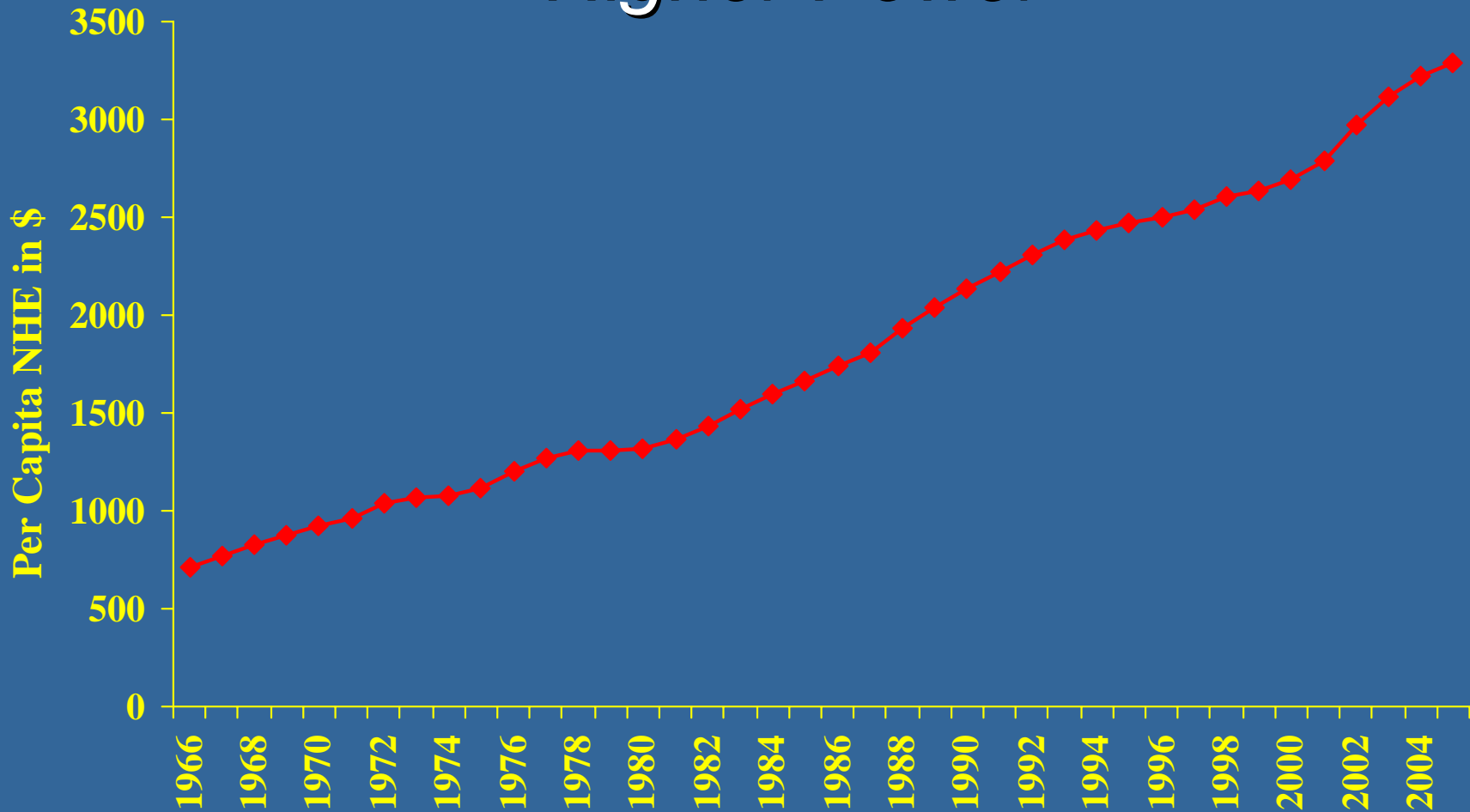


*Comparative Effectiveness Can  
Help Prevent a Health System  
“Meltdown”*

**Stuart H. Altman**

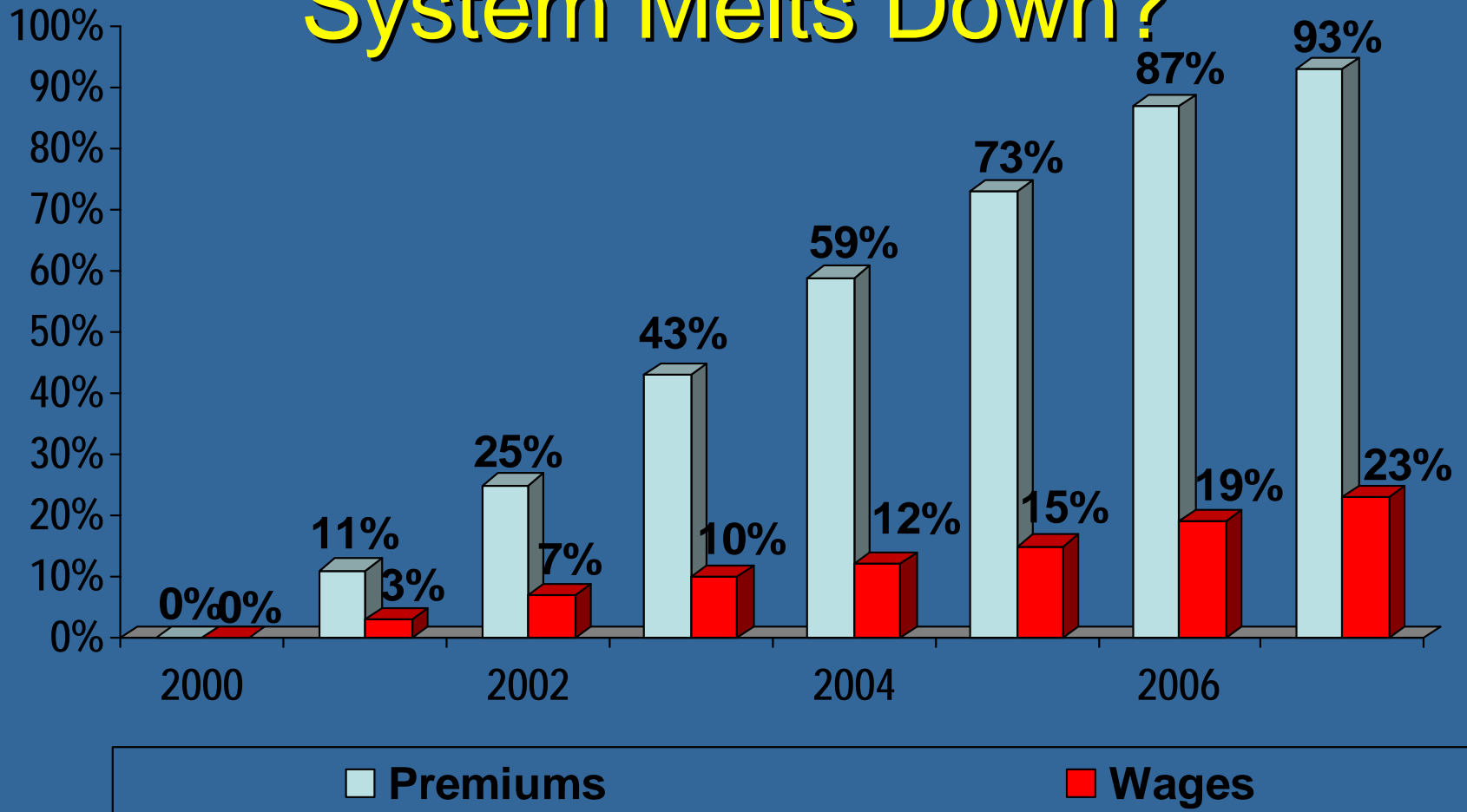
Dean and Sol C. Chaikin Professor  
The Heller School for Social Policy and Management  
Brandeis University

# The Saga of Healthcare Spending In The U.S.:--- *Is This Growth Determined By A "Higher Power"*



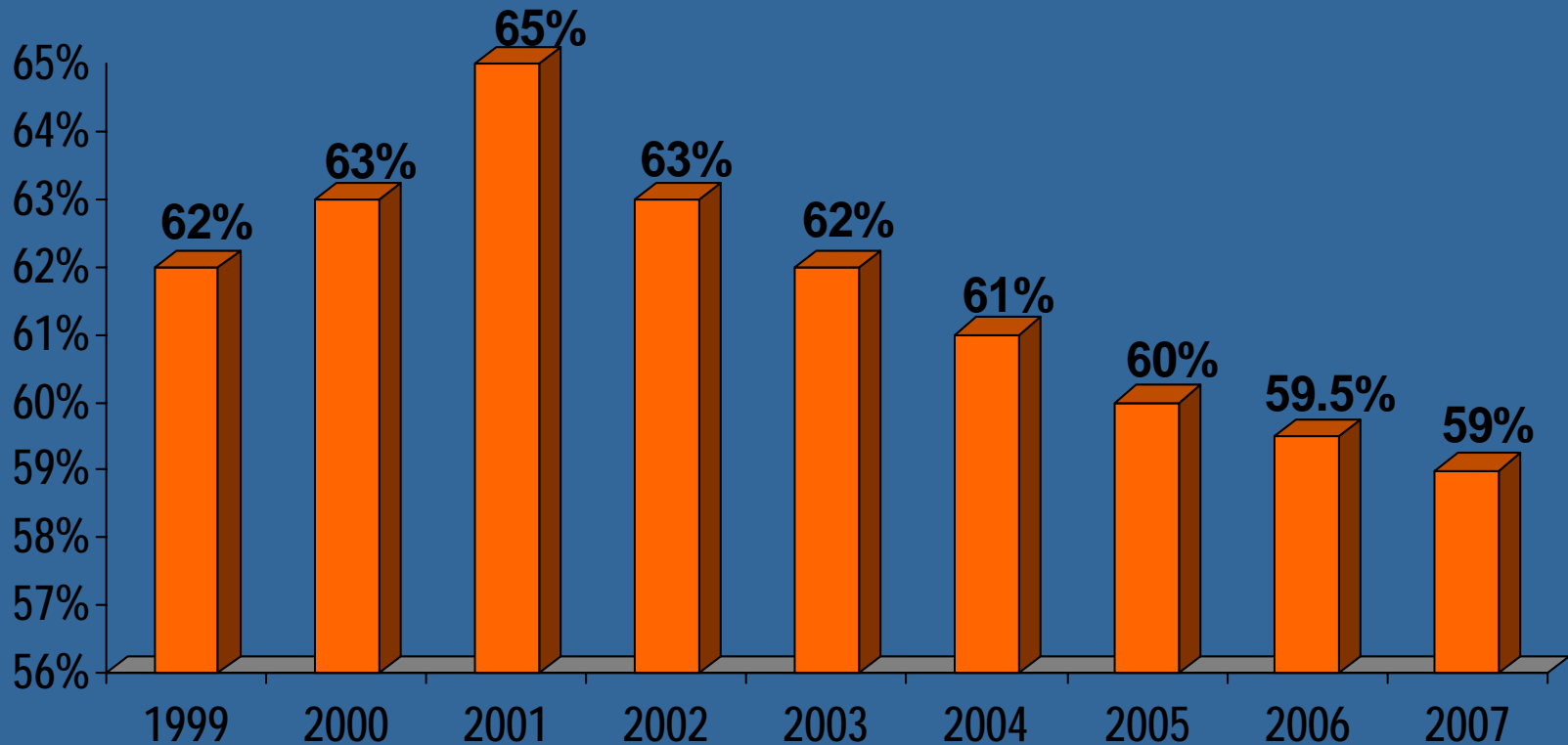
# The Negative Consequences of Excessive Growth In Health Spending

# How Much Larger Can Gap Between Premium and Wage Growth Before System Melts Down?



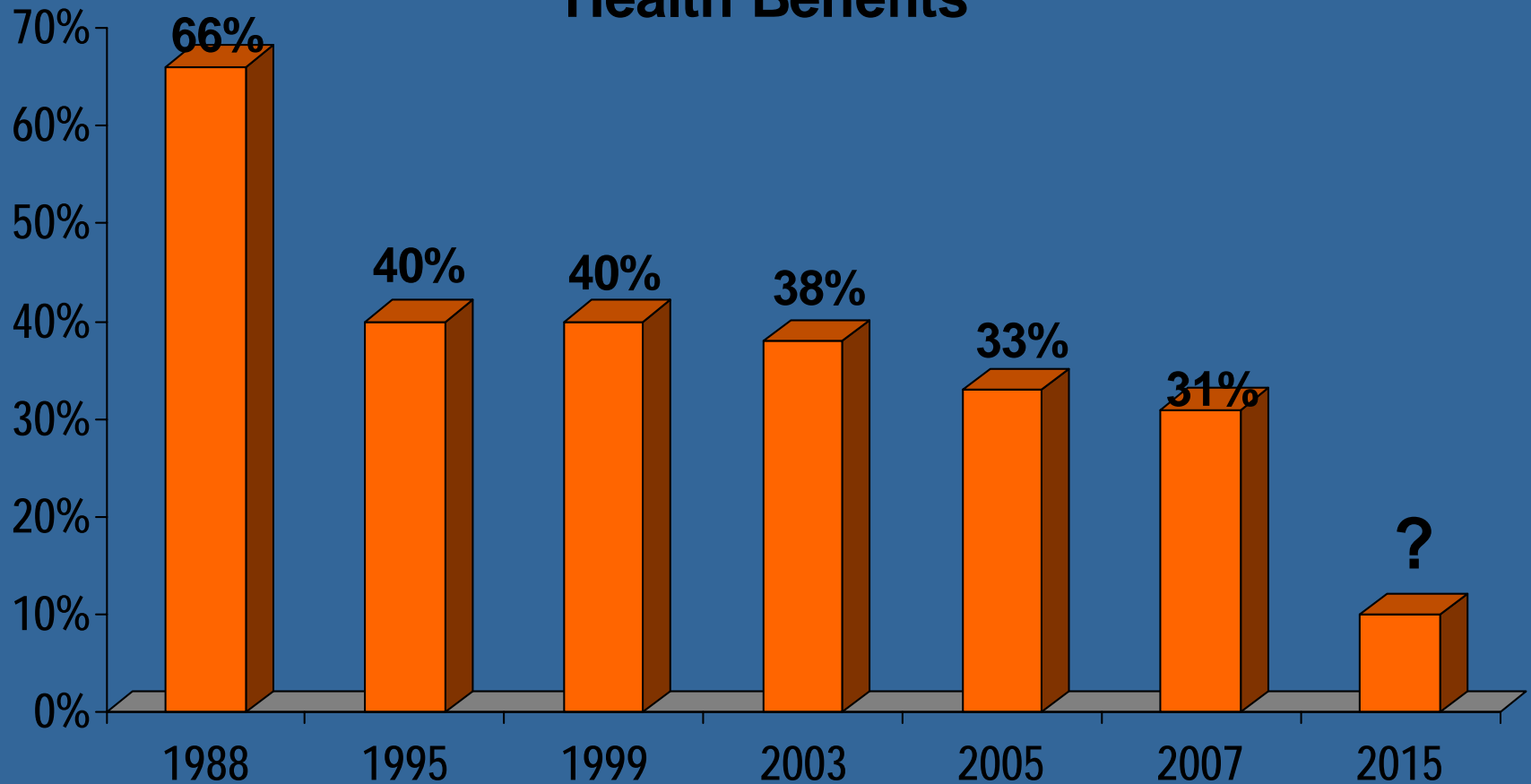
# Has The Meltdown Begun???

**Percentage of Workers Covered By Employer Based Insurance**



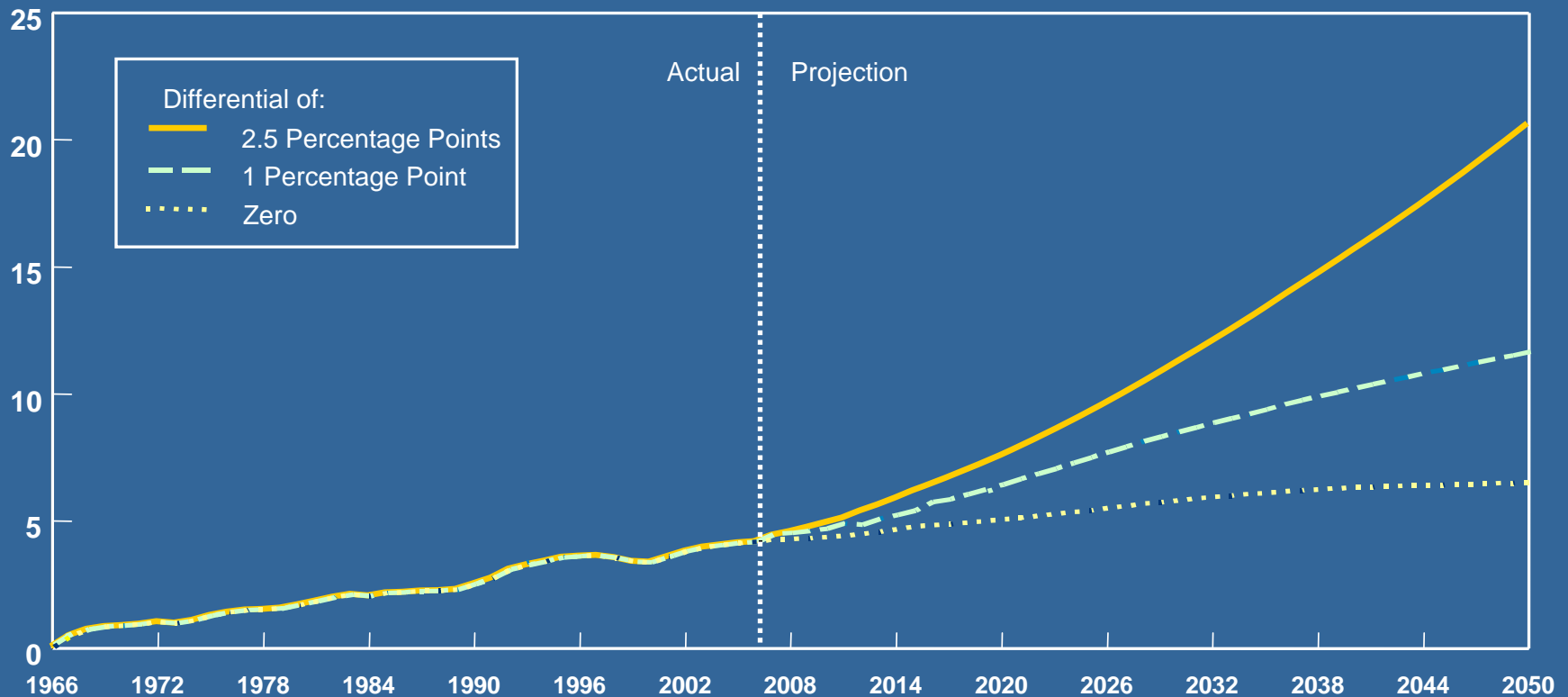
# The GM Story!

Percentage of Large Firms Offering Retiree Health Benefits



The Problem Is Equally  
Serious For Government

# Federal Spending for Medicare and Medicaid Under Assumptions About Health Cost Growth



# The Future Policy Debate In U.S. ----

*Should Public Funds Be  
Used To Pay For Services of  
Limited or No Value!*

**“Comparative Effectiveness”  
Information Is the Key To  
Encourage All Providers To  
Provide Appropriate As Opposed  
To Just More Services**

# Thus We Need Comparative Effectiveness Research To Provide---

- Patients and doctors with more objective information to make **Appropriate** Treatment Choices
- Public and private payers with information to make **Value-Based** --- as opposed to All or Nothing --- coverage and payment decisions
- Manufactures of drugs and devices with more **Transparent, Predictable and Consistent** pricing environment

# Comparative Effectiveness Analysis Should Include Both Clinical and Cost Effectiveness Factors

Both Public and Private Funds  
Should be Used To Support This  
Critical National Effort