

PRELIMINARY Summary of Systemwide Potential Health Care Cost Savings

	2010		2015	
	\$ millions	Percent of total spending:	\$ millions	Percent of total spending:
Base: Projected Spending	\$41,100.0		\$57,400.0	
Payment reform:	\$4,110.0	10.0%	\$5,740.0	10.0%
Consumer responsiveness to price				
Lower prices (provider competition)				
Improved system efficiency (less overuse/underuse/misuse)				
Investment in population health instead of supply sensitive/preference sensitive services				
Insurance reform:				
Net annual cost to cover the uninsured (increased use of health care services)	-\$801.0	-1.9%	-\$1,155.0	-2.0%
Administrative efficiency	\$822.0	2.0%	\$2,468.2	4.3%
Prevention and health promotion				
Overweight/obesity	\$160.4	0.4%	\$1,236.3	2.2%
Smoking	\$353.5	0.9%	\$1,508.1	2.6%
Alcohol	\$50.5	0.1%	\$248.3	0.4%
Illicit drugs	\$45.6	0.1%	\$169.5	0.3%
Cost of interventions @ \$57.1 million per year /1	-\$142.9	-0.3%	-\$428.7	-0.7%
	\$467.1	1.1%	\$2,733.5	4.8%
TOTAL	\$4,598.1	11.2%	\$9,786.7	17.1%
Potential additional savings from alternative goal for smoking	\$192.9	0.5%	\$238.1	0.4%
TOTAL IF ALTERNATIVE SMOKING GOAL IS USED	\$4,791.0	11.7%	\$10,024.8	17.5%

/1 does not include potential additional costs borne by private and public insurance