

PRELIMINARY Summary of Potential Health Care Cost Savings

	\$ millions	Percent of total spending:
Base: Projected Spending in 2010	\$ 41,100.0	
Payment reform:	\$ 4,110.0	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 (estimates for 2010):		
Uncompensated care	\$ 393.2	1.0%
Public coverage (uninsured who are currently eligible for public programs)*	\$ (1,225.0)	-3.0%
Subsidies for private coverage affordability**	\$ (62.0)	-0.2%
Administrative efficiency	\$ 1,767.3	4.3%
Prevention and health promotion (cumulative savings through 2010)		
Overweight/obesity	\$ 287.0	0.7%
Smoking	\$ 451.0	1.1%
TOTAL	\$ 5,721.5	13.9%

*Estimated state share would be 58%, federal share 34%, and enrollee premiums 8% of total.

**Subsidies to cap premiums for individual coverage at 10% of income.