INCREASING COSTS FOR CONSUMERS

WHAT DRIVES HEALTHCARE SPENDING?

COST DRIVERS

INCREASING COSTS FOR CONSUMERS

RISING PRICES

• MARKET POWER
• MEDICAL TECH ADVANCES
• PRESCRIPTION DRUG COSTS

UNNECESSARY SERVICES AND MEDICAL HARM

PERSONAL AND SOCIAL DETERMINANTS

Spending more per unit of healthcare is the major reason U.S. spending increases every year — not increases in the number of services we get. A major reason for rising prices is market power that enables providers, drug manufacturers and others to charge prices substantially above cost.

Estimates suggest that overtreatment or low-value care accounts for $75.7 billion to $101.2 billion in annual spending that does not improve patients’ health outcomes. Perhaps the most egregious form of healthcare waste is medical harm.

Research shows that social determinants of health – like safe housing, access to healthy foods and transportation – are responsible for 50 percent of an individual’s health status, while clinical care drives only 20 percent.