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HEALTHCAREVALUEHUB.org/Cost-Drivers

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RISING PRICES



Spending more per unit of healthcare is the major reason U.S. spending increases every year—not increases in the 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.

UNNECESSARY SERVICES



The Institutes of Medicine identified unnecessary services (e.g., duplicative tests), inefficient care delivery (e.g., test results not shared), and prevention failures (e.g., missed flu shot) as examples of waste in our healthcare system.

LIFESTYLE FACTORS



Contrary to popular belief, lifestyle considerations, like smoking and obesity, are not major drivers in healthcare spending, compared to rising prices and overutilization of services. That said, addressing the underlying causes of preventable chronic diseases would save money and lead to better quality of life.