HEALTHY DIALOGUES
CONVERSATIONS ABOUT HEALTHCARE REFORM

An invitation to Utah’s leaders
PRESENTED BY

Intermountain Healthcare
Healing for life®
Health Care and Health Reform: The National Picture
Salt Lake City, Utah

PRESENTATION FOR
Intermountain Healthcare: Healthy Dialogues Lecture Series

Ceci Connolly
ACHP President and CEO

3.27.2018
## How Americans Receive Health Coverage

<table>
<thead>
<tr>
<th>Health Insurance Coverage</th>
<th>Percentage</th>
<th>Individuals (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Covered</td>
<td>91%</td>
<td>290</td>
</tr>
<tr>
<td>Employer</td>
<td>49%</td>
<td>157</td>
</tr>
<tr>
<td>Medicaid</td>
<td>19%</td>
<td>62</td>
</tr>
<tr>
<td>Medicare</td>
<td>14%</td>
<td>44</td>
</tr>
<tr>
<td>Individual</td>
<td>6%</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: U.S. Census, Health and Human Services, KFF and Mark Farrah Associates

Around 9.2 m on Exchanges
Health Care Priorities for Consumers

- Affordable Insurance Coverage: 22%
- Protecting Medicare: 16%
- Helping Those Who Need It The Most: 13%
- Access to Quality Care: 10%
- Less Government Control: 9%
- Controlling Prescription Drug Costs: 7%
- More Personal Choice and Control: 7%
- More Flexibility For States and Private Sector: 3%
- Access to Innovative Treatments: 3%

Source: Morning Consult
Health Care Costs Continue to Rise

Health care costs hit $3.2 trillion in 2015, nearly a fifth of GDP

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Source: Centers for Medicare and Medicaid Services, Office of the Actuary
How the U.S. Ranks on Spending

<table>
<thead>
<tr>
<th>Country</th>
<th>Spending</th>
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</thead>
<tbody>
<tr>
<td>United States</td>
<td>$9,451</td>
</tr>
<tr>
<td>Switzerland</td>
<td>$6,935</td>
</tr>
<tr>
<td>Netherlands</td>
<td>$5,343</td>
</tr>
<tr>
<td>Germany</td>
<td>$5,267</td>
</tr>
<tr>
<td>Sweden</td>
<td>$5,228</td>
</tr>
<tr>
<td>Austria</td>
<td>$5,016</td>
</tr>
<tr>
<td>Comparable Country Average</td>
<td>$4,908</td>
</tr>
<tr>
<td>Belgium</td>
<td>$4,611</td>
</tr>
<tr>
<td>Canada</td>
<td>$4,608</td>
</tr>
<tr>
<td>Australia</td>
<td>$4,420</td>
</tr>
<tr>
<td>France</td>
<td>$4,407</td>
</tr>
<tr>
<td>Japan</td>
<td>$4,150</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>$4,003</td>
</tr>
<tr>
<td>OECD Average</td>
<td>$3,814</td>
</tr>
</tbody>
</table>

Source: Kaiser Family Foundation analysis of data from OECD (2017)
Health Status – Ischemic Heart Disease Mortality Rates

Deaths per 100,000 population

Source: OECD Health Data 2015
Drug Spending Drives Premiums, Hits Consumers

Prescription drug expenditures are nearly 20% of the health care costs.
Specialty Drug Prices One Major Driver

Multiple Sclerosis

MS Drugs with the Highest % Price Changes Since Launch for a 30-Day Supply

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<tbody>
<tr>
<td>Avonex*</td>
<td>$830</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$5,286</td>
<td>537%</td>
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<tr>
<td>Avonex Prefilled</td>
<td>$1,065</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$5,663</td>
<td>432%</td>
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<tr>
<td>Rebif</td>
<td>$1,174</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$5,977</td>
<td>409%</td>
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<tr>
<td>Betaseron*</td>
<td></td>
<td>$2,079</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$5,720</td>
<td>175%</td>
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<tr>
<td>Tysabri</td>
<td>$1,916</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$5,258</td>
<td>174%</td>
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<tr>
<td>Ampyra</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,056</td>
<td></td>
<td>$1,777</td>
<td>68%</td>
</tr>
<tr>
<td>Extavia</td>
<td></td>
<td></td>
<td></td>
<td>$3,013</td>
<td></td>
<td></td>
<td>$4,808</td>
<td>60%</td>
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<tr>
<td>Aubagio</td>
<td></td>
<td></td>
<td></td>
<td>$3,709</td>
<td></td>
<td></td>
<td>$5,441</td>
<td>47%</td>
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<tr>
<td>Avonex Pen</td>
<td></td>
<td></td>
<td></td>
<td>$3,983</td>
<td></td>
<td></td>
<td>$5,663</td>
<td>42%</td>
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Other Multiple Sclerosis treatments of note include:

**Lemtrada**, approved for sale in the U.S. in 2014, has a two-year course of treatment estimated at $158,000.5

The new 40 mg dose of the widely prescribed drug Copaxone costs $5,0086 a month, yet shows no gain in efficacy over the 20 mg dose.7
It’s Not Just Specialty Drugs

Diabetes


Insulin is lifesaving for Type 1 diabetics.

- **Januvia**: 93% increase from $572 to $1,102
- **Humalog**: 127% increase from $93 to $210
- **Novolin**: 167% increase from $41 to $110
- **Levemir**: 189% increase from $86 to $249
- **Lantus**: 189% increase from $86 to $249
- **SymlinPen 60**: 252% increase from $168 to $590
- **Humulin**: 325% increase from $258 to $1,097

ACHP

Alliance of Community Health Plans
High-deductible Plans on the Rise

About 40% of all consumers with private health insurance are enrolled in high-deductible plans.

Minimum annual deductible for individuals is $1,300.

### Employer Sponsored Coverage

**Employees in high-deductible plans**

Percentage of all covered enrolled in high-deductible plans

- Mercer’s National Survey of Employer-Sponsored Health Plans
Key Forces Shaping the Future

- Technology/consumerism
- Government as a purchaser
- New faces of competition
- Demographic trends
- Health Care Reform 2.0
Technology, Consumers Reshaping Care Delivery
US Government is Major Purchaser

Actual and Projected Net Medicare Spending, 2010-2027

- Actual Net Outlays (in billions)
- Projected Net Outlays (in billions)

Percent of:

Federal Outlays

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<tbody>
<tr>
<td>GDP</td>
<td>12.9</td>
<td>13.3</td>
<td>13.2</td>
<td>14.2</td>
<td>14.4</td>
<td>14.6</td>
<td>15.3</td>
<td>14.7</td>
<td>14.3</td>
<td>14.8</td>
<td>15.1</td>
<td>15.4</td>
<td>15.6</td>
<td>15.9</td>
<td>16.7</td>
<td>17.1</td>
<td>17.5</td>
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<tr>
<td>Actual</td>
<td>$446</td>
<td>$480</td>
<td>$466</td>
<td>$492</td>
<td>$505</td>
<td>$540</td>
<td>$588</td>
<td>$590</td>
<td>$584</td>
<td>$648</td>
<td>$698</td>
<td>$754</td>
<td>$847</td>
<td>$872</td>
<td>$895</td>
<td>$996</td>
<td>$1,079</td>
<td>$1,159</td>
</tr>
</tbody>
</table>

ACHP

Alliance of Community Health Plans
New Faces of Competition
Demographic Trends

Millennial VS. Boomer
Health Care Reform 2.0?
A Better Model: Plan-Provider Partnerships
A Path Forward: The Committed Perspective

- Universal participation in coverage
- Movement to value-based payment
- Patient-focused financing
- Innovation
- Payer-provider collaboration
ACHP Plans Top MA Quality Charts

ACHP: 4.66
Non-ACHP: 3.98
Better Results
Questions?