

FEDERATION OF AMERICAN HOSPITALS

Press Release

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NEW DOBSON DAVANZO STUDY SHOWS STRUCTURAL REFORMS DRIVE HISTORIC HEALTH CARE SPENDING SLOWDOWN

WASHINGTON, DC – Numerous structural reforms are driving the current health care spending slowdown, according to a new study conducted by Dobson DaVanzo & Associates, LLC, an independent research firm, and released today by the Federation of American Hospitals (FAH).

The new Dobson DaVanzo & Associates study concludes that the savings in Medicare could reach \$2.6 trillion over the next ten years when compared to analyses of the Medicare Trustees dating to 2008, the central period of the “Great Recession.”

“In light of the size and scope of these findings, policymakers must carefully consider all of the implications – for example, whether further spending cuts will upend progress and impede access,” observed FAH President and CEO Chip Kahn.

Even when compared to the most recent 2013 Congressional Budget Office projections, we could see further savings of \$1 trillion over the next 10 years, according to the study.

The FAH commissioned the study to advance public understanding about the health care spending slowdown and to explain the reasons for the slowdown and the implications for policymakers.

The new Dobson DaVanzo & Associates study compiles, analyzes, and synthesizes numerous information streams informing the fast-changing health care spending debate.

“This research reveals that the cumulative effect of the health care spending slowdown is dramatic, persistent, and not yet fully recognized. Every trend line shows a slowdown in Medicare cost growth that is undeniable and important to consider, regardless of the data source,” Mr. Kahn observes.

“Because these savings likely are structural, as the economy continues to emerge from the recession, they likely will remain,” he notes.

NOTE: The full report by Dobson|DaVano, and the FAH Summary Blog Post are available at www.fahpolicy.org.

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The Federation of American Hospitals is the national representative of investor-owned or managed hospitals and health systems. Our members include general community and teaching hospitals in urban and rural areas as well as rehabilitation, long-term, cancer and psychiatric hospitals.