

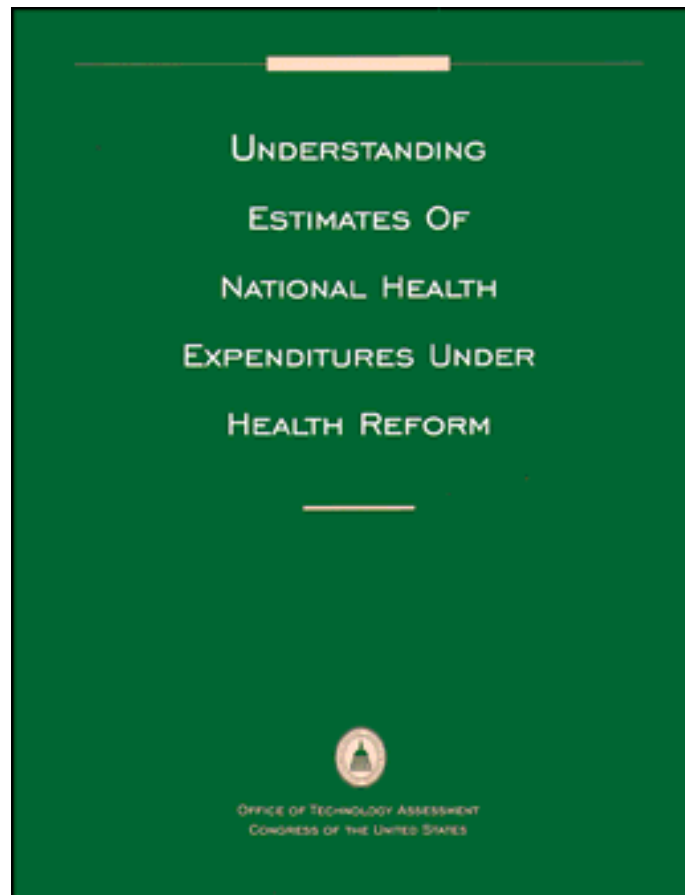
*Understanding Estimates of National
Health Expenditures Under Health Reform*

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Foreword

Health care reform is at the top of the nation's domestic policy agenda, and numerous reform bills have been introduced in Congress. Each reform proposal takes a somewhat different approach to containing costs and providing insurance coverage to more people.

A key concern in the debate on health reform is how individual reform proposals might affect future national health spending. Congress and others have looked to a variety of individuals and organizations (for example, the Congressional Budget Office, the Administration, and private consulting firms) for estimates of how different reforms could affect future national health expenditures. The key assumptions and methods that underlie the estimates published by these groups are not always obvious to people who may wish to understand or question them, including the analysts' clients,

This OTA report looks behind the published estimates to examine analysts' approaches to estimating future national health expenditures. In particular, the report appraises the analysts' estimates of the potential effects of four provisions that may be key to modeling alternative reforms (government cost controls, managed competition and increased HMO enrollment, coverage for uninsured people, and administrative streamlining). The report compares assumptions in these areas to evidence from available research. The report also draws policy implications for congressional consideration.

The request for this report came from the members of the Technology Assessment Board (see inside front cover) and Senator Ted Stevens.

Numerous individuals, including an advisory panel chaired by Joseph Newhouse, assisted OTA in the development of this report. OTA gratefully acknowledges the contribution of each of these individuals. As with all OTA reports, the final responsibility for the content of the report rests with OTA.



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Note: OTA appreciates and is grateful for the valuable assistance and thoughtful critiques provided by the advisory panel members. The panel do& not, however, necessarily approve, disapprove, or endorse this report. OTA assumes full responsibility for the report and the accuracy of its contents.

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