

Media Contact:

Charlotte Burnett 973-461-6156 Charlotte.burnett@hcttf.org

The Task Force Responds to Recent CBO Report on Federal Health Care Spending

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The Health Care Transformation Task Force has long touted the positive impacts of value-based care (VBC), and a recent Congressional Budget Office (CBO) report offers further evidence that VBC is succeeding in lowering health care costs. In a recent <u>letter</u> to the Senate Budget Committee, CBO announced it had overestimated Medicare and Medicaid mandatory federal health care spending for the last decade (2010 to 2020) by a massive nine percent.

This overestimate was primarily driven by lower-than-expected spending on a per beneficiary basis rather than lower than anticipated enrollment. CBO specifically pointed to better control of clinical risk factors such as hypertension and diabetes, improved care management for cardiovascular disease, and increased adoption of technology that reduces (rather than increases) costs as significant contributing factors. Although CBO has recommended more research on the factors driving these shifts in the health care market, the Task Force notes that these findings are all consistent with the changes in care delivery our members have experienced in transitioning from fee-for-service to value-based care.

"It is great to see CBO recognize the positive impact that effective care coordination can have on controlling health care costs," said Emily Brower, HCTTF Chair and Senior Vice President, Clinical Integration at Trinity Health. "While CBO focused here on cardiovascular care, we believe that coordination within an accountable care framework, positively impacts care for other disease states as well."

In 2022, the Task Force released a <u>report</u> that highlighted the slowdown in national health expenditure growth rates over the past decade. While the report was careful not to overstate the role of VBC, the Task Force did release an accompanying <u>blog post</u> discussing how VBC was likely a key factor contributing to the slowdown.



"The Task Force's 2022 study on health care spending trends sensed that VBC was helping to drive lower spending, so it's now good to see it officially in print," said Jeff Micklos, HCTTF Executive Director. "We encourage the research community to keep up the focus on the positive impact of VBC on costs and quality outcomes."

For a deeper analysis of the CBO letter, please see Executive Director Jeff Micklos' column in the Task Force's March 2023 *On the Front Lines of Value Transformation* monthly e-update.

Established in 2014, the Task Force is a multistakeholder consortium that supports accelerating the pace of transforming the delivery system into one that better pays for value. Representing a diverse set of organizations from various segments of the industry – including providers, payers, purchasers, and patient advocacy organizations – we share a common commitment to transform our respective businesses and clinical models to deliver a health system that achieves equitable outcomes through high-quality, affordable person-centered care. We strive to provide a critical mass of policy, operational, and technical support that, when combined with the work being done by CMS and other public and private stakeholders, can increase the momentum of delivery system transformation.

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