



The Health Care Forecast: Sunshine, Rain, or Cloudy?

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LEGACY MEDICAL GROUP

LEGACY LABORATORY

LEGACY RESEARCH

LEGACY HOSPICE

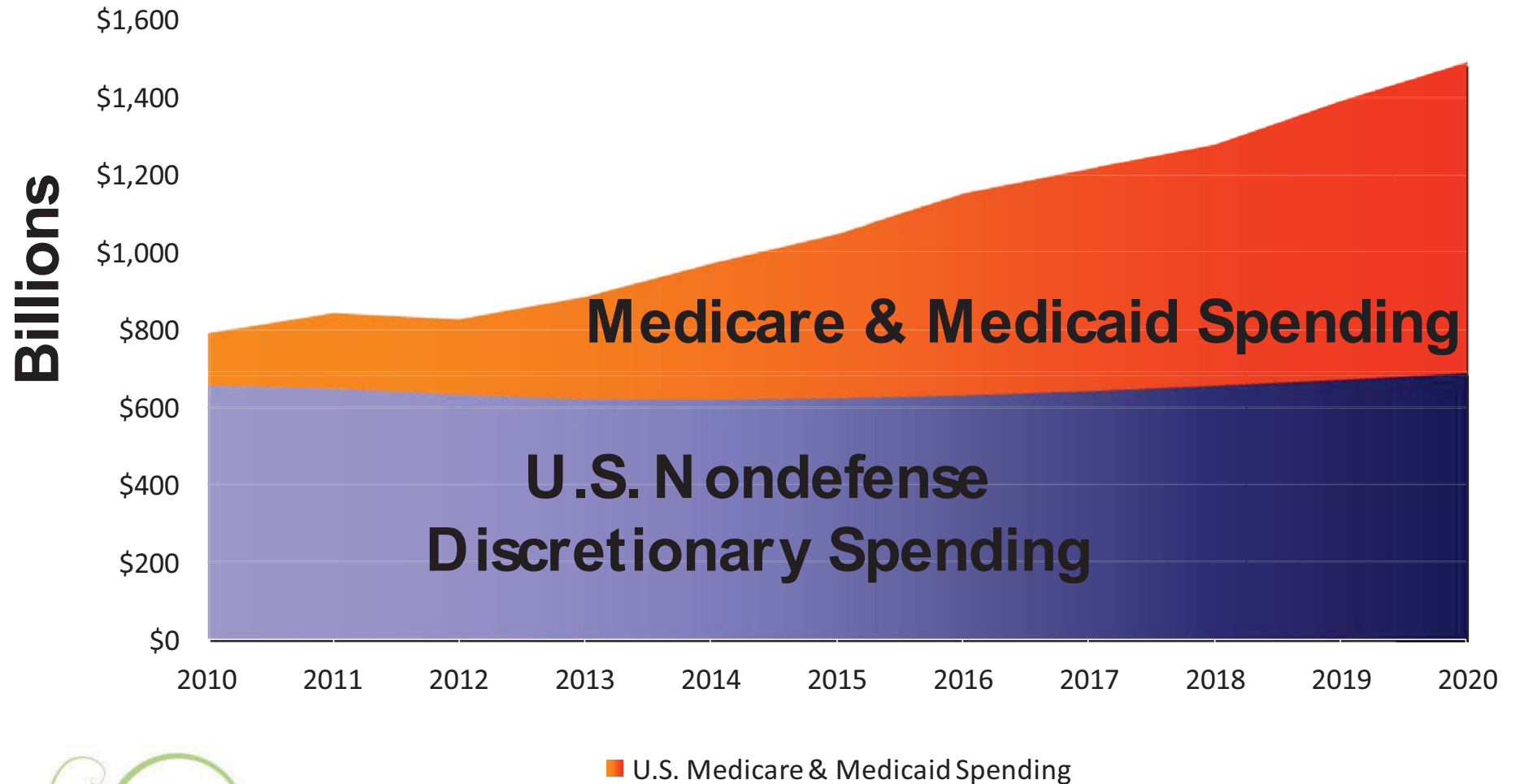
Why Things Are Different This Time



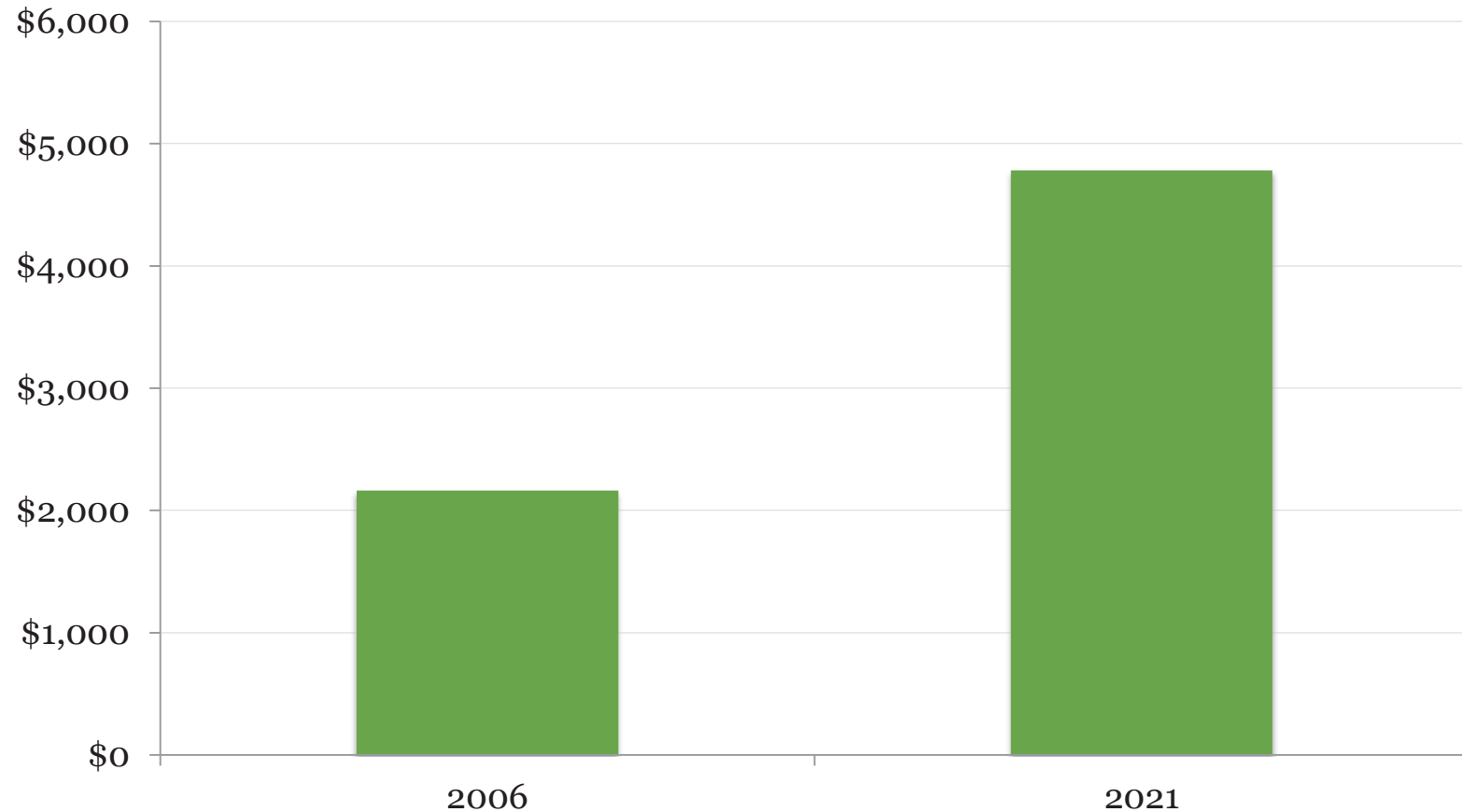
Thorny Issue #1: *Health Care Costs*



Medicare & Medicaid Spending



National Health Expenditures (in billions)

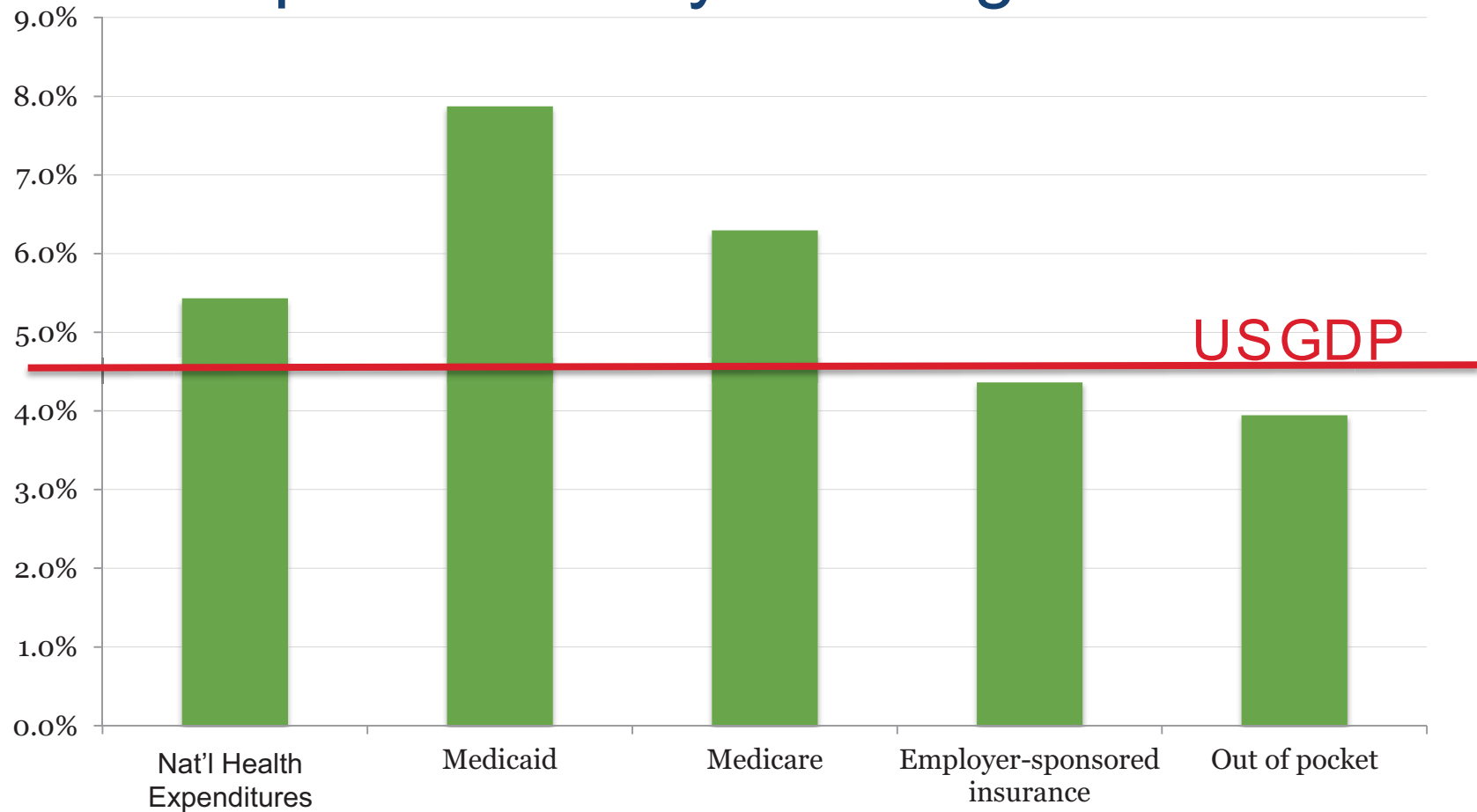


Health expenditures projected to reach almost \$5 trillion (with a “t”) by 2021

Source: Centers for Medicare & Medicaid Services, Office of the Actuary



Projected Annual Growth 2006-2021 of Health Expenditures by Funding Source



Health expenditures projected to outpace GDP growth; Medicaid grows with Affordable Care Act

Source: Centers for Medicare & Medicaid Services, Office of the Actuary

Thorny Issue #2: *Confusion*



"Obama
Care"

Employer
Penalties

"Death
Panels"

Individual
Mandate

"Health
Insurance
Exchanges"

Medicaid
Expansion

"Subsidies"

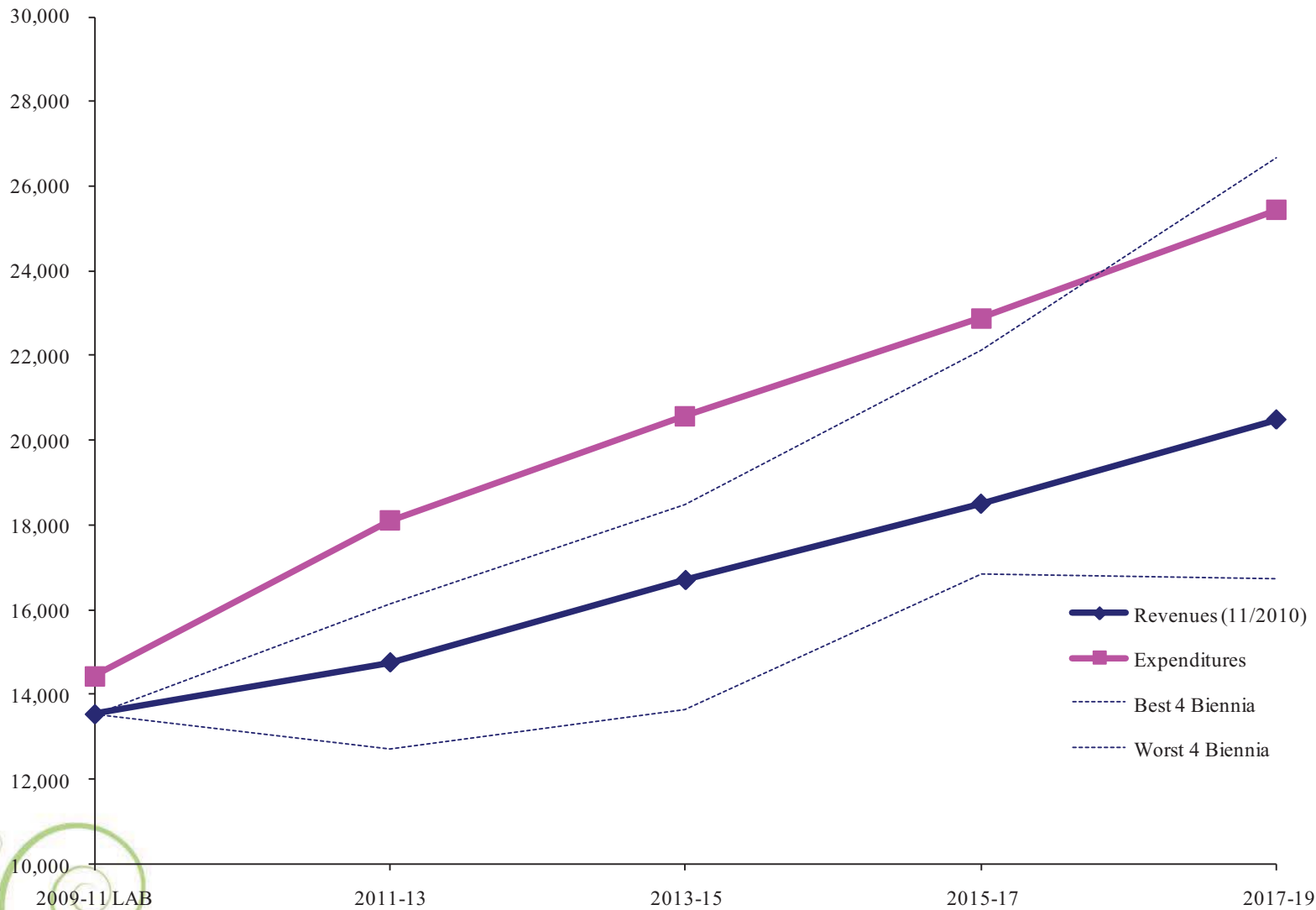
"Keep your
hands off my
MEDICARE"



Thorny Issue #3: *Oregon's Budget*



Oregon's Long Term Budget





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Oregon Leaders Celebrate Federal Money For Medicaid Overhaul

United States Federal Government

1000

1600 Pennsylvania Avenue
Washington, DC 01010

July 31, 2012

DATE

PAY TO THE ORDER OF

The State of Oregon

\$ 1,900,000,000.00

One billion nine hundred million dollars and 00/100 -----

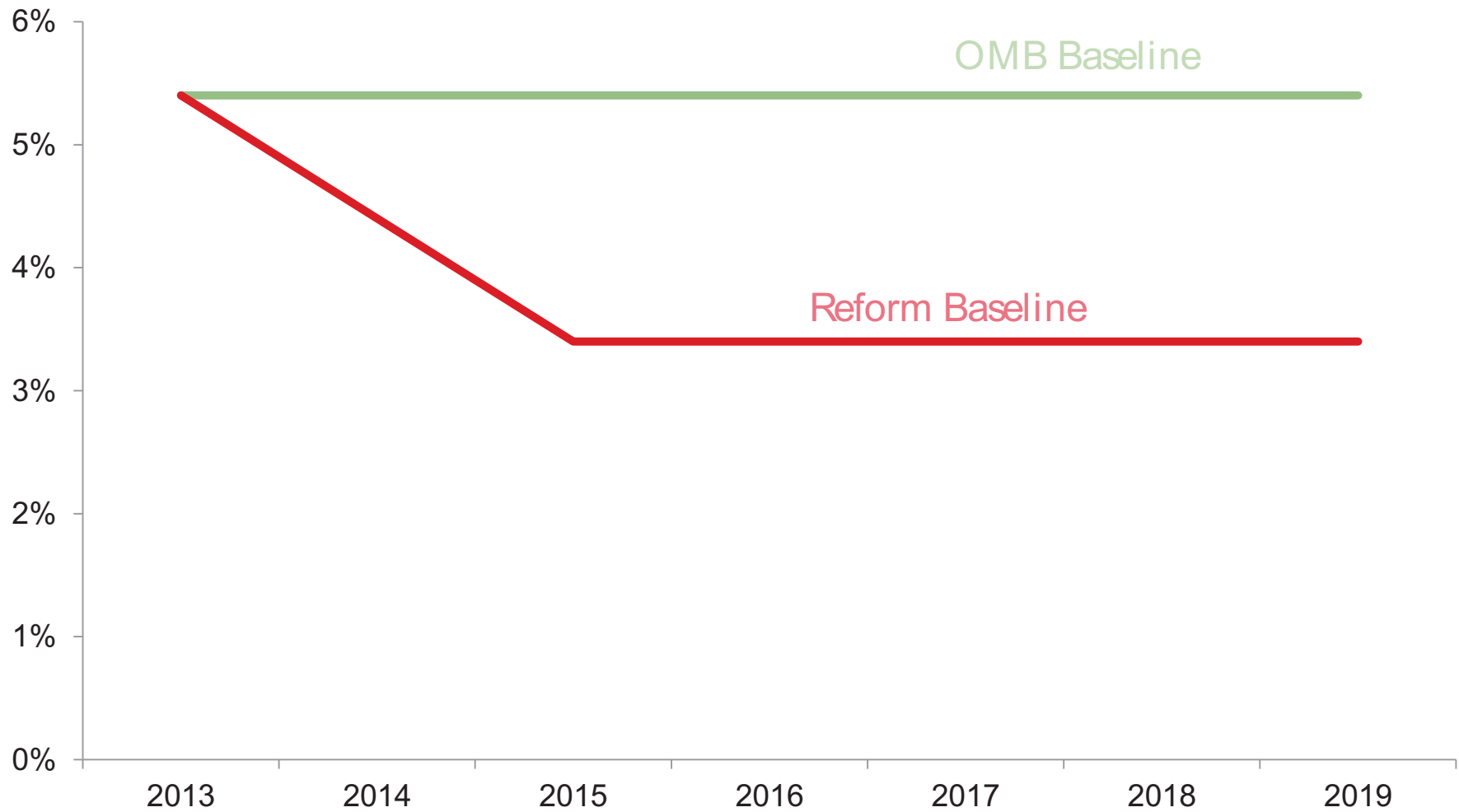
DOLLARS

FOR

Healthcare Transformation

Rosa Gumataotao Rios

⑆00 000 000 ⑆ 000 000 000⑆ 1000



Waiver calls for [redacted] spending to decline from 5.4 to 3.4 percent



Federal government forecasts 5.4% per capita growth rates. Oregon has committed to lower growth to 3.4% annually. CCOs would achieve savings of \$3.4 billion during 2014-2019 relative to the OMB forecast.



Next Steps for Oregon

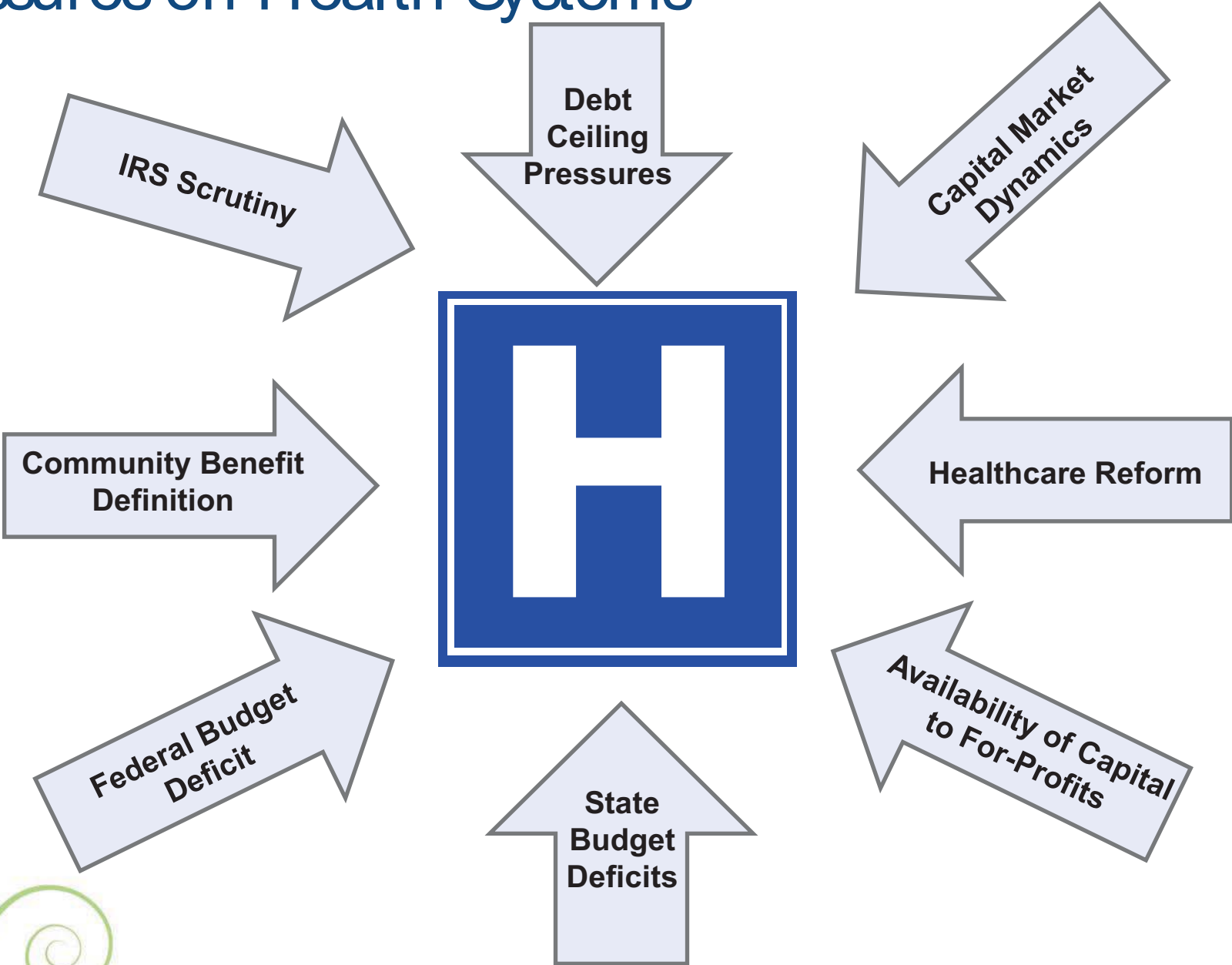
- Begin to use redesigned delivery system platform for other state contracts:
 - > Public Employees Benefit Board
 - > Oregon Educators Benefit Board
- Redesigned delivery system to be core component of health insurance exchange and an opportunity for private sector to participate



Thorny Issue #4:
The Health of Health Systems



Pressures on Health Systems



Thorny Issue #5:

*New Payment Models: Who Wins;
Who Loses?*



Individuals

Payors

Employers

Government











Better Outcomes

Healthier Populations

Lower Costs

Better Experiences

or

Business Goes Away





Health Care Forecast

“Cloudy with scattered rain and a chance of sun breaks”

