

THE SULLIVAN ALLIANCE

Challenges for Healthcare Reform*

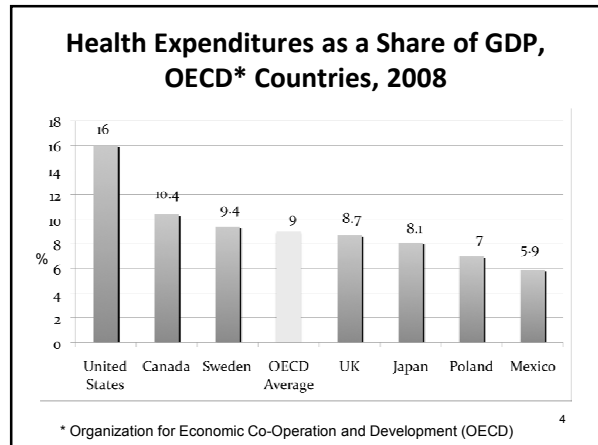
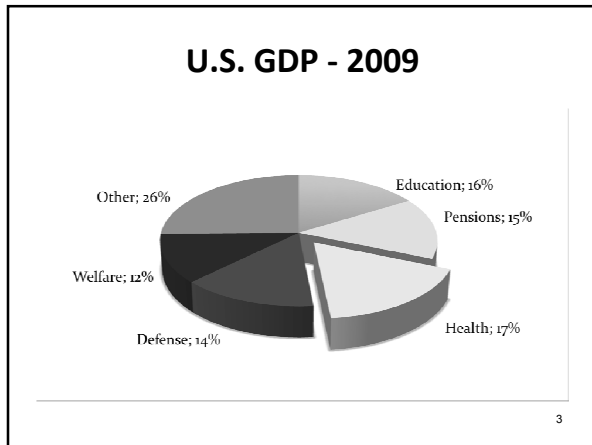
Louis W. Sullivan, MD
June 12, 2011
*Reuben Reifler Lecture

Annual Meeting
Georgia Society of Dermatologists
Kiawah Island, South Carolina

U.S. Health Costs are Escalating

In 2009, U.S. health spending increased by 5.7% from the previous year, reaching 2.5 trillion dollars – the largest one-year increase of health expenditures GDP since the 1960s (Truffer et al., 2009)

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U.S. Health Expenditures Compared to Other OECD Nations

- U.S. government share of health expenditures is the smallest among OECD countries - 46.5%, compared to the average of 72.8%
- The amount of U.S. health spending is the highest among western countries
- In 2009 health spending accounted for more than 17% of our U.S. Gross Domestic Product (GDP) – highest of all OECD countries (average of 9%)
- U.S. health spending *per capita* (\$7,538) is the highest in the world, and is double the OECD average

Source: Organization for Economic Co-Operation and Development (OECD)

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U.S. Health Status and Risk Factors Compared to Other OECD Nations

- Between 1960 and 2007, life expectancy in the U.S. increased by 8 years compared to the average increase of 11 years in other OECD countries
- In 2007, average life expectancy in the U.S. was 77.9 years - 1 ½ years *less than* the average of other OECD countries
- In 2006, infant mortality in the U.S. was 6.7 per 1,000 live births – higher than the OECD average of 4.7
- In 2008, the U.S. had the highest obesity rate among OECD countries - 33.8%

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U.S. Health Resources Compared to Other OECD Nations

- U.S. has fewer physicians per capita – 2.4 practicing physicians per 1,000 population: below the OECD average of 3.2
- In 2007 the ratio of hospital beds in the U.S. was 2.7 per 1,000 population - lower than OECD average of 3.6 per 1,000.
- In 2008 there were 10.7 nurses in the U.S. per 1,000 population, slightly above OECD average

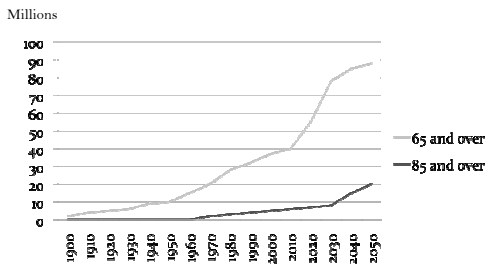
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Factors Affecting The Nation's Health Workforce

- Baby Boomers are slated to begin retiring in 2011
- The number of Americans over 65 is expected to soar from 37 million in 2006 to 88 million by 2050, (DHHS, Administration on Aging, 2008)
- Rapid developments in medical technology
- Higher utilization of services
- The Patient Protection and Affordability Act – 32 million more Americans with health insurance

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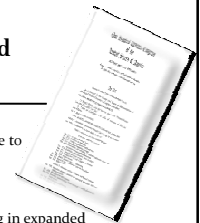
Number of People Age 65 and Over U.S., 1900-2050



Source: U.S. Census Bureau, Decennial Census, Population Estimates and Projections

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The Patient Protection and Affordable Care Act



Commits \$940 billion over 10 years to expand coverage to nearly 32 million uninsured Americans, including:

1. Mandatory acquisition of health insurance by 2014
2. Creation of a new insurance marketplace, resulting in expanded access to coverage and formation of state-based exchanges
3. Sweeping insurance market reforms:
 - New regulations imposed on health plans, preventing insurers from denying coverage for any reason
4. Fundamental changes to Medicare, expansion of the Medicaid program, and reform of Part D
5. Health IT, prevention and wellness initiatives across the health care system

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Who Will Provide Care? Projected Critical Shortage of Health Professionals



By 2025 the U.S. will need additional

160,000

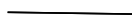


250,000



Public Health

1,000,000



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Trends in Life Expectancy at Birth by Race for Males 1900 to 2003



Source: Congressional Research Center, 2006

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**Trends in Life Expectancy at Birth, by Race for Females
1900 to 2003**



Source: Congressional Research Center, 2006

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