



# **Assessing and Improving Value in Cancer Care: A National Cancer Policy Forum Workshop**

---

**Session on Generating  
Evidence about Effectiveness  
and Value**



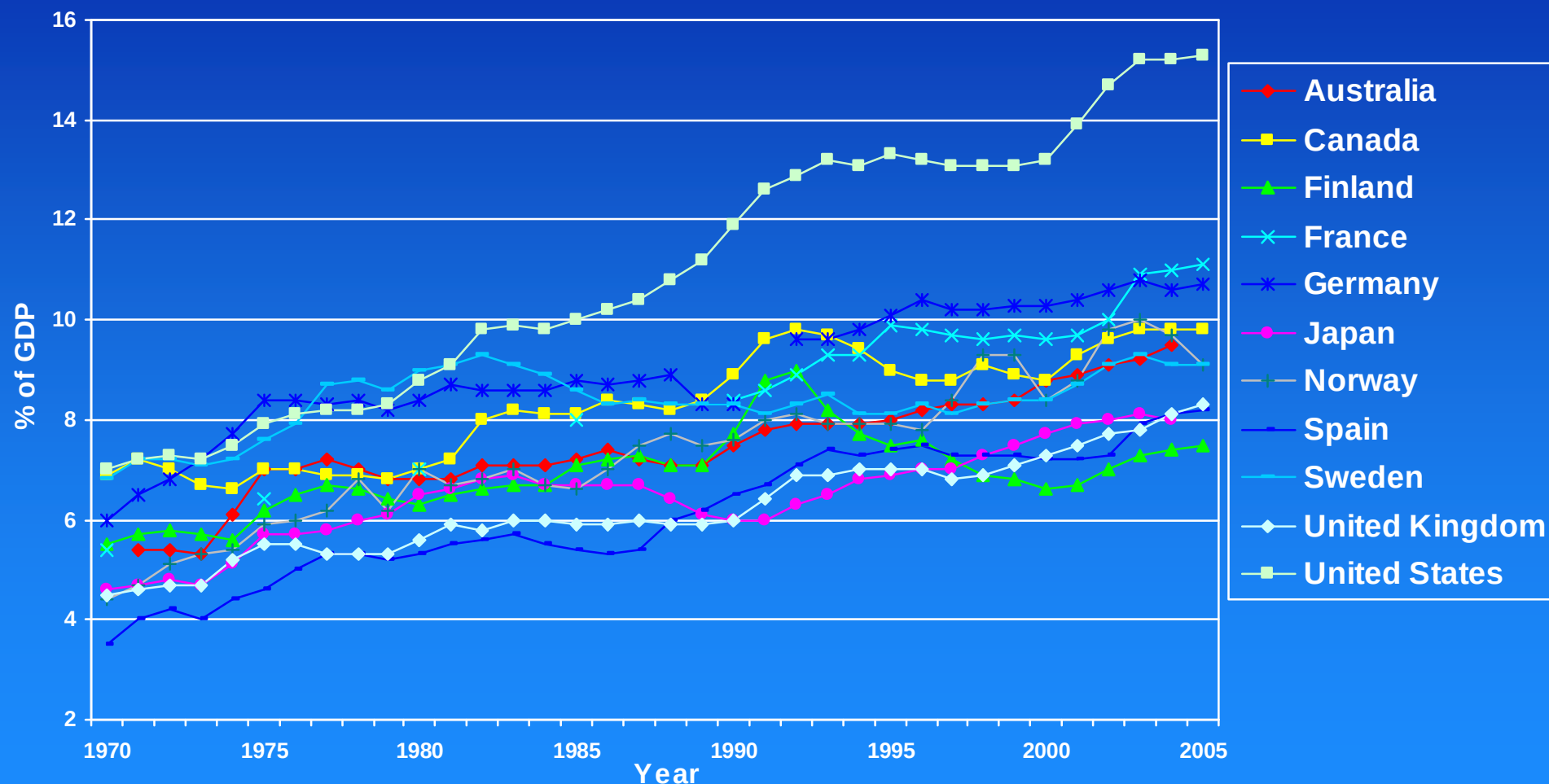
# Significance of the Issue

---

## Health care expenditures:

- n** Nearly one-sixth of the U. S. GDP
- n** Rate of growth exceeds other sectors of the economy
- n** Rate of growth increasing after recent moderation
- n** Expenditure distribution is highly concentrated
- n** Among the largest components of the Federal and states' budgets
- n** Cost containment of continuing concern to private and public payers

# Health Spending As a Percent of GDP



Source: OECD Health Data, 2007



# Most Recent Cost Statistics

- n** In 2006 total expenditures = \$2.1 trillion
  - 16% of GDP
  - 6.7% increase over 2005
  - \$7,026 per capita
- n** Projected to be \$4.1 trillion in 2016
  - 19.6% of GDP

Source: A. Catlin, et al., "National Health Spending in 2006: A Year of Change for Prescription Drugs," *Health Affairs*, January/February 2008, and CMS, National Health Expenditure Accounts, <http://www.cms.hhs.gov/NationalHealthExpendData/>.



# 15 Highest Cost Conditions, 2005 (\$ in billions)

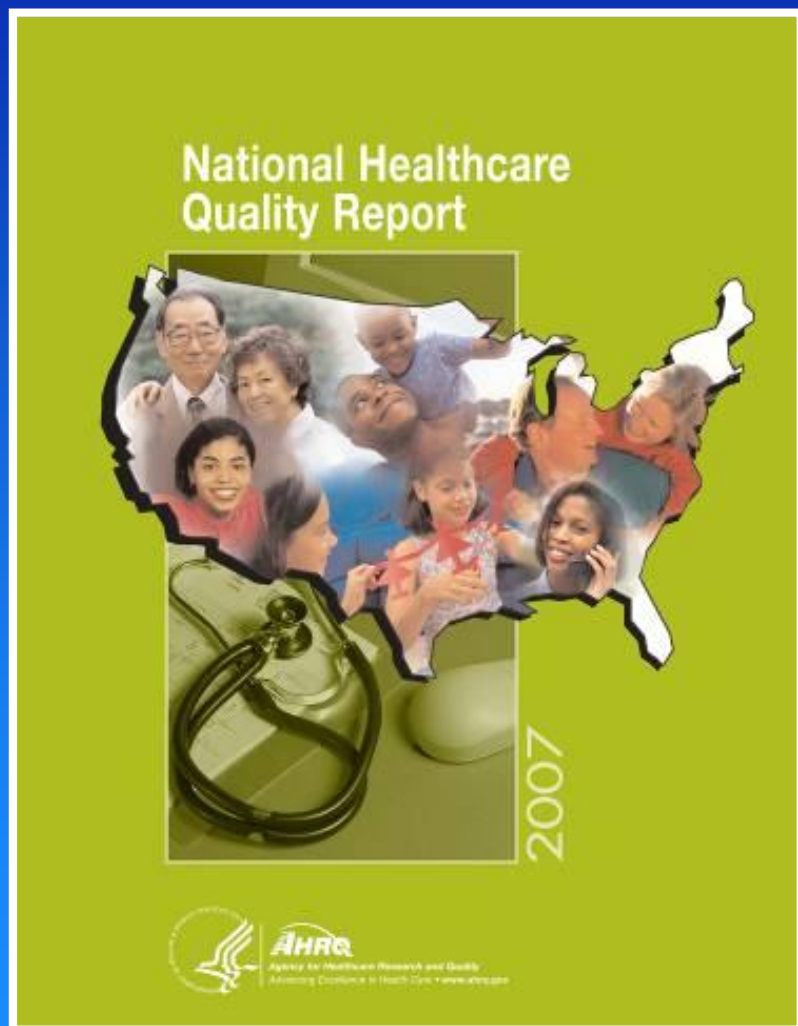
- n** Heart Disease (\$76)
- n** Trauma (\$72)
- n** **Cancer (\$70)**
- n** Mental Disorders (\$56)
- n** Pulmonary Conditions (\$54)
- n** Hypertension (\$42)
- n** Diabetes (\$34)
- n** Osteoarthritis (\$34)

- n** Back Problems (\$32)
- n** Kidney Disease (\$31)
- n** Upper GI Disorders (\$26)
- n** Hyperlipidemia (\$24)
- n** Skin Disorders (\$24)
- n** Circulatory Conditions (\$21)
- n** Gallbladder, pancreas and liver disorders (\$19)

Source: Center for Financing, Access and Cost Trends, Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2005



# 2007 National Healthcare Quality Report (NHQR)



Released March 3, 2008

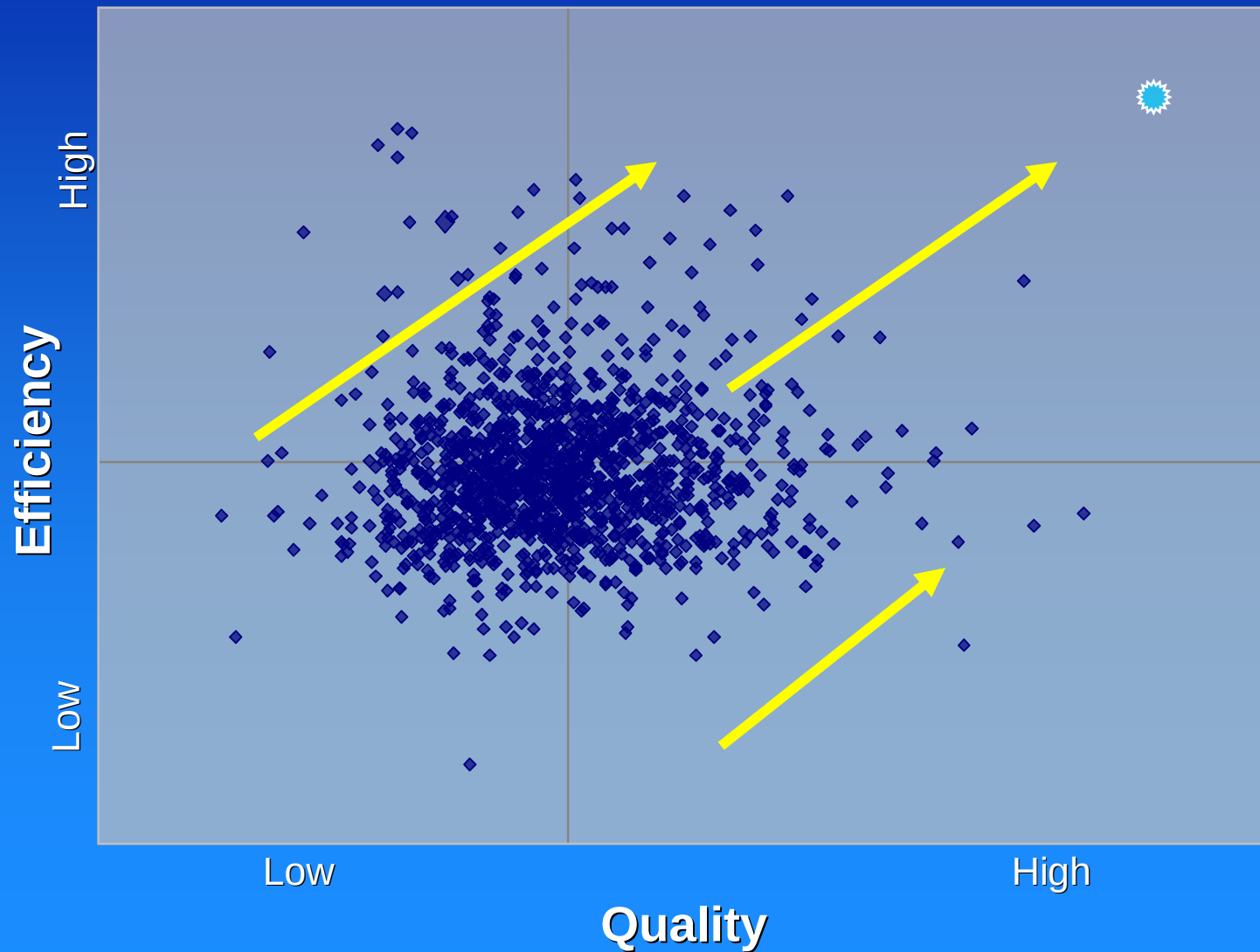
Health care quality continues to improve, but the rate of improvement has slowed

1.5% median  
annual improvement  
2000-2005

But costs increasing  
over 6% a year

And problems with access  
and disparities

# Value: The Transformational Goal

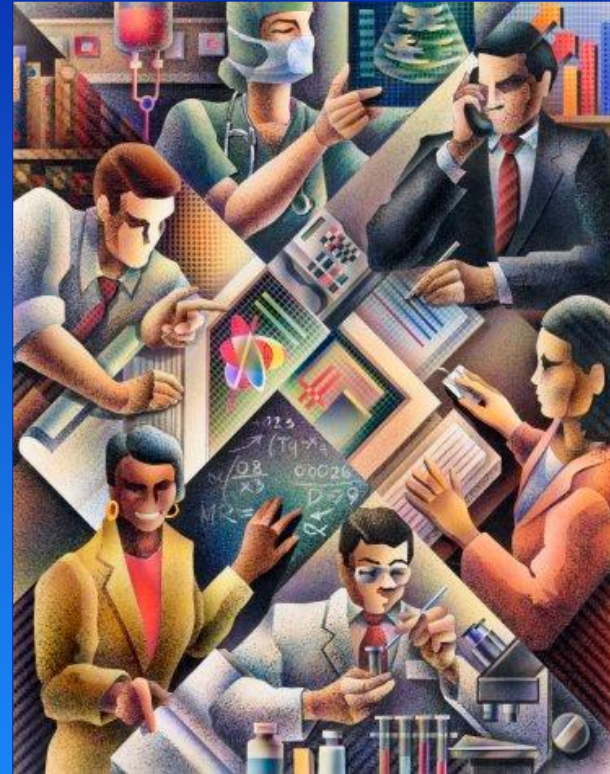






# Comparative Effectiveness: AHRQ Effective Health Care Program

- n** Uses current, unbiased evidence in making head-to-head comparisons to show which health interventions:
- Add Value
  - Offer minimal benefit above current choices
  - Fail to reach their potential
  - Work for some patients, but not others



***Goal: to develop and disseminate better evidence about benefits and risks of alternative choices***





# AHRQ's Mission

---

Improve the quality, safety, efficiency and effectiveness of health care for all Americans

