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Peterson Center on Healthcare Supports New Initiative to Forecast Trends in U.S. Healthcare Spending

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Grant Awarded to University of Washington to Analyze Drivers of Healthcare Spending and Identify Future Trends to Guide Efforts to Improve Health Outcomes and Bend the Cost Curve

New York, NY—The Peterson Center on Healthcare announced an innovative new initiative designed to identify past drivers of U.S. healthcare spending in order to better forecast future spending trends. The project will research significant data sets to explore the various factors that have historically impacted healthcare spending, providing analysis that can guide future policies aimed at moderating the trajectory of healthcare spending and improving outcomes. The initiative, led by the University of Washington’s Institute for Health Metrics and Evaluation (IHME), will add scenario planning and predictive modeling to the Center’s portfolio of initiatives focused on better understanding performance of the U.S. healthcare system.

IHME will receive a \$628,000 grant to conduct three phases of analysis:

- Using the findings from the Global Burden of Disease (GBD) Study and the Disease Expenditure (DEX) research project, the causes of illnesses, risk factors and types of care that lead to the highest healthcare costs will be compared across three primary payers: public insurance, private insurance, and out-of-pocket private spending;
- Changes in public and private health expenditure will be further broken down into four determinants: changes in demography, epidemiology, utilization, and prices to develop working theories of which combinations had greatest impact on spending;
- A forecast of healthcare spending will be developed through 2040 based on alternative scenarios involving the four determinants listed above.

“We know the U.S. healthcare system does not deliver the outcomes we should expect given what the nation spends, so we need to understand at a much finer level what exactly is happening in the system,” said Jeffrey D. Selberg, Executive Director of the Peterson Center on Healthcare. “As we work to improve the performance of our delivery system, IHME will add a predictive dimension to the cost side of the equation, helping us better understand long-term trends, drivers of spend and perhaps how we can direct our resources to improve those long-term scenarios.”

IHME will benchmark its forecasts of private and public healthcare spending to current forecasts, including those published by the Congressional Budget Office (CBO) and the Office of the Actuary at the Center for Medicare and Medicaid Services (CMS). Learning and analysis from this project will be published through the [Peterson-Kaiser Health System Tracker](#)^[2], an initiative with the Kaiser Family Foundation to monitor current trends and drivers of healthcare quality and cost.

“Our ultimate goal is to highlight the levers that patients, providers, payers and policymakers might use to improve health outcomes while minimizing costs,” said Dr. Christopher Murray, IHME Director.

For more information about the Peterson Center on Healthcare, visit petersonhealthcare.org ^[3].

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About the Peterson Center on Healthcare

The Peterson Center on Healthcare is a non-profit organization dedicated to making higher quality, more affordable healthcare a reality for all Americans. The organization is working to transform U.S. healthcare into a high-performance system by finding innovative solutions that improve quality and lower costs, and accelerating their adoption on a national scale. Established by the Peter G. Peterson Foundation, the Center collaborates with stakeholders across the healthcare system and engages in grant-making, partnerships, and research.

About the Institute for Healthcare Metrics and Evaluation

The Institute for Health Metrics and Evaluation (IHME) is an independent global health research organization at the University of Washington that provides rigorous and comparable measurement of the world’s most important health problems and evaluates the strategies used to address them. IHME makes this information widely available so that policymakers have the evidence they need to

make informed decisions about how to allocate resources to best improve population health.



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[2] <http://www.healthsystemtracker.org/>

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