

Bending the Cost Curve

A Message from America's Hospitals

Would it surprise you to learn that hospital cost and price growth are at their lowest levels in a decade? That's a key reason why growth in spending on health care services for Medicare, Medicaid, and private insurance fell sharply in 2012. In fact, Medicare spending growth per beneficiary is at the historically low level of 0.4 percent—well below the 3.4 percent growth in our economy.

But 10,000 baby boomers turn 65 every day, and more than half have multiple chronic conditions. Finding ways to deliver care more efficiently to this population is a priority for all of us.

Hospitals have been spearheading efforts to transform health care for more than a decade. We're collaborating to keep people healthy in the first place, make hospital care more efficient, and reduce health problems after discharge. Hospitals, physicians, and post-acute care facilities are sharing information and implementing best practices to achieve the best transitions, outcomes, and value for patients.

Hospitals are transforming health care.

Hospitals and their clinicians are increasing teamwork, making huge investments in health information technology, and improving data collection and use—leading to better value care. They are also making major strides



Rich Umbdenstock
President and CEO
American Hospital Association

in engaging patients, families, and communities in their health and health care.

Dramatic improvements in quality and safety are occurring in virtually every American hospital. Hospitals have reduced one kind of bloodstream infection by 40 percent in adults and 58 percent in infants, and are lowering the percentage of readmission rates, early-

elective deliveries, and complications in newborns. Of course, improving quality of care is an unending challenge, and we're striving to provide our patients with the best possible outcomes.

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Working together, we can achieve a sustainable level of health care spending by better managing advanced illness, engaging individuals in their health care, and using limited health care dollars wisely. Further ratcheting down Medicare and Medicaid payments for hospital care won't ensure a healthier tomorrow.

Peter Drucker wrote that large health care institutions may be the "most complex organizations in human history"—and that was in 1993. The complexity has grown exponentially since. Yet America's hospitals are not only succeeding in this challenging environment; they are bending the cost curve downward.

America's Hospitals: Working to Lower Health Care Costs

To read more, go to: www.AHA.org



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