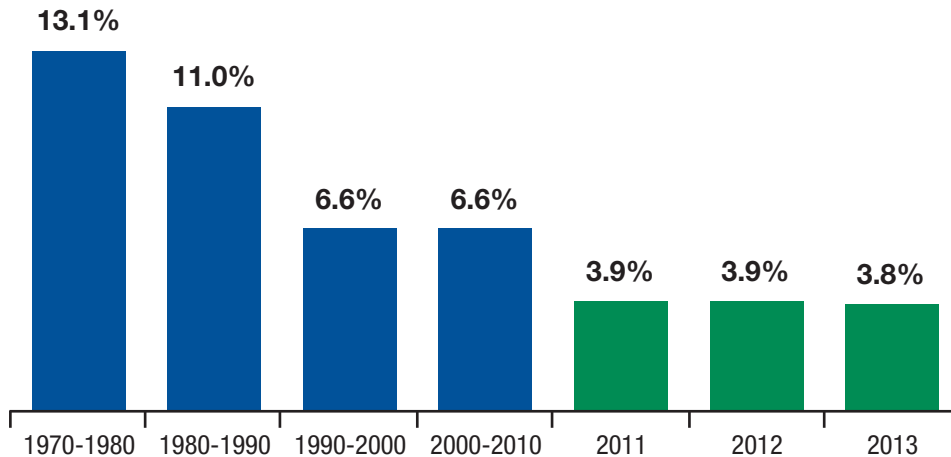


Health care spending growth through 2013 is expected to remain slow, according to the Centers for Medicare & Medicaid Services Office of the Actuary projections. This trend is evident across Medicare and Medicaid, and lower growth in hospital spending is playing a key role. While some of the slowdown is likely due to the sluggish economy, researchers also believe structural changes in health care delivery are playing a role. New payment methodologies, delivery system transformation, and health care reform are all driving down cost growth in ways that may persist into the future.

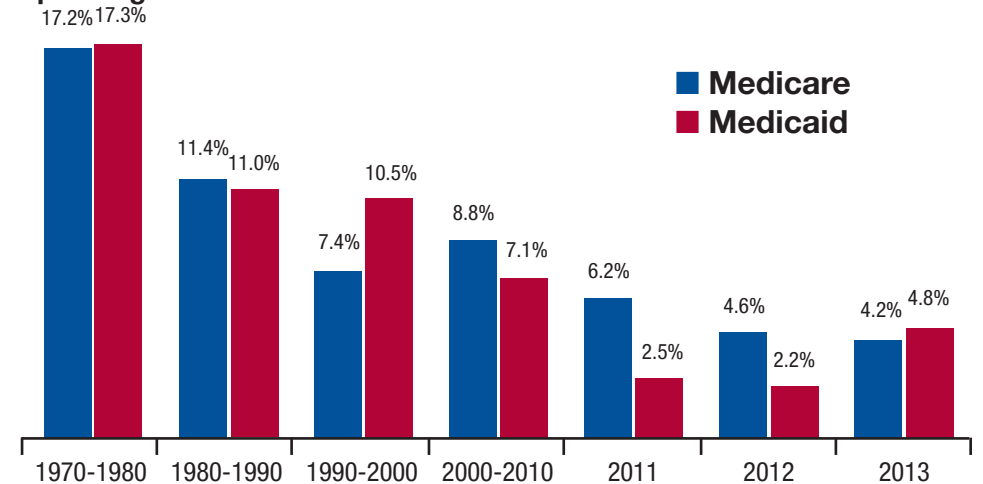
Growth in national health care spending this decade is significantly below historical averages.

Comparison of Annual Growth Rates in National Health Expenditures Over Time



Growth in Medicare and Medicaid spending this decade is significantly below historical averages.

Comparison of Annual Growth Rates in Medicare and Medicaid Spending Over Time



Lower growth in total national spending on hospital care is contributing to this reduction.

Comparison of Annual Growth Rates in Hospital Spending Over Time

