



NEWS RELEASE

Immediate Release

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Actuaries: Addressing Health Spending Growth Is Path to Sustainable Health Care System

WASHINGTON – 11 May 2009 – The **American Academy of Actuaries** is encouraged by commitments from the Obama administration and health care stakeholder groups to tackle health spending growth and pursue options to create a more stable and sustainable health care system.

“Increasing health care spending threatens the sustainability of the U.S. health care system and has the potential to divert both public and private funds from other priorities,” said **Cori Uccello**, the senior health fellow for the American Academy of Actuaries. “Furthermore, unless health care spending is controlled, health reforms to reduce the number of uninsured will not achieve its promise. An actuarial approach can help determine if such reform efforts adequately address health spending growth and lead to real cost reductions.”

She said that the Centers for Medicare and Medicaid Services projects the growth of national health expenditures to average 6.2 percent annually through the next decade, far exceeding both inflation and overall economic growth. If health spending continues to grow at this pace, health insurance premiums will continue to increase as well. Thus efforts to rein in health insurance premiums will be negated if unchecked rising health spending drives premiums to their original levels within a few years and even higher thereafter.

Uccello also said that mounting evidence suggests that health care dollars are not providing enough value and that vast fluctuations in spending are not yielding corresponding variations in health care outcomes. Therefore policymakers should address spending growth within the context of quality and value reforms. For more information or to schedule an interview with Cori Uccello, please contact Andrew Simonelli, assistant director of communications for the American Academy of Actuaries, at 202.785.7872. For more information on the Academy, please visit: www.actuary.org.

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