



Health Reform in the United States: Overview and Implications for the Pharmaceutical Industry

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Overview of this Session

- Major Components of the US Reform
- Immediate Reactions to the Legislation's Passage
- Key Provisions that Impact Pharma
- Potential Implications

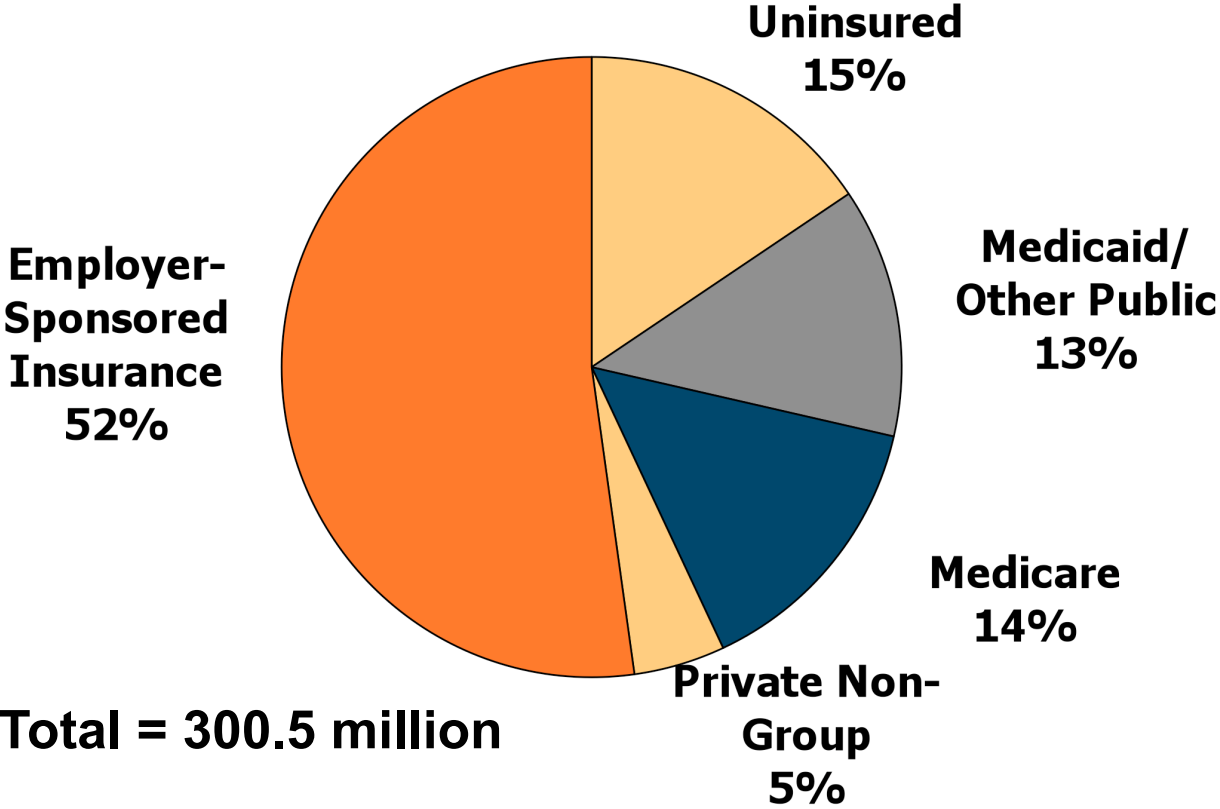


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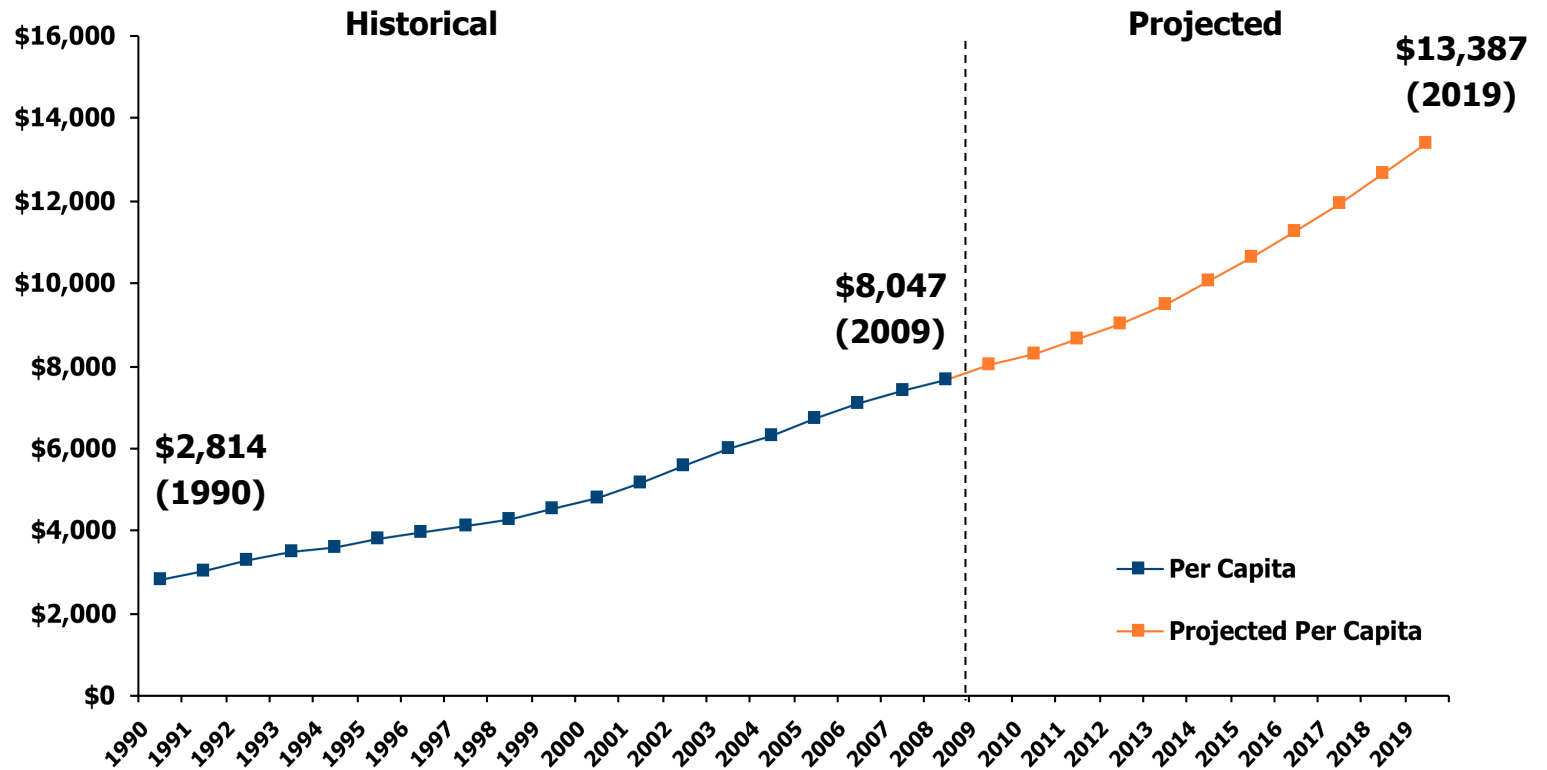
Health Insurance Coverage in the U.S., 2008



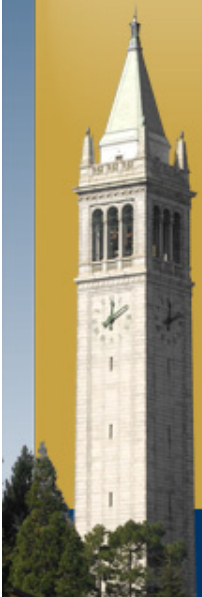
SOURCE: Kaiser Commission on Medicaid and the Uninsured/Urban Institute analysis of March 2009 CPS



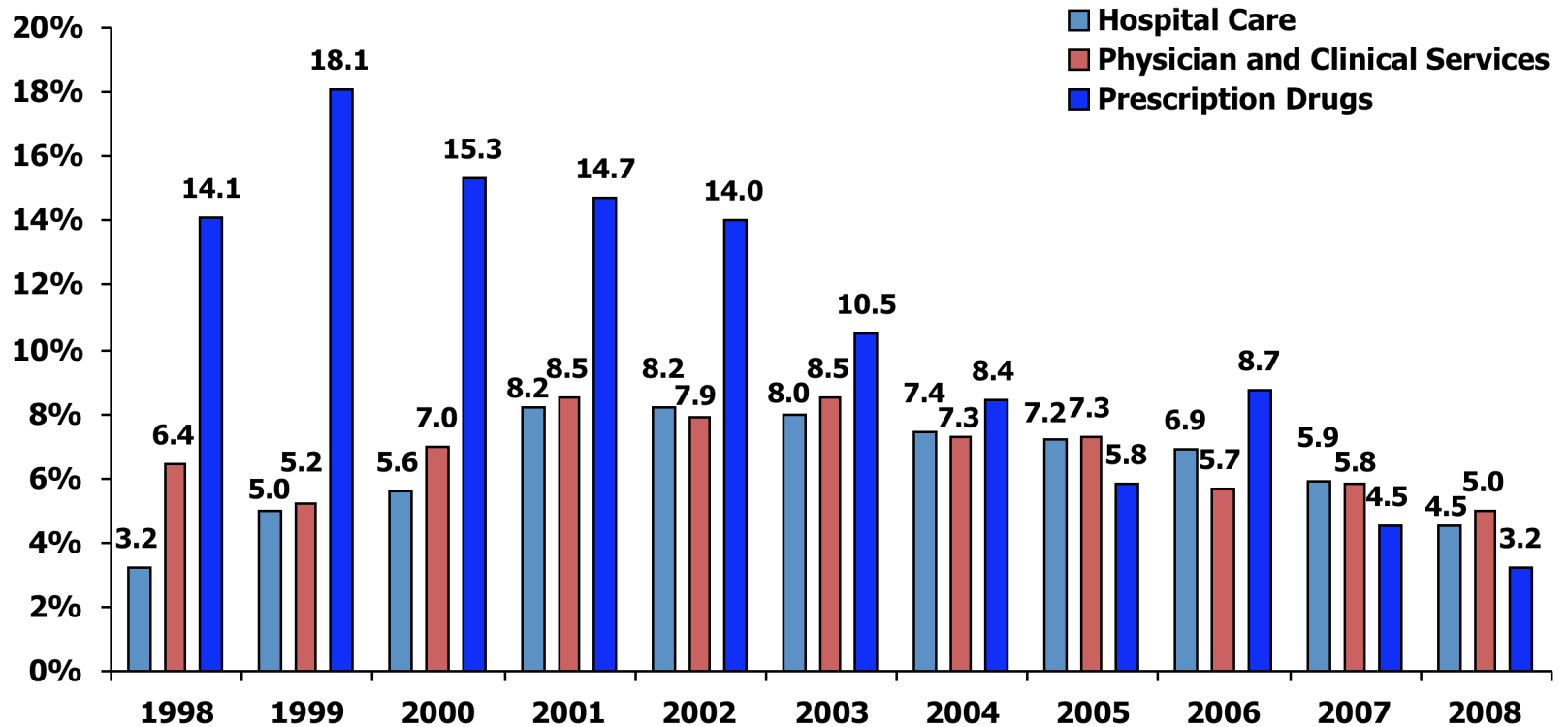
National Health Expenditures Per Capita, 1990-2019



Source: Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group, at <http://www.cms.hhs.gov/NationalHealthExpendData/> (Historical data from NHE summary including share of GDP, CY 1960-2008, file nhegdp08.zip; Projected data from NHE Projections 2009-2019, Forecast summary and selected tables, file proj2009.pdf).

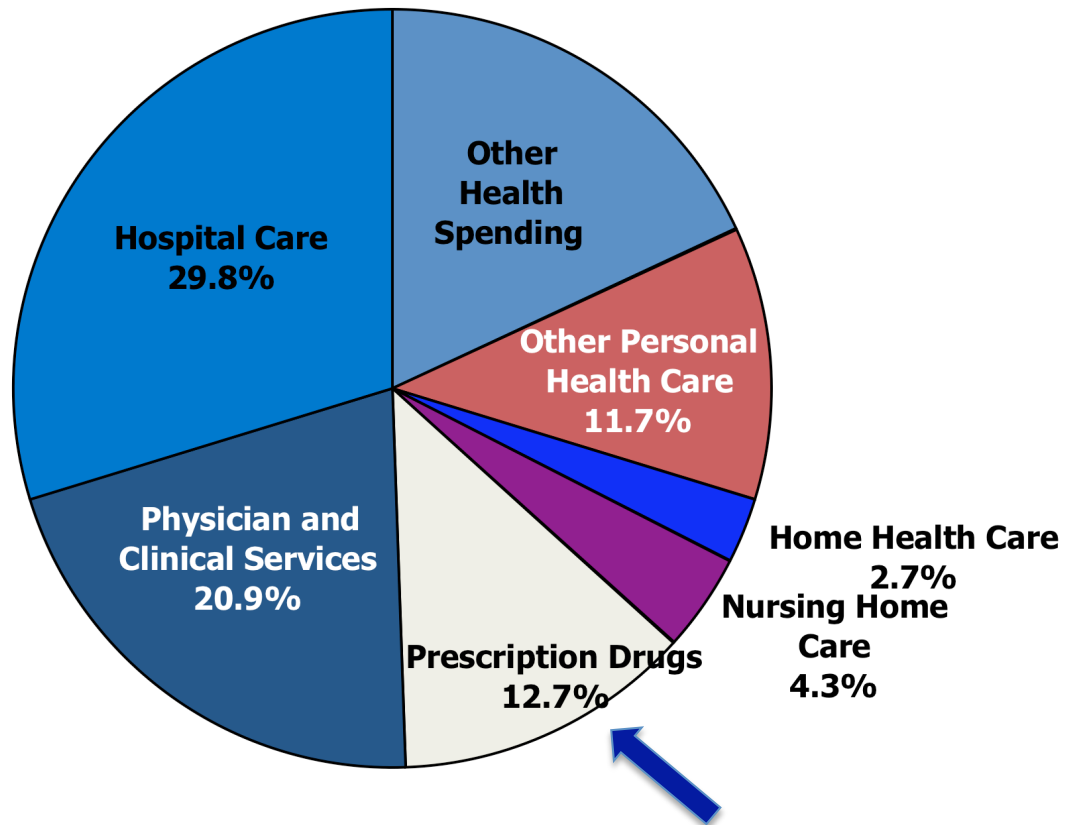


Annual Percentage Change in National Spending for Selected Health Services, 1998-2008



Source: Kaiser Family Foundation calculations using NHE data from Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group, at <http://www.cms.hhs.gov/NationalHealthExpendData/> (see Historical; National Health Expenditures by type of service and source of funds, CY 1960-2008; file nhe2008.zip).

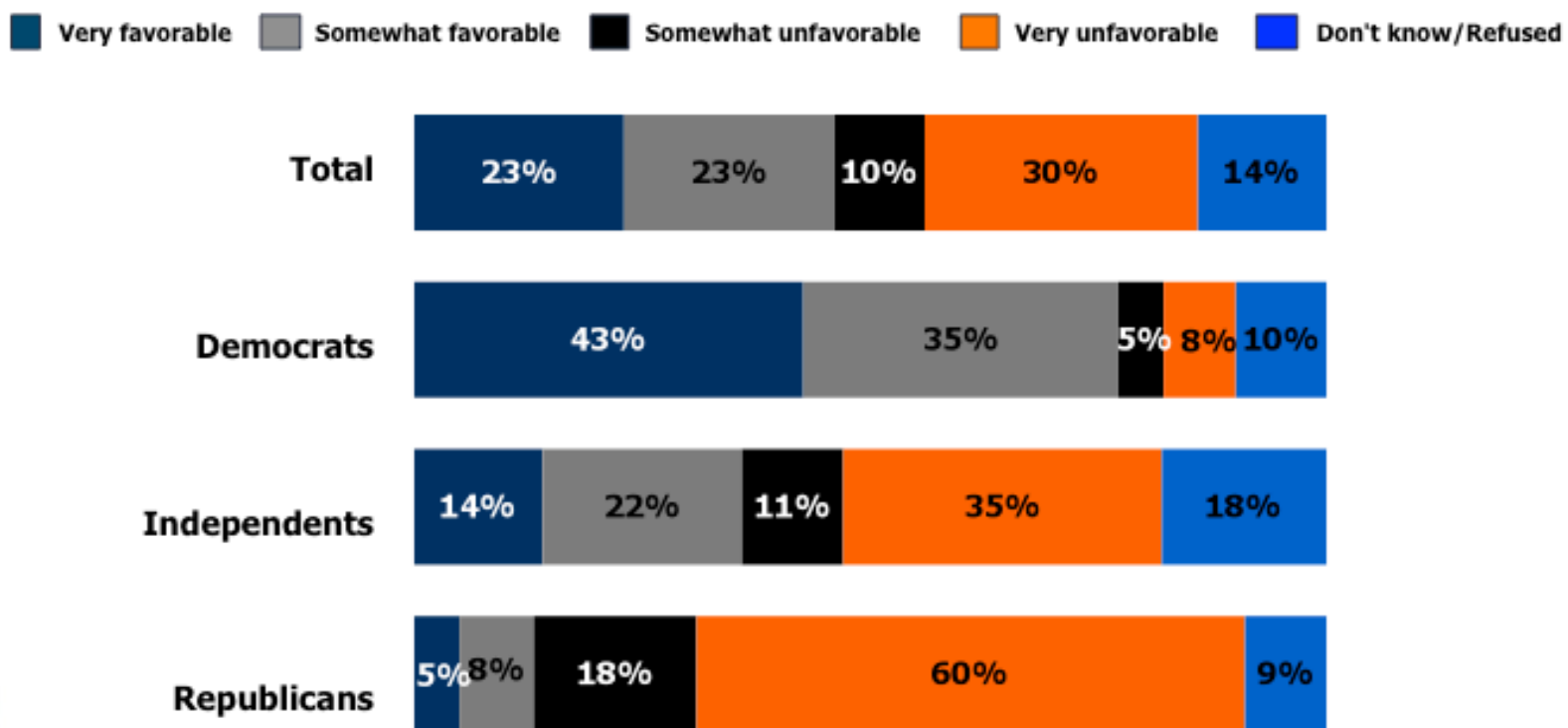
Relative Contributions of Different Types of Health Services to Total Growth in National Health Expenditures, 1998-2008



Source: Kaiser Family Foundation calculations using NHE data from Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group, at <http://www.cms.hhs.gov/NationalHealthExpendData/> (see Historical; National Health Expenditures by type of service and source of funds, CY 1960-2008; file nhe2008.zip).

Reaction to Reform is Mixed

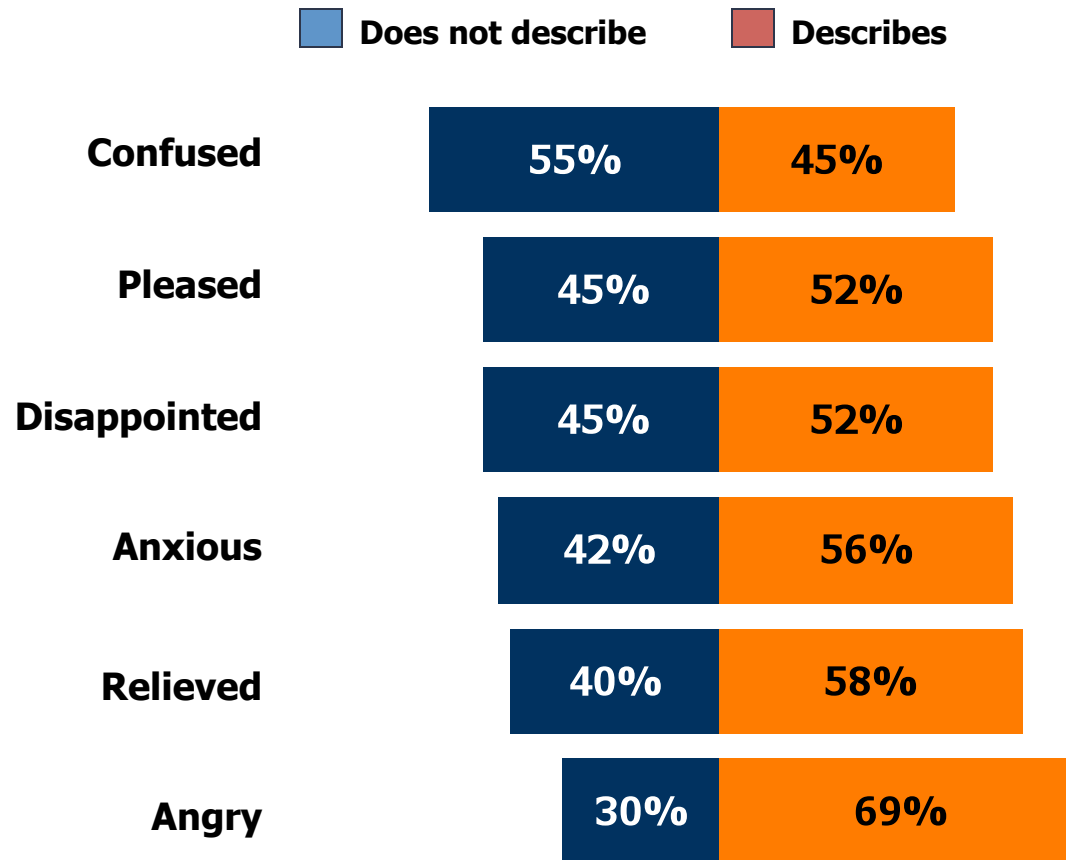
Given what you know about the new health reform law, do you have a generally favorable or generally unfavorable opinion of it?



Source: Kaiser Family Foundation *Health Tracking Poll* (conducted April 9-14, 2010)

Reaction to Reform is Mixed

Tell me if each of the following does or does not describe your own feelings about the health reform law.



Note: "Don't know/Refused" responses not shown.

Source: Kaiser Family Foundation *Health Tracking Poll* (conducted April 9-14, 2010)



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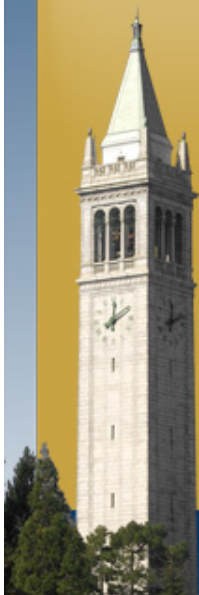
Healthcare Reform – Key Financing Provisions

- Individual mandate
- State-run Health Exchanges
- Individual credits and subsidies
- Health Insurer Regulations

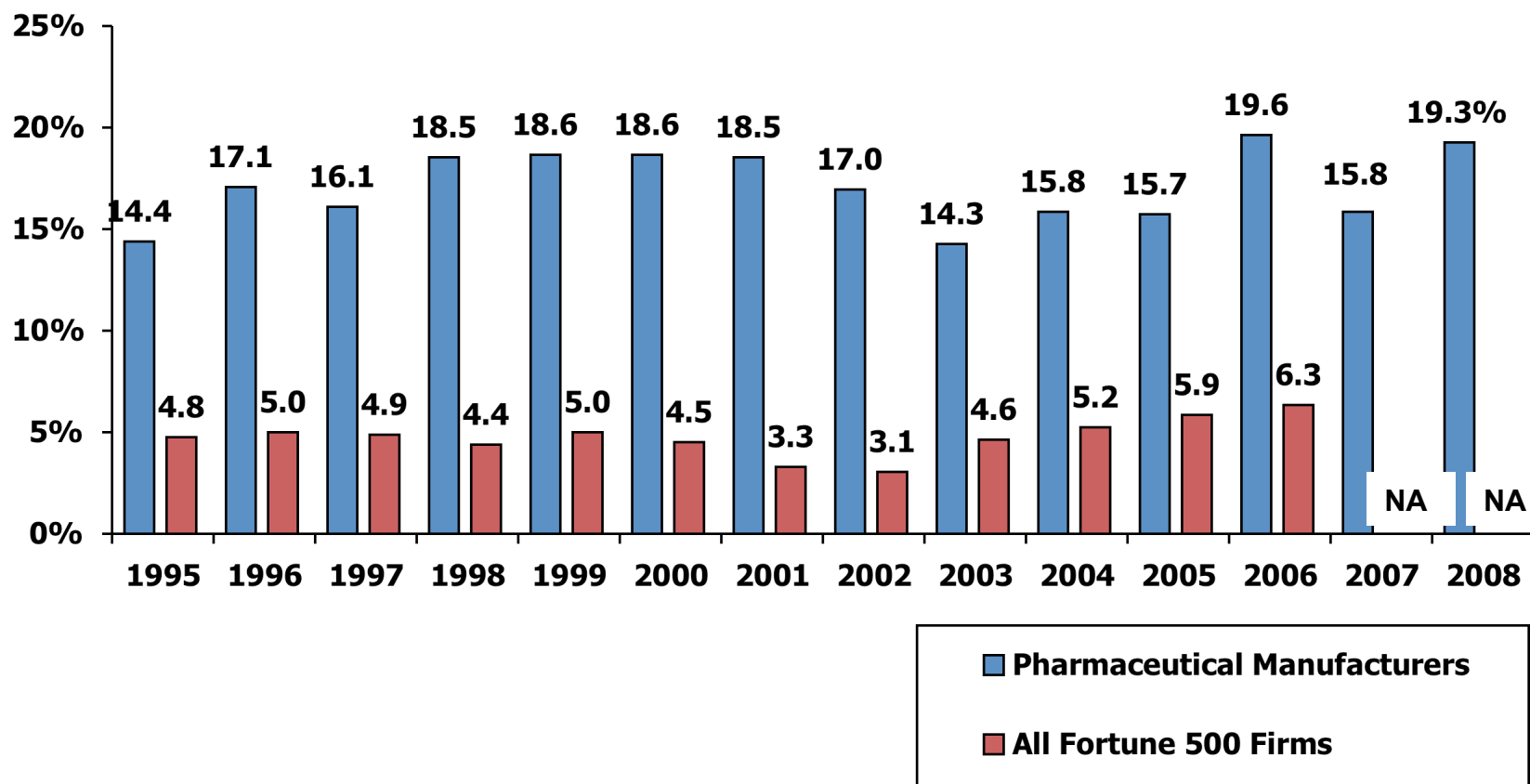


Healthcare Reform – Pharma Related Provisions

- Xx
- Xx
- Xx
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Profitability of Pharmaceutical Manufacturers, 1995-2008



Note: Percent is the median percent net profit after taxes as a percent of firm revenues for all firms in the industry. NA = no longer available.

Source: Kaiser Family Foundation and Sonderegger Research Center, Prescription Drug Trends: A Chartbook Update, November 2001, Exhibit 4.11, Fortune 500 online at <http://money.cnn.com/magazines/fortune/>.