

## **AMA & Others Follow Up on \$2 Trillion Savings Pledge to President**

On June 1, 2009, the stakeholders who recently met with President Obama at the White House to discuss savings in our health care system (AMA, AHA, PhRMA, AHIP, SEIU, & AdvaMed) submitted a 25-page proposal to improve quality and control costs in our health care system. The paper predicts savings of as much as \$1.7 trillion over 10 years through 4 categories:

- utilization of care (\$150-180 billion);
- chronic care (\$350-850 billion);
- administrative simplification & the cost of doing business (a combined \$500-700 billion).

In particular, the AMA offered proposals to improve the quality of care, including a program to improve care transitions and to avoid readmissions to hospitals through standards of care and better use of health IT. The AMA also pointed out the potential benefits of reducing unnecessary utilization and highlighted the work of the Physician Consortium for Performance Improvement (PCPI), a group that works to develop "evidence-based measures that capture variations in care and inform efforts to improve the quality of care and the appropriate utilization of health care services and treatments."