

## **Context for Medicare payment policy**

**ISSUE:** Part of the Commission’s mandate is to consider the budgetary impacts of its recommendations and to understand Medicare in the context of the broader health care system. As one of the ways of meeting this mandate, the Commission’s March Report to the Congress includes an introductory chapter that places the Commission’s recommendations for Medicare payment policy within the context of the current and projected federal budget picture and the broader health care financing and delivery landscape.

**KEY POINTS:** The draft chapter describes recent trends in the growth of Medicare and total health care spending and the factors contributing to health care spending growth. The chapter also reviews the effects of health care spending on Medicare beneficiaries, households, and federal and state budgets and discusses the evidence of ineffective spending and the opportunity it provides to lower health care spending without adversely affecting health outcomes.

**ACTION:** Commissioners should provide comments on the scope, substance, and tone of this draft chapter for the March 2018 report.