

# GAO Highlights

Highlights of [GAO-25-107465](#), a summary of a GAO Forum

## Why GAO Convened This Forum

For many years, GAO has raised the alarm about the federal government being on an unsustainable long-term fiscal path. One of the key drivers of federal debt is spending on federal health programs, such as Medicare and Medicaid. Spending on federal health programs is projected to increase at a faster rate than the gross domestic product (GDP) over the next 30 years. As the population ages and health care costs increase, GAO projects that federal spending on health care programs will be 8.5 percent of the GDP in 30 years. Efforts to contain these costs have been met with mixed success.

On October 22, 2024, GAO convened a diverse panel of 30 health care experts to focus on the challenges of health care spending. The purpose of the panel was to help advance the dialogue and identify issues associated with one of the most perplexing problems facing the government. It comprised federal government officials, academics, researchers, clinicians, and industry experts who represented a range of expertise and experiences. Participants discussed approaches to reduce health care spending and enhance value received for that spending, among other things.

The viewpoints summarized in the report do not necessarily represent the views of all participants, their affiliated organizations, or GAO. GAO provided participants the opportunity to review a draft of this summary. Their comments were incorporated as appropriate.

View [GAO-25-107465](#). For more information, contact Jessica Farb at [FarbJ@gao.gov](mailto:FarbJ@gao.gov).

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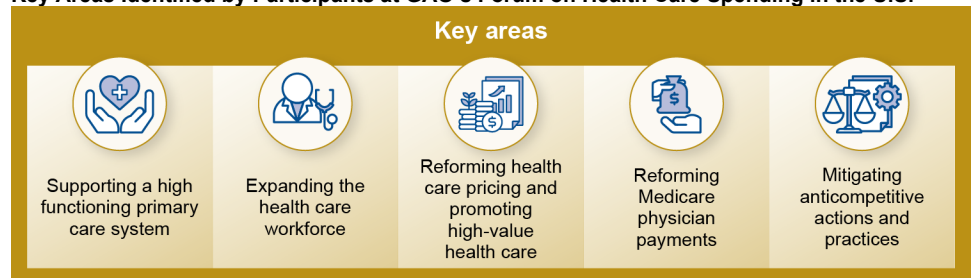
## HIGHLIGHTS OF A FORUM

### Reducing Spending and Enhancing Value in the U.S. Health Care System

## What Participants Discussed

During the forum, participants identified approaches in five key areas that could help reduce health care spending or increase the value for that spending (see figure).

Key Areas Identified by Participants at GAO's Forum on Health Care Spending in the U.S.



Source: GAO Forum on Health Care Spending in the United States; kirale/stock.adobe.com (icons). | GAO-25-107465

**Supporting a high-functioning primary care system** by providing more resources for team-based care through a payment model that combines fee-for-service payment with a fixed amount paid to providers regardless of the services provided. This could improve continuity of care and care coordination and help decrease unnecessary services and inappropriate tests.

**Expanding the health care workforce** by increasing the graduate medical education opportunities to help address shortages and the uneven distribution of physicians across the country. Increasing compensation and other benefits could also attract and retain home health workers and nursing assistants. Expanding the workforce could increase access to care and reduce the need for costly services, such as institutional care (hospitalization or nursing home care).

**Reforming health care pricing and promoting high-value care** by adopting pricing strategies used by other countries particularly in cases where prices for medical services and pharmaceuticals exceed their clinical value.

**Reforming Medicare physician payments** by revising the Medicare physician fee schedule particularly in cases where it may incentivize physicians to provide specialty care services (e.g., diagnostic imaging) over primary care services (e.g., clinical diagnosis), or to provide more services than are necessary.

**Mitigating anticompetitive incentives and practices** by implementing entirely site-neutral payments in Medicare, wherein Medicare pays the same rate for a medical service regardless of the site where it is performed. This could reduce the incentives for hospitals and physician practices to consolidate.

Participants agreed that legislative action, federal investment, or both would be needed to implement most of the approaches discussed.