

## MEMORANDUM

To: Subscribers to *State & Local Government Managing Risk in Local Government*

From: Sheshunoff Information Services

Subject: Highlights

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Enclosed is the first 2007 update for your subscription to the *Managing Risk in Local Government*. This update includes the following:

- *Managing health care costs*. Rapidly growing health care costs might be the biggest public sector risk financing challenge of the past 50 years, and it is not likely that this situation will change soon. Managing the costs of health care programs presents governmental entities with a complicated set of problems. The health care field is rapidly changing and extending. This is true not only of the delivery vehicles for health care services (managed care networks, triage emergency centers, etc.) but also the very nature of health care itself (new treatments, pharmaceutical advances, innovative health management systems). When these factors are combined with other economic, social, and political dynamics, it is perhaps not surprising to learn that health care inflation in the U.S. runs annually at 14-18 percent of GDP. Chapter 13 has been added to provide an overview of the health care financing problem and the methods that might be employed to impose some controls on rapidly growing costs. Of particular interest will be the matter of self-financed health care programs.

Miscellaneous changes were made to Chapters 1 and 2A.

If you have questions, or would like information on an additional Sheshunoff product, please call 1-800-456-2340, or visit our Web site at [www.sheshunoff.com](http://www.sheshunoff.com).