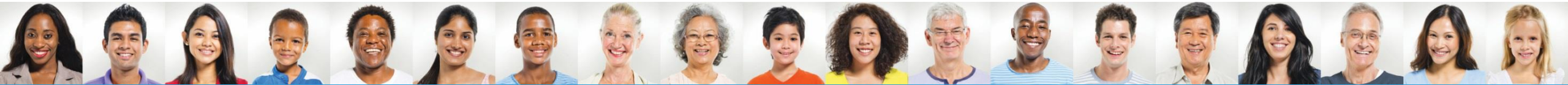




Building Political Power to Win Against Health Care Pricing Abuses:
Insights from California's Approach to Tackle Unaffordable Prices



Dedicated to creating a nation where the best health and health care are equally accessible and affordable to all

Who We Are

Families USA, a leading national voice for health care consumers, is dedicated to the achievement of high-quality, affordable health care and improved health for all. We advance our mission through public policy analysis, advocacy, and collaboration with partners to promote a patient-and community centered health system.



HEALTH CARE VALUE



HEALTH EQUITY



COVERAGE



CONSUMER VOICE

Working at the national, state and community levels for over 35 years

Speakers



Sophia Tripoli
Senior Director of Health Policy,
Families USA



Alicia Camaliche
Policy Analyst,
Families USA



William Kramer
Senior Advisor for Health Policy,
Purchasers Business Group on
Health



Anthony Wright
Executive Director,
Health Access California



Matt Lege
Government Relations
Advocate,
SEIU California State Council

The Problem: U.S. Health Care Costs are Crippling Families

Hospital Prices Are a Major Driver in this Crisis

- **The Cost of American health care is a profound economic problem and an urgent public health problem.**

- Up to 40% of US adults report skipping medical tests or treatments due to cost²
- 100,000,000 people in the U.S. have some form of medical debt¹
- Despite efforts by policy makers, advocates, and providers, prices continue to rise at unsustainable rates without commensurate improvements in quality.

MORE THAN
40% of Americans are
in medical debt.¹
↪ **100,000,000** PEOPLE

- **Health care accounts for over 17% of the US economy, by 2030 it will account for about 20%⁵**

- In 2020, Hospitals accounted for 30.8% of total health expenditures and physicians and clinics accounted for 19.63%³.
- Hospital care represents the largest share of national health spending – 33 % – with an estimated \$1.2 trillion in spending each year⁴.
- Since 2015 hospital prices have increased by as much as 31% and grown 4x faster than workers' pay checks⁵
- High hospital prices result in more than \$240 billion in waste a year, which accounts for ¼ of all waste generated by the US health system per year⁷

Sources

1. Levey, 2022, 100 Million People in America Are Saddled With Health Care Debt
2. NORC, 2020 New Survey Finds Large Number of People Skipping Necessary Medical Care Because of Cost
3. KFF, 2023, National Health Spending Explorer
4. CMS, 2023, Cost Reports
5. Robert A. Berenson et al., 2020, Market Consolidation and High Prices
6. NORC, 2020 New Survey Finds Large Number of People Skipping Necessary Medical Care Because of Cost
7. Shrank et al. 2019. Waste in the US Health Care System Estimated Costs and Potential for Savings



A lot can be done to provide relief to health care consumers

- Codify and strengthen federal price transparency rule
- Develop a National All-Payers-Claims Database
- Enact comprehensive Site Neutral Policy
- Prohibit anti-competitive contracting between hospitals, insurers, and health systems
- Ban facility fees
- Global budgets
- Create new financial incentives to move towards population-base reimbursement (Advanced APMS)

Home > Legislation > 118th Congress > H.R.5378

H.R.5378 - Lower Costs, More Transparency Act

118th Congress (2023-2024) | [Get alerts](#)

BILL [Hide Overview](#) ✕

Sponsor: [Rep. McMorris-Rodgers, Cathy \[R-WA-5\]](#) (Introduced 09/08/2023)

Committees: House - Energy and Commerce; Ways and Means; Education and the Workforce

Latest Action: House - 12/11/2023 Motion to reconsider laid on the table Agreed to without objection. ([All Actions](#))

Roll Call Votes: There has been [1 roll call vote](#)

Tracker: Introduced **Passed House** Passed Senate To President Became Law

Summary (1) | Text (1) | **Actions (11)** | Titles (2) | Amendments (0) | Cosponsors (3) | Committees (3) | Related Bills (10)

Actions Overview: H.R.5378 — 118th Congress (2023-2024)

[Bill History – Congressional Record References](#)

Hide Filters ▲ 2 results for Actions Overview

- Actions Overview [2]
- All Actions Except Amendments [11]
- All Actions [11]

Date	Actions Overview
12/11/2023	Passed/agreed to in House: On motion to suspend the rules and pass the bill (2/3 required): 320 - 71, 1 Present (Roll no. 708).
09/08/2023	Introduced in House

22 states have existing APCDs¹

16 states have granted their attorney general or another agency the authority to review health care mergers²

8 states have established drug affordability boards³

3 states have created penalties for hospital noncompliance with price transparency rule⁴

8 states have established health care spending growth targets⁵

States with Health Care Spending Targets



Sources

1. APCD Council, 2023, *State Efforts*
2. Reed, 2023, *More states embrace drug price boards to curb health costs*
3. Hughes & Murphy, 2023, *Empowering State Attorneys General To Fight Health Care Consolidation*
4. Davenport & Pistor, 2023, *State Actions to Control Commercial Health Care Costs*
5. Gilburg, 2023, *Health Affairs Article Covers 2021 Health Care Spending Growth in Five States with Cost Growth Targets*

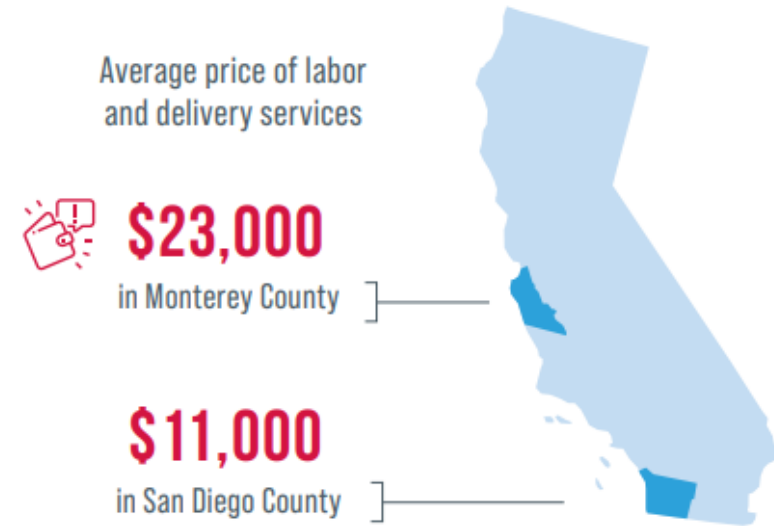
California residents were hit hard by high and rising costs, advocates went to work to fix it

California resident's cannot afford the care they need

- 52% of Californian's reported skipping health care due to cost, 50% got sicker¹
 - 69% of low income Californians skipped care due to cost¹
- 36% of Californians report having medical debt¹
 - 48% of Black Californians and 52% of Latino Californians
- 1 in 10 report having trouble paying medical bills¹

Across the state health care prices are high and varying

- Health care prices in some California markets are up to 450% of the Medicare rate³
- Between 2010 and 2020, California's personal health spending per capita increased 4.7% per year⁴
 - Nearly three times the annual rate of inflation (1.73)
 - Hospital care makes up 37% of health care spending⁴
- Premiums for Californians in small businesses have risen 65% since 2011¹



Sources

1. Department of Health Care Access and Information, 2023, Health Care Affordability Board Meeting
2. Melnick et al, 2016, Hospital Prices Increase in California, Especially Among Hospitals in the Largest Multi-hospital Systems
3. McGrath, 2022, California's New Law Targets High Health Care Costs
4. Wilson, 2023, 2023 Edition — California Health Care Spending

Established by SB 184 during California's 2022 legislative session to address the rising costs of health care in the state, the OHCA include three main components¹



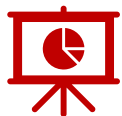
1. Slow spending growth by

- Collecting and reporting data on total health care expenditures
- Developing statewide and sector specific spending targets
- Enforcing targets



2. Promoting value by:

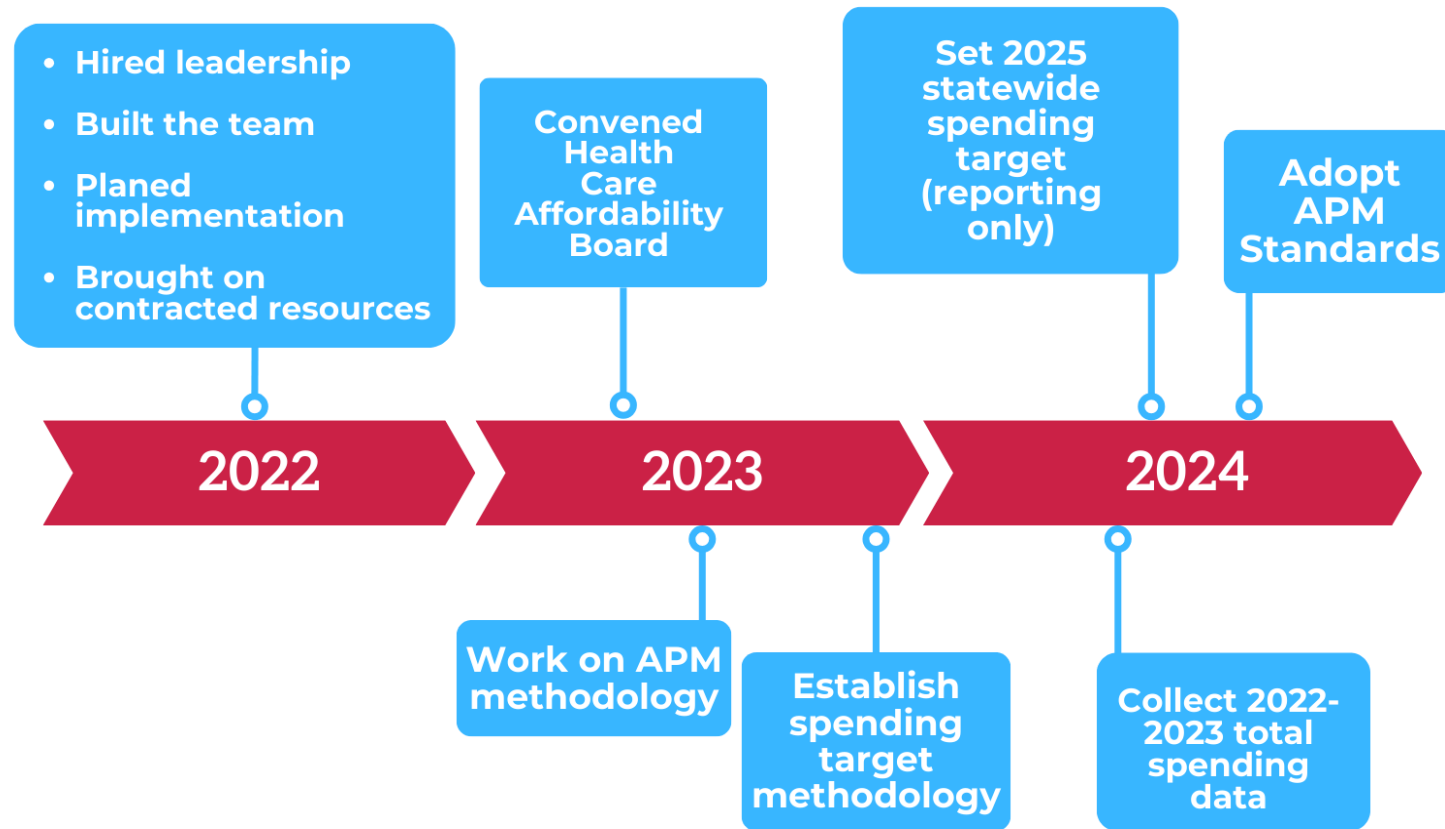
- Tracking quality, equity, and access
- Setting benchmarks for investments in primary care and behavioral health
- Setting benchmarks for APM adoption
- Promotion of workforce stability



3. Understanding market consolidation by:

- Assessing health care entity transactions
- Conducting cost and market impact reviews
- Working with regulators to address market consolidation

Implementation



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