

Making Health Care Affordable: Reining In Health Industry Abuses To Lower People's Costs and Generate Budget Savings



A Pro-Consumer Health Care Affordability Policy Agenda

America's health care affordability and quality crisis stems from a fundamental misalignment between the business interests of the health care sector and the health and financial security of our nation's families. The health care industry sets excessive health care prices and takes advantage of loopholes that drive inefficient health care spending that has little to do with the quality of care provided to our nation's families. The unchecked growth of big health care corporations and a lack of oversight over their business practices have led to monopolistic health care prices, reduced access to care, worse health outcomes and lower wages for workers — a direct threat to the health and financial security of every American.¹

Our government should stand on the side of patients by making sure the prices charged by the health care industry are fair, reasonable, and transparent. The good news is there is a bipartisan agenda that over 80 percent of Americans support that will do just that.² We implore policymakers to advance these well-vetted, commonsense, bipartisan health care affordability reforms to lower costs for the American people and the federal government. If enacted, these reforms would generate hundreds of billions of dollars in savings for federal and state governments.



Promote meaningful transparency and accountability

- **Strengthen hospital and health plan price transparency** by requiring all hospitals and health plans to disclose their negotiated rates in dollars and cents; establishing standard report formatting, including a machine-readable format; eliminating reporting loopholes; requiring hospital executive attestation; and increasing penalties for noncompliance. **91% of Americans support.**³

- **Advance billing transparency reforms** that require off-campus hospital outpatient departments to use a separate identifier when billing to Medicare or commercial insurers to ensure large hospital systems do not overcharge for the care they deliver in outpatient settings. *(Estimated savings is \$403 million over 10 years).*⁴ **82% of Americans support.**⁵
- **Direct pharmacy benefit managers to report comprehensive and accurate data** about their business practices, including but not limited to revenue, price and utilization data resulting from their negotiations with drug manufacturers and contracts with insurers. *(Estimated savings is \$2.2 billion over 10 years).*⁶ **83% of Americans support.**⁷
- **Require Medicare Advantage insurers to submit high-quality and complete encounter data** to promote meaningful transparency in the Medicare Advantage program so the Centers for Medicare & Medicaid Services, lawmakers and the public understand to what extent the Medicare Advantage insurers are delivering affordable, high-value care. **82% of Americans support.**⁸



Reduce waste and inefficiencies driven by corporate health systems

- **Enact a comprehensive same service, same price (site-neutral) payment policy in Medicare** to reduce consolidation in hospital markets and stop health care corporations from charging inflated health care prices and shifting patients to higher-cost care settings. *(Estimated savings is \$157 billion over 10 years.)*⁹ **84% of Americans support.**¹⁰
- **Strengthen the Medicare Advantage payment system against health care industry gaming**, including the bid-benchmark and risk adjustment systems, to promote competition within the Medicare Advantage individual market and save hundreds of billions of dollars in wasteful Medicare spending. *(Estimated savings is \$772 billion to \$2.3 trillion over 10 years.)*¹¹ **79% of Americans support.**¹²
- **Close legal loopholes that allow drug companies to drive up the cost of prescription drugs** by reining in key patent abuses, such as patent thickets, product hopping and pay-for-delay practices to improve innovation and competition in the prescription drug market. *(Estimated savings is \$4.6 billion over 10 years.)*¹³ **87% of Americans support.**¹⁴
- **Reform physician payment so that providers profit from the quality of care they provide** and not from delivering high volumes of low-value care. This includes shifting physician payment away from broken fee-for-service economics and toward alternative payment approaches and improved quality measurement that promotes high-value care, including addressing rural health care issues by realigning health care payments with rural economics. **80% of Americans support.**¹⁵



Root out conflicts of interest that increase health care costs

- **Require greater transparency around the role of private equity and corporate ownership** in health care to ensure all Americans, including those in rural communities, have access to the health care they need at a price they can afford. **83% of Americans support.**¹⁶
- **Stop medical specialty societies from setting their own Medicare payment rates** that devalue primary care and chronic disease management by reducing the Centers for Medicare & Medicaid Services' overreliance on the American Medical Association's Relative Value Scale Update Committee (RUC) and establishing an alternative advisory committee to help determine physician payments in the Medicare physician fee schedule. **75% of Americans support.**¹⁷
- **Prohibit anticompetitive contracting terms** including between providers and insurers such as “all-or-nothing,” “antisteering,” and “antitiering” clauses in provider and insurer contracts and noncompete clauses in employee contracts that limit patient access to alternative sources of higher-quality, lower-cost care. *(Estimated savings is \$3.2 billion to \$194 Billion over 10 years.)*¹⁸ **78% of Americans support.**¹⁹
- **Reduce conflicts of interest among health plans that employ their own providers** by strengthening ownership transparency and medical loss ratio (MLR) requirements to prevent plans from subverting MLR rules and diverting health care dollars to increase profits at the expense of paying for lifesaving health care.²⁰ **80% of Americans support.**²¹
- **Ensure better integrity around tax-exempt status for “nonprofit” hospitals** that are exploiting rules to evade meeting their obligation under federal law to provide meaningful health improvements to the communities they serve and making health care unaffordable for America’s families and patients.²² **78% of Americans support.**²³



Provide direct relief to working families and patients

- **Extend enhanced premium tax credits** to ensure millions of working Americans and their families maintain access to affordable health care coverage. **73% of Americans support.**²⁴
- **Directly lower irrational health care prices** to ensure working families can access lifesaving hospital care and prescription drugs by implementing reference based

pricing or price caps that limit excessive commercial hospital prices to a percentage of Medicare and instituting an upper payment limit for high prescription drugs costs. *(Estimated savings is up to \$1.4 trillion over 10 years²⁵). 64% of Americans believe this policy is very effective.*²⁶

- **Lower the cost of prescription drugs** by protecting and enhancing Medicare negotiation for fair drug prices and extending the benefits of those lower prices to people who buy their insurance in the commercial market as well as reining in patent abuses that force Americans to pay higher drug prices than anyone else in the world. *(Estimated savings is \$205 billion to \$255 billion over 10 years.)²⁷ Up to 89% of Americans support.*²⁸
- **Strengthen and support implementation of the No Surprises Act** to ensure families are fully protected from out-of-network balance bills and increased premiums by extending protections to ground ambulance services, addressing industry abuses of the Independent Dispute Resolution process and defending the law from private-equity led attempts to weaken it. *(Estimated savings for protections on surprise ground ambulance bills is up to \$129 million a year)²⁹ 85% of Americans support.*³⁰

The time to act is now. Policymakers have a critical opportunity and responsibility to take concrete action and advance pro-consumer reforms to the health care system that improve transparency, promote healthy competition and curb industry abuses, while protecting the coverage safety net and providing needed relief to working families and patients across the country. **The American people are demanding relief.**

Endnotes

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- ³ Hart Research Associates, Families USA Online Survey: Study #15078. September 2025. https://familiesusa.org/wp-content/uploads/2025/10/102125_Families-USA-Online-Survey_Affordability_Final.pdf.
- ⁴ “Estimated Direct Spending and Revenue Effects of H.R. 5378, the Lower Costs, More Transparency Act: As posted on the website of the Clerk of the House on December 5, 2023,” Congressional Budget Office, December 8, 2023, https://www.cbo.gov/system/files/2023-12/hr5378-DS-and-Revs_12-2023.pdf.
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- ⁹ Options for Reducing the Deficit: 2025 to 2034 (Congressional Budget Office, December 2024), <https://www.cbo.gov/system/files/2024-12/60557-budget-options.pdf>.
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