

U.S. PIRG's Taming Health Care Costs Fact Sheet

The Problem:

In today's economy, America's families can't afford out-of-control health care costs.

- The cost of America's health care averages out to \$8160 for every man, woman, and child in America.
- 50 percent of the American public say the cost of health care is their number one economic concern.

There's a reason for these rising costs. Our health care system is structured to increase pharmaceutical and insurance industry profits, not to provide us decent, affordable care.

The Solution:

Enact health reform legislation that reins in runaway health spending and guarantees affordable health choices for all Americans

The Commonwealth Fund report, [Bending the Curve](#), found that, through a combination of policy reforms:

- America can save \$1.5 trillion in health care spending over the next ten years.
- The savings from each reform are increased when combined with the others.
- Savings increase when combined with guaranteed health care for all

U.S. PIRG proposes that Congress start with many of the Commonwealth Fund recommendations but go even further. Congress must mandate that all payers, including private insurers, adopt the following reforms.

Cut Wasteful and Expensive Insurance Bureaucracy

1. Require the adoption of one **common, simple enrollment form** for all insurers
2. Require that at least 85 cents of every private insurance premium dollar goes to health care, not administrative costs, executive compensation, or excess profits

Emphasize Cost-Saving Prevention Programs

3. Invest in proven, cost-effective **prevention and wellness programs**
4. Incentivize participation in **obesity reduction** and **tobacco control** programs that reduce future health care costs

Redesign Health Care So That Consumers Get the Care They Need at Fair Prices

5. Emphasize primary care over expensive specialty care through the **medical home model** and other forms of care coordination
6. Contribute to research that evaluates the **comparative effectiveness** of treatments
7. Incentivize provider adherence to **evidence-based standards of care** rather than unreliable and sometimes ineffective treatments
8. Mandate **disease management** approaches to chronic conditions like diabetes and heart disease

9. **Shared decision making:** help patients decide between alternative treatment options by requiring providers to educate consumers about alternatives

Cut Waste by Reforming How We Pay Hospitals and Doctors

10. Reform payment to reward providers for effective, quality care, not quantity of tests and procedures ordered
11. Use **multi-specialty groups** to deliver coordinated, efficient specialty care, when specialty care is necessary
12. Reduce costly, and deadly, medication errors through **electronic prescription systems in hospitals**
13. Phase-in the mandated adoption of **electronic medical records**, with adequate protections of consumers' privacy
14. Allow Medicare Part D to **negotiate lower, bulk prescription drug prices**

[1](#) Washington Examiner. "Report: Health care costs to top \$8000/person." February 24, 2009

[2](#) Wall Street Journal-NBC Poll on America's Economic Mood, Wall Street Journal, August 2, 2007