

Health Care Cost Containment: Getting It Right

<p>Core principles</p>	<p>Focus on private as well as public sector cost containment</p>	<p>Reduce low value public spending</p>	<p>Improve population health</p>
<p>How to do it</p>	<ul style="list-style-type: none"> • Create stronger purchasers • Reduce administrative waste 	<ul style="list-style-type: none"> • Payment reform • Delivery reform • Payment integrity 	<ul style="list-style-type: none"> • Target conditions with strong connection to public health spending (e.g. HIV, low birth weight, obesity, smoking)
<p>What the ACA already does</p>	<ul style="list-style-type: none"> • Exchange • Medical Loss Ratio • Rate review • “Cadillac Tax” 	<ul style="list-style-type: none"> • CMMI • OCHC • Payment integrity provisions • Limit Medicare and ACA subsidy <i>growth per beneficiary to GDP +1%</i> • Etc. 	<ul style="list-style-type: none"> • Prevention Fund • Childhood Obesity Demonstration Program
<p>What more can be done</p>	<ul style="list-style-type: none"> • Public option • All payer rate setting • Realign responsibilities and rewards for effective cost containment in Exchanges (similar to BHP and state flexibility waivers) • Change GME financing 	<ul style="list-style-type: none"> • Medicaid PAE • Additional Rx savings: <ul style="list-style-type: none"> ◊ Medicaid rebate for duals ◊ Medicare drug price negotiation (strong version) ◊ Ban “pay for delay” ◊ Speed biologics ◊ Strengthen IPAB 	<ul style="list-style-type: none"> • Sugar sweetened beverage tax