# Health Care Cost Containment: Getting It Right

## Core principles
- Target real cost drivers
- Avoid cost-shifting and unnecessary harm to patients, providers or state government

## Key approaches
- **Focus on private and public sector cost containment**
- **Reduce low value public spending**
- **Improve population health**

## Problem addressed
- High prices and administrative costs lead to higher U.S. health spending without adding value
- Expensive care that is avoidable or unnecessary and improper payments drive public health insurance spending
- The deteriorating health status of Americans must be addressed in the long run for cost containment efforts to succeed

## How to do it
- **Create stronger purchasers**
- **Reduce administrative waste**
- **Payment reform**
- **Delivery reform**
- **Payment integrity**
- **Target conditions with strong connection to public health spending**
  (e.g. HIV, low birth weight, obesity, smoking)

## Examples of what the ACA already does
- **Exchange**
- **Medical Loss Ratio**
- **Rate review**
- **Eliminate MA overpayments**
- **Improve payment integrity**
- **Limit Medicare and ACA subsidy growth per beneficiary to GDP +1%**
- **Change Medicare payment to incentivize good outcomes and avoid preventable admissions**
- **Implement discharge transition program**
- **Expand primary care in low-income communities**
- **Encourage new payment and delivery models**
- **Prevention Fund**
- **Childhood Obesity Demonstration Program**

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Community Catalyst is a national non-profit advocacy organization building consumer and community leadership to transform the American health care system.

www.communitycatalyst.org
### Examples of what more can be done

- All payer rate setting
- Expand primary care supply / modify GME
- Realign responsibilities and rewards for effective cost containment in Exchanges (building on the Basic Health and state flexibility waiver options)
- Public option

- Strengthen IPAB
- Medicaid payment reform—reduce potentially avoidable events
- Additional Rx savings:
  - Medicaid rebate for duals
  - Medicare price negotiation (strong version)
  - Ban “pay for delay”
  - Speed biologics

- Sugar sweetened beverage tax