

Building an Affordable & Sustainable Health Care System

Objective^[1]

The success of health reform depends on containing cost increases across the system. The Congress must have a means to verify whether the baseline cost assumptions on which reform is based are actually being achieved in an equitable fashion that protects vulnerable populations.

To ensure that fair, effective cost containment is achieved across the entire health care system, legislation should be amended to: (1) set national goals for reducing health care expenditure growth; (2) accelerate system-wide cost containment initiatives that expand pilots and improve health care delivery across public and private sectors; and (3) conduct an independent analysis of health system expenditures and trends to measure progress and (4) implement targeted enforcement should targets not be met. To that end, it is proposed that:

1. Specific Overall Health Cost Targets be Set for the System as a Whole and for Each Major Sector of the System

Option to achieve this:

- a. 2009-2018 National Health Estimates Projections minus 1½% per year, beginning in 2012. (The industry leaders' commitment to the White House) and
- b. CBO cost and savings assumptions upon which insurance premium projections were made.

2. How Progress is Measured

The Secretary of HHS should be responsible for measuring and reporting to Congress each year on actual cost experience by sector. The Secretary also would be required to recommend to Congress any changes that should be made in the targets due to technology, demographics, and other factors

3. What Happens if Targets Aren't Achieved?

If overall targets are missed (and then, only for the sector missing its targets):

- a. A sector-wide cost review process for the sector and rate review, and
- b. Specific recommendations to bring down costs

4. Who Does It?

Subject to Congressional oversight

- a. A Commission
- b. The Secretary of HHS or
- c. Another failsafe entity

^[1] This document reflects a consensus of the members of the National Coalition Health Care (NCHC) but some member groups do not, or cannot, take positions on specific pieces of legislation or policies outside their respective mission areas. Not every member of NCHC has a position on every recommendation made in this paper but all that can endorse broad policy positions support a systemic approach that addresses provider payment methods, delivery system reform, benefit design, and regulation as an interdependent and reinforcing set of initiatives to be implemented as a linked series of steps.