



**The America's Healthy Future Act
The Chairman's Mark Lowers Costs, Reduces the Federal Deficit and Controls Spending**

Health care reform isn't just a moral imperative, it's an economic necessity. In the last eight years, Americans have seen the cost of insurance increase nearly 80 percent, while wages have only increased 15 percent. And at the current rate of growth, health care spending will double in less than 10 years, taking \$1 out of every \$5 we spend. The facts are indisputable: our current system is simply not sustainable.

The Chairman's Mark takes a balanced, common sense approach to addressing our health care crisis and putting us back on a path toward fiscal sustainability by lowering health care costs, reducing the federal deficit and controlling health care spending.

- **Lowers Costs.** According to CBO, the Chairman's Mark effectively slows the growth of Federal health care spending. CBO estimates the Mark will lower premium costs by seven to eight percent for individuals and nearly seven percent for small businesses. And CBO estimates the Mark would lower costs for the federal government as well, predicting a downward trend of health care spending into future decades.
- **Reduces the Deficit.** According to CBO, the Chairman's Mark reduces the federal deficit by \$49 billion over the next 10 years and would continue to reduce the deficit by half a percent of the GDP in the following decade – roughly \$800 - \$900 billion.
- **Controls Spending.** The Chairman's Mark not only reduces costs, but also takes several steps to ensure individuals, small businesses, and government get the most value for the dollars they spend on health care.
 - Paying for quality, not quantity. Today's payment systems reward health care providers for delivering more care rather than better care, which drives up costs for everyone. The Chairman's Mark realigns payment incentives toward higher quality care, improving efficiency and reducing waste within the system.
 - Focusing on Wellness and Prevention. Today, our health care system focuses on treating sickness. The Chairman's Mark will change that focus to promoting wellness. Focusing on prevention and wellness will save money by allowing patients and doctors to detect and address health problems early when they are easier and cheaper to treat. The Mark will value primary care doctors more and increase their ability to help patients stay healthy, detect problems early, manage chronic conditions and serve their critical role in wellness and prevention, helping to cut long-term health costs for individuals.

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- Reducing Administrative Costs. Under the current health care system, patients and doctors are paying millions in unnecessary costs due to paperwork and red tape. The Chairman's Mark will establish a process to develop a common platform for similar administrative activities. Doctors and hospitals will no longer have to waste time and resources dealing with complex and variable procedures for basic administrative functions. This simplification will net savings for both doctors and patients.
- Tackling Fraud, Waste, and Abuse in the Health Care System. Fraud, waste and abuse in the current health care system costs more than \$60 billion each year. This accounts for at least three percent of total health care spending. Last year alone, better enforcement measures saved Americans more than \$16 billion. The Chairman's Mark will strengthen oversight, improve efficiency and increase penalties for fraud, which have been proven to save money.
- Strengthening Medicare. Sharply rising costs throughout the health system threaten Medicare's sustainability in the long-term. Medicare spending is growing rapidly for the same reasons that private health spending is growing: higher costs, faster growth in spending, and waste in the health care system. If these problems are not addressed, the Medicare Hospital Insurance trust fund will be insolvent by 2017. The Chairman's Mark includes several provisions to reduce the rate of growth in Medicare spending and extend the program's solvency without harming beneficiary access.
- Establishing an Independent Medicare Commission. The Chairman's Mark creates a 15-member, independent Medicare Commission tasked with presenting Congress with comprehensive proposals to reduce excess cost growth and improve quality of care for Medicare beneficiaries. In years when Medicare costs are projected to be unsustainable, the Commission's proposals will take effect unless Congress passes an alternative measure. Congress would be allowed to consider an alternative proposal on a fast-track basis. The Commission would be prohibited from making proposals that ration care, raise taxes, or change Medicare benefit or eligibility standards.

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