



## CONTROLLING HEALTH CARE COSTS

Finding savings in the current health care system is not just about paying for reform in the short-term — it is about controlling unsustainable health care costs in the long run or "bending the curve" on health care spending. We cannot keep adding patients to a broken system. Without controlling health care costs, families will continue to be burdened with higher premiums, businesses will be forced to drop coverage or lay off workers, and our national and state budgets will be fiscally unsustainable.

The Congressional Budget Office (CBO) estimates that the Medicare reforms in this bill will save more than \$500 billion over the next ten years. In addition, many of the reforms to the health care system are designed to create long-term savings — like preventive care and research — but will not be counted by CBO. All of these reforms are critical to the long-term sustainability of our health care system.

### PROMOTING MORE EFFICIENT DELIVERY OF HEALTH CARE

Delivery reform means making sure that the right patient gets the right treatment at the right time in the most efficient way possible. This bill includes reforms in Medicare that will reward the *quality* of care, not the *quantity* of care. Affordable Health Care for America Act:

- Creates incentives to reduce preventable hospital readmissions. Those incentives reward transition planning and coordination for patients who move from a hospital back home or to another facility;
- Encourages the formation of Accountable Care Organizations that allow hospitals and doctors to work together to manage and coordinate care;
- Advances "bundling" payment methodology under which one payment would be made — rather than separate payments — to any combination of physicians, acute or post-acute providers;
- Promotes patient-centered medical homes that encourage primary care providers to manage and coordinate their patients' care over time;
- Ensures that physicians and nurses have access to the most accurate and up-to-date research when making treatment decisions;
- Builds productivity adjustments into provider payment systems — encouraging providers to improve efficiency on pace with the rest of the economy.

### IMPROVING ACCURACY AND ELIMINATING WASTE, FRAUD AND ABUSE

In trying to get health care costs under control, it's important that we know what we're paying for. That means cracking down on waste, fraud, and abuse, and making sure that payments are made accurately and for the right services and coverage. Affordable Health Care for America Act:

- Improves screening and requires providers and suppliers to adopt compliance programs as a condition of participating in Medicare and Medicaid;
- Increases funding for the Health Care Fraud and Abuse Control Fund to fight Medicare and Medicaid fraud;

- Eliminates wasteful overpayments to Medicare Advantage plans that increase private plan profits, not patient care;
- Improves payment accuracy for numerous other providers, following recommendations by the non-partisan Medicare Payment Advisory Commission;
- Requires drug and device companies to disclose their payments to physicians to reduce excessive utilization of services.

### UTILIZING PREVENTION AND WELLNESS PROGRAMS

Benjamin Franklin was right—“An ounce of prevention is worth a pound of cure.” Prevention and wellness programs will help Americans live longer, healthier lives, and help reduce the need for more costly treatments of health conditions later in life. Affordable Health Care for America Act:

- Eliminates patient co-pays for preventive services in Medicare, Medicaid, and private plans;
- Creates community-based programs that deliver prevention and wellness services;
- Creates a new grant program to encourage small employers to develop employee wellness programs;
- Invests in the science of prevention so that physicians know which preventive treatments work best.

### STRENGTHENING PRIMARY CARE

Primary care providers can provide lower-cost and higher-quality care for many ailments. Affordable Health Care for America Act:

- Improves payments for family doctors and other primary care providers;
- Increases training of primary care doctors;
- Expands Community Health Centers;
- Encourages physician training outside the hospital, where most primary care is delivered.

### PROMOTING MARKET COMPETITION

Insurance reforms and the Health Insurance Exchange will promote healthy competition in the market. Affordable Health Care for America Act:

- Implements insurance reforms and standardized benefit packages that will require insurers to compete on the basis of price and quality, not on the basis of the medical underwriting of sicker patients.
- Establishes the Exchange, a transparent marketplace that replaces today’s dysfunctional small group and individual market, to lower administrative costs and provide incentives to insurers to maintain lower premiums in order to attract millions of Exchange enrollees.
- Injects further competitive pressure into the Exchange by adding a public health insurance option in many markets that have little competition. The public option will be a low cost, transparent insurance option that can exert price pressure on all other plans in the Exchange.
- Discourages excessive price increases by insurance companies by requiring disclosure and justification of insurance rate increases.
- Promotes competition among health insurers and medical malpractice insurers by removing the antitrust exemption so that it no longer shields them from liability for price fixing, dividing up territories, or monopolizing their market.