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United States Senate

COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS

WASHINGTON, DC 20510-6300

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<http://help.senate.gov>

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James C. Capretta
Resident Fellow and Milton Friedman Chair
American Enterprise Institute
1789 Massachusetts Ave., N.W.
Washington, DC 20036

Paul B. Ginsburg, Ph.D.
Director, Center for Health Policy
Brookings
1775 Massachusetts Ave., N.W.
Washington, DC 20036

Dear Mr. Capretta and Dr. Ginsburg,

I am writing to ask for your specific recommendations to help address America's rising health care costs. The Senate Committee on Health, Education, Labor and Pensions (HELP) I chair has held five hearings on the cost of health care and heard from Americans from across the country – from Alaska to Tennessee – that health care costs are a growing burden on taxpayers, employers, and family budgets.

At a hearing in July, we heard a startling estimate from our witness, Dr. Brent James, a member of the National Academy of Medicine, who said that 30 percent, and probably over 50 percent, of all health care spending in America is unnecessary. That means that American taxpayers, patients, and businesses are wasting as much as \$1.8 trillion a year. A number of witnesses corroborated Dr. James' estimate, pointing to causes such as excessive and duplicative federal reporting requirements on doctors and hospitals and a lack of accessible information on health care costs and quality.

I am sending this request to additional experts including economists, doctors, nurses, patients, hospital administrators, state lawmakers, governors, employers, insurers, and health care innovators, on what steps the next Congress should take to address America's rising health care costs as well as any steps we can recommend that the Trump Administration or state governments should take.

For the last eight years, Republicans and Democrats have been locked in a stalemate over the cost of insurance in the individual health insurance market, where six percent of all Americans with health care purchase their insurance. This is an important part of the discussion, but it puts the spotlight in the wrong place. The hard truth is that we will never get the cost of health insurance down until we get the cost of health care down.

This is why the HELP Committee has been holding hearings on how to reduce administrative burdens; how to reduce what we spend on unnecessary health care tests, services, procedures, and prescription drugs; how to reduce the prices of health care goods and services; how to make available more information on the cost and quality of care; and how the private and public sectors have been able to lower health care costs.

I am especially interested in trying to bring to the health care system the discipline and cost saving benefits of a real market. Too many barriers to innovation drive up costs. And most Americans have no idea of the true price of the health care services they buy – which also drives up costs.

I request that you provide written responses to the below questions by email to LowerHealthCareCosts@help.senate.gov by March 1, 2019:

1. What specific steps can Congress take to lower health care costs, incentivize care that improves the health and outcomes of patients, and increase the ability for patients to access information about their care to make informed decisions?
2. What does Congress or the administration need to do to implement those steps? Operationally, how would these recommendations work?
3. Once implemented, what are the potential shortcomings of those steps, and why are they worthy of consideration despite the shortcomings?

Thank you for your consideration and attention to this request.

Sincerely,



Lamar Alexander
Chairman