

AFFORDABILITY SOLUTIONS FOR THE HEALTH OF AMERICA

Everyone deserves peace of mind when it comes to their health care. Over the last 20 years, the United States has made great strides in expanding access to health insurance with nearly 93% of Americans now covered—a historic high¹. However, as health care costs continue to grow, American families, businesses and hardworking taxpayers continue to pay more.

The reason for this affordability crisis is clear: rising prices for health care services and prescription drugs. According to the Health Care Cost Institute, commercial health care prices increased by 14% from 2018-2022—with underlying prices of care being the primary driver of higher health care spending².

In January 2023, BCBSA released its [Affordability Solutions for the Health of America](#). BCBSA recommended policymakers take strong action in three areas to help attack the root causes of rising costs and save patients and taxpayers more than \$750 billion:

- Improve competition among health care providers.
- Enhance consumer access to lower-cost and equally effective prescription drugs.
- Ensure patients receive high-quality care delivered at the right place and the right time.

Building on this platform, we have added new solutions that further address the affordability crisis, by driving more market competition to bring down the skyrocketing costs of pharmaceuticals; delivering reasonable hospital billing; and expanding value-based care in Medicare to improve quality outcomes.

These solutions could generate nearly \$1 trillion in scoreable savings over the next 10 years: lower premiums for consumers, lower out-of-pocket spending for patients, and lower costs for hardworking taxpayers. We are committed to working with President Trump and Congress to deliver real solutions for affordable health care.

The table on the reverse summarizes the estimated savings.

BCBSA'S AFFORDABILITY SOLUTIONS COULD GENERATE NEARLY
**\$1 TRILLION IN SCOREABLE SAVINGS OVER
THE NEXT TEN YEARS**

1. CBO's June 2024 Projections of Health Insurance Coverage, <https://www.cbo.gov/system/files/2024-06/51298-2024-06-healthinsurance.pdf>

2. Health Care Cost and Utilization Report (HCCUR), HCCI (2022), https://healthcostinstitute.org/images/pdfs/HCCI_2022_Health_Care_Cost_and_Utilization_Report.pdf

PROPOSAL	Combined Estimated Savings (2026-35)
1. Adopt Medicare site-neutral payment policies such that providers receive the same payment for services commonly provided in physicians' offices, regardless of the site-of-service.	\$484 billion
2. Require unique provider identifier of off-campus hospital outpatient departments that is separate from the identifier used for on-campus services. ³	\$11 billion
3. Expand antitrust enforcement of provider mergers.	\$78 billion
4. Prohibit anti-tiering provisions in contracts between providers and payers.	\$16 billion
5. Facilitate the entry of generic biosimilar drugs by prohibiting or constraining "pay for delay"; reform "citizen petitions"; limit patent infringement claims, and "exclusivity parking".	\$53 billion
6. Shorten the exclusivity period for biologics from 12 years to 7 years.	\$134 billion
7. Eliminate the tax-deductibility of spending on direct-to-consumer drug advertising for manufacturers.	\$137 billion
8. Require hospitals to report administrative costs relative to new standards for cost efficiency.	\$40 billion
9. Require provider participation in two-sided value-based care arrangements in Medicare.	\$54 billion
10. Require the use of 340B modifiers on all medical benefit and pharmacy benefit claims across all markets to improve transparency in this program.	*
TOTAL	\$996 billion⁴

* Not estimated given difficulty of modeling impact. See full analysis for details on the proposal.

3. Due to potential overlap between proposals (1) and (2), proposal (2) is not included in the totals to prevent double-counting

4. To avoid double-counting of savings when combining the three figures, it is necessary to subtract the effects of reductions in private insurance premiums on the federal budget – that is, to subtract 25 percent of the savings on private premiums from the sum of the three components. Note also that the figures for OOP savings include reductions in premiums for Medicare enrollees.