



**CONSUMERS F1RST**

The Alliance to Make the Health Care  
System Work for Everyone

Fighting to Put People's Interests at the Center of Health Care Payment and Delivery:  
A Critical Opportunity

# Agenda

- ❖ Overview of Consumers First
- ❖ Inpatient Prospective Payment System (IPPS) proposed rule
  - ❖ Opportunity to Share Feedback with the Federal Government
  - ❖ Overview of Consumers First's Feedback
- ❖ Q&A

# Consumers First: The Alliance to Make the Health Care System Work for Everyone

## Overview

- A coalition that brings together the powerful interests from consumers, children, employers, labor unions, and primary care to change the fundamental economic incentives and design of the health care system to deliver health and high-value care for all.
- Our work is to realign the incentives and design of health care so that the system truly delivers the health and high-value health care that all families across our nation deserve.

## Objectives

- Introduce and pass legislation that moves *Consumers First* policy agenda forward
- Influence rulemaking process to move *Consumers First* policy agenda
- Build broad coalition focused on targeted policy areas
- Deliver results for our organization's members and stakeholders

# Consumers First: Steering Committee



# The Problem: U.S. Health Care Costs are Crippling Families

- The Cost of American health care is a profound economic problem and an urgent public health problem.
  - 44 percent of public didn't see a doctor when they needed to because of the cost.<sup>1</sup>
  - 30 percent report medical care interferes with their basic needs (food, housing, heat, etc.)<sup>1</sup>
  - 74 percent of the public feel that we do not get good value from the U.S. health care system.<sup>1</sup>
- Despite best efforts by policymakers, providers, academics, and advocates, health care prices continue to rise without commensurate improvement in quality.
- Missing from existing efforts to address value in the health care system is a unified coalition representing employers, labor unions, primary care, children and consumers, all working together with a unified voice to insert consumers' interests into policy development on health care payment and delivery.
- *Consumers First* is working to fix our broken health care system by addressing factors that lead to unaffordable health care and dismal health care quality, such as how health care is paid for.

## Sources:

1. Americans' Views on Healthcare Costs, Coverage and Policy. Conducted by NORC at the University of Chicago. with funding from The West Health Institute Interviews: 2/15-19/2018. Available at: <http://www.norc.org/PDFs/WHI%20Healthcare%20Costs%20Coverage%20and%20Policy/WHI%20Healthcare%20Costs%20Coverage%20and%20Policy%20Topline.pdf> .

# The Opportunity: Sign-on to Federal Comment Letter

- The federal government has released its annual updates to the regulation that determines how hospitals are paid for inpatient services, referred to as the *Hospital Inpatient Prospective Payment System* (IPPS) proposed rule.
  - The federal government is seeking feedback and input from the public on the ways they are planning to organize health care payment and delivery for hospitals in 2021 and beyond.
- *Consumers First* has analyzed the federal government's proposal and has written a comment letter detailing our feedback.

## The Ask

- Join our efforts to ensure that consumers' interests are inserted into health care payment and delivery policies by **signing on to our comment letter to the federal government.**

### Sources:

1. Americans' Views on Healthcare Costs, Coverage and Policy. Conducted by NORC at the University of Chicago. with funding from The West Health Institute Interviews: 2/15-19/2018. Available at: <http://www.norc.org/PDFs/WHI%20Healthcare%20Costs%20Coverage%20and%20Policy/WHI%20Healthcare%20Costs%20Coverage%20and%20Policy%20Topline.pdf> .

## Why Sign-On to the Consumers First Letter?

- The COVID-19 pandemic highlights the many ways in which our current health care system is failing. This is an important opportunity to share our collective expertise with people in the Administration who have the ability to make meaningful changes.
- Submitting a comment letter to the federal government creates a legal obligation for the Trump Administration to consider and respond to our feedback.
- Virtually every hospital and hospital association in the country will be sending a letter to the federal government representing their interests. The government should also receive feedback supporting the interests of families, children, workers and employers.

# Overview of Feedback to Federal Government: *Health Equity*

**Problem:** Millions of people live with the burden of poor health who systematically cannot access the right care at the right time and who receive low quality care.<sup>1</sup>

- Health care payment and delivery is not designed to address or reduce longstanding health disparities. The health care system is not accountable for the many ways in which it is providing poor quality care and resultant poor health to communities of color, those with low incomes, people with disabilities and people living in distressed neighborhoods.<sup>2</sup>
- COVID-19 pandemic has further unveiled harsh realities of existing disparities in U.S. health and health care where Black, Latino and Native American communities have experienced significantly higher rates of infection and death.<sup>3</sup>

**Solution:** A critical first step to reduce health disparities is to require the health care system to collect and report information on the quality of care provided based on race, ethnicity, primary language, geographic location, socioeconomic status, gender identity, sexual orientation, age, and disability status.

## Sources:

1. Institute of Medicine, Best Care at Lower Cost: The Path to Continuously Learning Health Care in America (Washington, DC: The National Academies Press, 2013), available online at <https://www.nap.edu/catalog/13444/best-care-at-lower-cost-the-path-to-continuouslylearning>

2. Kenan Fikri and John Lettieri, The 2017 Distressed Communities Index (Washington, DC: Economic Innovation Group, 2017), available online at <http://eig.org/wp-content/uploads/2017/09/2017-DistressedCommunities-Index.pdf>. 3. Amber Hewitt, Eliot Fishman, Winnie Luo, Lee Taylor-Penn. "The Fierce Urgency of Now: Federal and State Policy Recommendations to Address Health Inequities in the Era of COVID-19". May 2020. Available at: [https://familiesusa.org/wp-content/uploads/2020/05/HE\\_COVID-and-Equity\\_Report\\_Final.pdf](https://familiesusa.org/wp-content/uploads/2020/05/HE_COVID-and-Equity_Report_Final.pdf)



# Overview of Feedback to Federal Government:

## *Price and Quality Transparency*

**Problem:** Consumers, workers and employers are unable to find out how much they are paying for health care until after health care services have been furnished.

- Information about the cost and quality of health care is hidden in proprietary contracts between health plans and hospitals.
- Although health plans and hospitals negotiate directly on health care prices, consumers and employers ultimately pay for health care provided through insurance premiums, deductibles and co-pays, and yet we have no insight into the underlying prices or the way health care prices are being set behind closed doors.

**Solution:** Require the health care system to report on the price and quality of health care services so that consumers, workers and employers know the cost and quality of care before they receive health care services.

# Overview of Feedback to Federal Government:

## *Restore Competitive Health Care Markets*

**Problem:** Increased consolidation of hospitals and health plans is directly correlated with high and rising health care costs and is a significant driver of the U.S. health care cost crisis. There are few truly competitive health care markets left.<sup>1</sup>

- The Federal government is considering making a change to how Medicare pays hospitals by using prices determined in the private market.
- Health care prices are the result of negotiations between insurers and hospitals who are battling for more market power that allows them to get their desired price—a practice that runs directly counter to the interests of families, children, workers and employers.
- Health care prices determined by consolidated markets reward those entities with higher market power and further entrench the underlying distortions that drive low-value care for families, children, workers and employers.

**Solution:** Do not use prices established in consolidated markets to make changes to Medicare payment. Instead, consider regulatory approaches to address market consolidation in an effort to restore competitive health care markets in the U.S.

#### Sources:

1. . Bela Gorman, Don Gorman, Jennifer Smagula, John D. Freedman, Gabriella Lockhart, Rik Ganguly, Alyssa Ursillo, Paul Crespi, and David Kadish, Why Are Hospital Prices Different? An Examination of New York Hospital Reimbursement, New York: New York State Health Foundation, December 2016, <https://nyshealthfoundation.org/wp-content/uploads/2017/11/an-examination-of-new-yorkhospital-reimbursement-dec-2016.pdf>.

## Join Our Comments

- To read and sign onto our comments, click the link in the chatbox, <https://bit.ly/2VhPXK2>, or email [STripoli@familiesusa.org](mailto:STripoli@familiesusa.org)
- Deadline to join the comment letter is Friday, July 3 by 5pm ET.



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**FAMILIESUSA**  
THE VOICE FOR HEALTH CARE CONSUMERS



AMERICAN ACADEMY OF  
FAMILY PHYSICIANS  
STRONG MEDICINE FOR AMERICA

  
AMERICAN BENEFITS  
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