

Making Health Care More Affordable



The U.S. health care system leads the world in quality and innovation, but increasingly, patients, employers and taxpayers are finding it unaffordable.

Hospitals are the backbone of the health care system. They provide 24/7 access to the highest acuity care, train the next generation of clinicians and lead the development of life-saving innovation. They support patients and communities at every stage of life. Delivering on their unique promise to always be there to care requires resources. Even so, hospitals remain deeply committed to making health care more affordable.

Realizing genuine affordability gains will necessitate collaboration among all stakeholders, we call on purchasers, policymakers, technology companies, drug and supply manufacturers, and individuals to collaborate with us in these efforts.



What's Driving Health Care Costs?



MORE PATIENTS WITH GREATER COMPLEXITY

More people are seeking care, and they are increasingly sicker when they do — driving demand for higher-acuity services.



HEALTH CARE IS INHERENTLY HUMAN WORK

Millions of trained nurses, doctors, and technicians deliver care that cannot be easily replaced by robots or AI.



SOARING INPUT COSTS — LED BY DRUGS

Many drugs cost tens or hundreds of thousands of dollars per patient. Equipment, IT and cybersecurity costs are also rising rapidly.



ADMINISTRATIVE BURDEN & MIDDLEMEN

Limitless insurance variation forces hospitals to spend billions simply to verify coverage, obtain authorizations and process claims.



CORPORATE INSURERS SHIFTING COSTS TO PATIENTS

High-deductible health plans and growing co-insurance requirements are pushing more of the financial burden directly to patients.



INADEQUATE PAYMENT FOR ESSENTIAL SERVICES

Medicare and Medicaid pay below cost, and more than half of hospital costs tie to services where reimbursement falls short — including maternity care, behavioral health and pediatrics.

Recommendations to Improve Affordability

These high-impact recommendations address structural change in how care is financed, delivered, coordinated and supported. They are focused on reducing total cost of care, not simply shifting costs among stakeholders.

➤ Expand Access to Primary Care & Prevention

Earlier access reduces downstream spending tied to avoidable emergency department use, preventable hospitalizations and unmanaged chronic disease.

➤ Reduce Administrative Friction

Eliminate unnecessary, outdated and duplicative regulatory and administrative requirements that impose cost without improving care.

➤ Improve Transparency of Pricing Information

Patients need access to understandable, timely information about the cost of their care before they receive it.

➤ Standardize Insurance Exchange & Claims

Uniform transactions between providers and payers would reduce duplication, lower administrative cost, and speed coverage and payment decisions.

➤ Protect Patients from Catastrophic Costs

Coverage and tax reforms should ensure that serious illness or injury does not push families into financial crisis.

➤ Shift Patient Cost-sharing to Health Plans

Health plans are better positioned to collect cost-sharing they design — relieving providers of administrative burden and protecting the patient-provider relationship.

➤ Strengthen ACOs & Value-based Care

Shift from fragmented, volume-driven care toward better outcomes at lower cost, especially for complex patient populations.

➤ Increase Access to Lower-cost Generic Drugs

Expanding access to cost-effective generic alternatives reduces spending for patients, employers and public programs without compromising outcomes.

➤ Reform the Medical Liability System

A more balanced liability framework reduces defensive medicine, lowers legal costs and supports high-value clinical decision-making.

➤ Expand Predictive Analytics & Early Detection

Earlier detection and intervention improve outcomes and reduce avoidable long-term costs across the care continuum.

Hospitals are committed to making health care affordable and accessible. We are providing solutions and calling on all stakeholders to work together.