CAP ACTION Center for American Progress Action Fund

A Patient's Bill of Rights to Lower Health Care Costs

State-focused Messaging on Reducing the Cost of Health Care for Americans

Americans are feeling the heavy burden of health care costs. While broader structural reforms remain important, the Center for American Progress believes states can start taking actions to restore accountability and reduce costs.

Current Public Opinion on Healthcare

The old debate about the structure of our health system is less important than making health care more affordable as soon as possible. The core complaint is cost rather than access.

What concerns you more about your health insurance?

Health insurance premiums are too expensive	**71%**
Deductibles or copays are too expensive	**68%**
Prescription drug costs are too high	**64%**
I delay seeking care because of concerns about cost	**53%**
My insurance company denies my claims or delays care	**44%**
I can't find coverage that matches my needs	**40%**
I need to travel a long distance or wait a long time in order to get the care I need	**38%**
I ration medication because of cost	**36%**
My preferred doctor isn't covered	**34%**

71% say premiums are too high

68% are satisfied with their coverage

Policy proposal:	**Support**	**Percentile**
Crack down on price gouging by providing rebates	66%	**95%**
Reform prior authorization	64%	**91%**
Stop excessive premium increases	63%	**89%**
Restrict outlier hospital prices	62%	**88%**
Expand drug price negotiation	62%	**86%**
Crack down on price gouging	62%	**86%**
Ban prior authorization	59%	**78%**
Public option	**58%**	**74%**
Medicare replacing private insurance	**48%**	**19%**

The most popular short-term cost-reduction policies are not at odds with structural reform – but voters want relief now, not years from now

Political Implications

Health care costs are an immense vulnerability for the Trump administration

State-level opportunity:

- **Just 14% of voters** think Trump and Republicans in Congress are actually focused on health care.
- Voters overwhelmingly blame insurance and pharmaceutical companies for high health care costs; **47%** blame the federal government, and only **33%** blame state and local governments.
- **State leaders are far less implicated in the problem than federal actors** and can position themselves as the ones fixing the mess rather than having caused it.
- Expiring ACA enhanced tax credits present an added opportunity to reduce costs at the state level.

–31

Trump net approval on health care costs: Lower than on abortion, democracy, civil rights, or housing.

Net approval is even lower among key voter groups:

- ages 30–44 (–40 net)
- Black voters (–65)
- independents (–43)
- low-income voters (–39)

A Patients' Bill of Rights to Lower Health Care Costs

The cost of health care per person in the United States is nearly twice that in peer countries. Health care affordability has become one of the most pressing challenges facing American families.

While broader structural reforms remain important, families need immediate relief from rising health care costs and other barriers to accessing care.

CAP's targeted reform agenda would:

1. Limit excessive premium increases
2. Lower deductibles by capping outlier hospital prices
3. Prevent price gouging by health insurance companies
4. Ban and replace prior authorization

1. Cap Excessive Premium Increases

Strengthen Oversight of Health Insurance Premium Increases

- Current premium review standards are too weak to prevent unjustified rate hikes.
- Federal review generally applies only to proposed premium increases exceeding 15%.
- Regulators can identify excessive increases but often lack authority to modify or reject them.

CAP Proposed State Actions:

- Empower regulators to reject excessive premium hikes.
- Increase transparency around premium growth.
- Require public input on major rate increases.
- Align premium growth with wages and inflation.

2. Lower Deductibles by Reducing Outlier Hospital Prices

Addressing A Primary Pain Point & the Elephant in the Room

- Commercial insurers and employers pay hospitals an average of 2.5 times Medicare rates.
- Hospital prices vary dramatically, often without corresponding differences in quality or outcomes.

CAP Proposed State Actions:

- Establish health care cost growth benchmarks.
- Use state purchasing power to negotiate lower hospital prices.
- Regulate hospital prices, limiting them to a percentage of Medicare reimbursement rates.

3. Prevent Price Gouging by Health Insurance Companies

Fully realize the Medical Loss Ratio's Potential

- The ACA's Medical Loss Ratio (MLR) requires insurers to spend 80–85% of premiums on medical care.
- Current rules tie profits to premium revenue, creating incentives to increase both premiums and spending.
- Insurers can increase profits even when the percentage spent on care remains unchanged.

CAP Proposed State Actions:

- Set higher medical loss ratios.
- Require annual public reporting of administrative costs.

4. Ban and Replace Prior Authorization

New framework to manage utilization

- Originally intended as a targeted tool to prevent unnecessary care, prior authorization now fuels significant administrative costs for both insurers and providers and is one of the largest sources of excess health care spending.

CAP Proposed State Actions:

- Eliminate prior authorization for certain services (e.g. primary care, behavioral health, etc.)
- Standardize prior authorization forms.