

## HILLARY CLINTON'S PLAN FOR LOWERING OUT-OF-POCKET HEALTH CARE COSTS

*Hillary Clinton will lower out-of-pocket spending on deductibles and copays so  
Americans can see rising take-home pay*

Hillary Clinton has defined the central economic challenge of our time as getting incomes rising for hard-working Americans. But for too many, their out-of-pocket medical costs are growing much faster than their wages, meaning too much of their hard-earned take-home pay goes to paying deductibles, copays and coinsurance for medical expenses.

New results from a Kaiser Family Foundation [survey](#) released just yesterday found that the average deductible this year is \$1,318 for single coverage – and has *grown seven times faster than workers' wages* since 2010. The Commonwealth Fund [reported](#) that 31 million people face excessive out-of-pocket costs compared to their income, with half of them reporting problems with medical bills or debt, and more than 40 percent reporting not getting needed care because of cost.

While it is true that national health expenditures have grown more modestly in the past few years, and many employers have experienced comparative savings, working Americans have not seen similar savings in their own pockets. Hillary Clinton has a plan to change that. Her plan will build on the Affordable Care Act to reduce cost-sharing for ordinary doctor visits, and create a new tax credit for Americans facing excessive out-of-pocket costs. In combination with new limits on out-of-pocket and drug costs for American families, her plan will make sure that Americans see the out-of-pocket savings they deserve.

### LOWER OUT-OF-POCKET COSTS FOR HARD-WORKING AMERICANS

- **Build on the Affordable Care Act and require plans to provide three sick visits without counting toward deductibles every year.** The Affordable Care Act required nearly all plans to offer many preventive services, such as blood pressure screening and vaccines, with no cost-sharing at all. But because average deductibles have more than doubled over the past decade, many Americans would have to pay a significant cost out-of-pocket toward their deductible if they get sick and need to see a doctor. Hillary Clinton's plan will build on the Affordable Care Act by requiring insurers and employers to provide up to three sick visits to a doctor per year without needing to meet the plan's deductible first. No one should have to worry about paying large out-of-pocket costs when they get sick and need a checkup during the year, whether it's a common cold or a more harmful illness. A person with private coverage could save over \$100 per year.
- **Provide a new, progressive refundable tax credit of up to \$5,000 per family for excessive out-of-pocket costs.** For families that still struggle with prescription drug costs even after out-of-pocket limits on drug spending and free primary care visits, Clinton's plan will provide progressive, targeted new relief. Americans with health

coverage will be eligible for a new refundable tax credit of up to \$2,500 for an individual, or \$5,000 for a family, available to those with substantial out-of-pocket health care costs. The credit will be available to insured Americans with qualifying out-of-pocket health expenses in excess of five percent of their income, and who are not eligible for Medicare or claiming existing deductions for medical costs. This refundable, progressive credit will help middle-class Americans who may not benefit as much from currently-available deductions for medical expenses. This tax cut will be fully paid for by demanding rebates from drug manufacturers and asking the most fortunate to pay their fair share.

**GUARANTEE TRANSPARENCY AND ENFORCE NEW CONSUMER PROTECTIONS TO HELP AMERICANS SAVE MONEY AND AVOID SURPRISE HEALTH BILLS**

*Americans Want Greater Health Care Price Transparency:* According to a [recent Kaiser Family Foundation survey](#), more than half of Americans say that making information about the prices of doctor's visits and procedures is a top priority. Every American should have the right to timely, affordable care from their health plan – and should never be surprised by an out-of-network bill for hundreds or thousands of dollars at their hospital, especially as emergencies can happen anywhere and at any time. The Affordable Care Act established promising advances in transparency, but we must do more to shine a light on health care prices and allow for a more consumer-friendly way to understand the costs of health insurance – so that middle class families can get the best possible value for their money.

- **Protect Americans from surprise medical bills.** Under Hillary Clinton's plan, Americans will benefit from expanded disclosure requirements and new cost-sharing protections that will ensure they will be required to pay no more than in-network cost-sharing for any care received in a hospital in their plan's networks and for any emergency services in a true emergency. Americans should never be surprised by an unexpected medical bill, especially in moments when health is their greatest concern.
- **Enforce and Broaden the ACA's Transparency Provisions.** Americans deserve real-time, updated, and reliable information to guide them in selecting a health plan, navigating changes to their out-of-pocket costs in their existing plan, choosing a doctor, and determining how much they will need to pay for a prescription drug. Hillary Clinton's plan will vigorously enforce existing law under the Affordable Care Act and adopt further steps to make sure that employers, providers, and insurers provide this information through clear and accessible forms of communication so that Americans can make informed choices about their coverage and realize meaningful savings.

## FIGHT BACK AGAINST EXCESSIVE PREMIUM HIKES BY INSURANCE COMPANIES

*Elevated concentration and market power in the health industry threatens consumers with higher costs.* As a result of insurance company and health care provider consolidation in recent years, market concentration is rising on both sides of the health care system. According to the [Government Accountability Office](#), across the individual, small employer, and large employer markets, “the three largest insurers had at least 80 percent of the total enrollment in at least 37 states. In more than half of these states, a single insurer had more than half of the total enrollees.” And careful studies have shown that mergers leading to higher market concentration can raise premiums for consumers.

Hillary Clinton believes that we should be vigilant to prevent consolidation that harms consumers through higher prices or lower-quality care. While doctors, hospitals, and other segments of the health care industry coming together to coordinate care can improve value for patients in many cases, we need to be careful to prevent market concentration from holding consumers back.

- **Strengthen authority to block or modify unreasonable health insurance rate increases.** Hillary Clinton’s plan would create a fallback process for states that do not have the authority to modify or block health insurance premium rate increases. This would help prevent insurance companies from imposing excessive, double-digit rate increases without a clear justification – helping keep premiums lower for Americans.
- **Vigorously enforce antitrust laws to scrutinize mergers and ensure they do not harm consumers.** For several years, consolidation and mergers have risen in the health industry – both on the provider side and on the insurer side. Mergers should be beneficial for consumers. Hillary Clinton will appoint regulators and ensure full funding so that America’s antitrust authorities have the resources and vigor to monitor the changing industry landscape and to move quickly to investigate mergers or business practices that could harm consumers.

## CONTINUE PROGRESS OF THE ACA IN LOWERING OVERALL HEALTH CARE SPENDING AND COSTS

- **Reduce health care costs by building on delivery system reforms that reward value and quality.** In order to keep costs down and improve quality, Hillary Clinton will demand that our health care system provide value to every American, whether they’re enrolled in Medicare or Medicaid, in employer-sponsored coverage, or on the Marketplaces. That means we need to continue to shift away from the “fee for service” payment system that rewards providers who prescribe excessive tests and unnecessary procedures, driving up costs without quality. And it means we need to

aggressively root out fraud and abuse that hurts Americans, and adds to taxpayer costs. The health care system needs to reward value-driven care. We need to implement new and expand existing systems that pay for an entire episode of care or “bundle,” or those that incentivize doctors and hospitals to coordinate care in an Accountable Care Organization, so that providers are responsible for offering the best possible care at the highest value to patients – rather than letting costs rise higher and higher without more effective care. Clinton is committed to building on the Affordable Care Act and the Obama Administration’s reforms that expand value-based delivery system reform in Medicare and Medicaid. She will propose public-private efforts that incentivize employers and insurers to work to expand these proven payment models to other sources of coverage so every American can benefit. In the coming months, she will provide full detail on her plans for delivery system reforms that drive down costs.

- **Encourage the next generation of health innovation and entrepreneurship.** Hillary Clinton is committed to expanding access to high-quality data on cost, care quality, and health delivery system performance to help patients and doctors make informed choices and entrepreneurs build new products and services, making our health care markets more price and quality transparent as well as efficient – with careful protections for privacy and security. Innovative entrepreneurs are at the cutting edge of our health system, letting Americans monitor their heart rhythms and count their calories, matching patients with doctors, making prices more transparent and easier to understand for consumers, and even offering new ways of providing health insurance coverage that are accessible and affordable. Clinton understands that improving our health system takes innovation far beyond the federal government – and wants to leverage public and private resources when possible to encourage entrepreneurship that improves the healthiness and security of every American.