



Health Care on the Ballot:

Taking On Corporate Greed in Our Health System

The future of our nation's health and health care is at stake in this election, across the states, for the 119th Congress, and in the White House. Critical opportunities are on the line, including addressing how the greed of big health care corporations is threatening the health and financial security of all families living in America.

Americans are facing a health care affordability and quality crisis:

- » More than 100 million Americans are saddled with medical debt;¹
- » One quarter of all Americans forgo medical care due to the high cost and struggle to pay for needed prescription medications;² and
- » One third of Americans indicate that the cost of medical services interferes with their ability to secure basic needs like buying groceries and paying rent.

Every American knows that we pay too much for the health care we get, but many don't know WHY. Our nation's health care affordability crisis is driven by consolidation and price gouging, particularly among hospital and pharmaceutical corporations, that has eliminated competition and fueled monopolistic pricing that has little to do with the actual cost or quality of care:

- » **Big hospitals and health systems** are rapidly buying up smaller hospitals. Health care centers, or local doctors offices and consolidating them into big health care corporations and jacking up the price of care year after year:
 - From 1998 to 2017, more than 1500 mergers between hospitals occurred, with ~40% happening between 2010–2015.³
 - Between 2013 and 2021, the percentage of physician practices that were hospital-owned rose from 15% to 53%, and the percentage of physicians employed by a hospital rose from 27% to 52%.⁴
 - From 1990 to 2023, hospital prices grew a staggering 600%, now accounting for nearly one-third of U.S. health care spending and growing more than four times faster than workers' paychecks.⁵

» **Drug manufacturers** are increasingly buying up or paying off their competition in order to game the U.S. patent system and price gouge our nation's families for prescription medications:

- The vast majority (70%) of drug industry profits now go to only a small number (25) of the top prescription drug companies in the country.⁶
- Three-quarters of new patents are for existing drugs. From 2005 until 2015, 5,369 patents were granted to manufacturers for drugs that already had patents, representing 74% of all new drug patents.⁷
- Between July 2021 and July 2022, 1,216 drug products had price increases that were higher than the inflation rate (8.5%). Some increased by more than 500%.⁸

» **People are paying the price** as families and employers grapple with rising insurance costs driven by higher hospital and drug prices:

- The total cost of a family employer sponsored insurance (ESI) plan increased an astounding 272% in the past two decades, rising from \$6,438 in 2000 to \$23,968 in 2023.⁹
- Nearly 90% of large employers say that rising health care costs will threaten their ability to provide health care benefits to employees over the next five to 10 years.¹⁰

Big health care corporations are gaming the system, leaving patients and families to pay the price. Voters on both sides of the aisle agree that health care costs are too high, and Washington needs to take action to rein in the rampant corporate greed in our health care system.



There is broad support for a range of policies to lower prices, including:^{11,12}

93%

OF VOTORS
IN FAVOR OF:

Requiring hospitals to provide real prices in advance, not estimates.

85%

OF VOTORS
IN FAVOR OF:

Limiting outpatient fees to the same price charged by doctors in the community.

75%

OF VOTORS
IN FAVOR OF:

Preventing hospitals from engaging in business tactics that reduce competition.

74%

OF VOTORS
IN FAVOR OF:

Limiting mergers and acquisitions.

88%

OF VOTORS
IN FAVOR OF:

Making it easier for generic drugs to come to market.

Members of Congress should take immediate action to:

» Address harmful pricing practices by:

- **Codifying strengthened hospital price transparency requirements** so large health care corporations can't hide their prices and secretly jack up costs for patients, families, and workers.
- **Expanding site neutral payments** so people begin paying the same price for the same service regardless of where care is delivered.
- **Putting in place honest billing reforms** to ensure large hospital systems can't overcharge for care delivered in outpatient settings.

» Crack down on patent gaming by:

- **Reining in gaming of market exclusivity** to address specific tactics that drug companies have used for decades to systematically abuse patent and market exclusivity rules to block competition — including by banning patent thickets, product hopping, and pay-for-delay schemes.
- **Ensuring easier access to generic drugs** including by stopping drug companies' abuse of citizen petitions before the Food and Drug Administration (FDA) that are often used to delay market entry.

Endnotes

¹ Naomi Levey. “100 Million People in America Are Saddled with Health Care Debt,” KFF Health News, June 16, 2022, <https://kffhealthnews.org/news/article/diagnosis-debt-investigation-100-million-americans-hidden-medical-debt/>.

² Lunna Lopes, Alex Montero, Marley Presiado, and Liz Hamel, “Americans’ Challenges with Health Care Costs,” <https://www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs/>.

³ Martin Gaynor, “Examining the Impact of Health Care Consolidation,” statement before the U.S. House Committee on Energy and Commerce Oversight and Investigations Subcommittee, Washington, D.C., February 14, 2018.; according to the American Hospital Association, there were 1,577 hospital mergers from 1998 to 2017. For more information, “Chart 2.9: Announced Hospital Mergers and Acquisitions, 1998–2015,” TrendWatch Chartbook 2016: Trends Affecting Hospitals and Health Systems (Washington, DC: American Hospital Association, 2016).

⁴ Avalere Health, “COVID-19’s Impact On Acquisitions of Physician Practices and Physician Employment 2019-2021,” Physicians Advocacy Institute, April 2022, <https://www.physiciansadvocacyinstitute.org/Portals/0/assets/docs/PAI-Research/PAI%20Avalere%20Physician%20Employment%20Trends%20Study%202019-21%20Final.pdf>; Avalere Health, “Updated Physician Practice Acquisition Study: National and Regional Changes in Physician Employment 2012-2018,” Physicians Advocacy Institute, February 2019, ([physiciansadvocacyinstitute.org](https://www.physiciansadvocacyinstitute.org)).

⁵ Nisha Kurani and Cynthia Cox, “What drives health spending in the U.S. compared to other countries” Peterson-KFF Health System Tracker, September 25, 2020, <https://www.healthsystemtracker.org/>.; Drew DeSilver, “For Most U.S. Workers, Real Wages Have Barely Budged in Decades,” Pew Research Center, August 7, 2018, <https://www.pewresearch.org/fact-tank/2018/08/07/for-most-us-workers-real-wages-have-barely-budged-for-decades/>.; Health Care Cost Institute, 2020 Health Care Cost and Utilization Report, May 2022. https://healthcostinstitute.org/images//pdfs/HCCI_2020_Health_Care_Cost_and_Utilization_Report.pdf; West Health, The Healthcare Cost Crisis: An American Epidemic, <https://healthcostcrisis.org/>, (ARC analysis of Healthcare Cost and Utilization Project, Agency for Healthcare Research and Quality).

⁶ Congressional Budget Office, Research and Development in the Pharmaceutical Industry, April 2021. <https://www.cbo.gov/publication/57126>.

⁷ Robin Feldman, “May Your Drug Price Be Evergreen.” Journal of Law and the Biosciences, December 7, 2018, <https://academic.oup.com/jlb/advance-article/doi/10.1093/jlb/lisy022/5232981>.

⁸ Bailey Reavis and Hazel Law, “The Reality of Prescription Drug Innovation: Drug Manufacturers Limit Innovation to Protect Patents and Profits,” Families USA, August 2023, <https://familiesusa.org/resources/the-reality-of-prescription-drug-innovation-drug-manufacturers-limit-innovation-to-protect-patents-and-profits/>.

⁹ “2023 Employer Health Benefits Survey,” KFF, October 18, 2023, <https://www.kff.org/report-section/ehbs2023-summary-of-findings/>.

¹⁰ “Vast Majority of Large Employers Surveyed Say Broader Government Role Will Be Necessary to Control Health Costs and Provide Coverage, Survey Finds,” KFF, news release, April 29, 2021, <https://www.kff.org/affordable-care-act/press-release/vast-majority-of-large-employers-surveyed-say-broader-government-role-will-be-necessary-to-control-health-costs-and-provide-coverage-survey-finds/>.

¹¹ Arnold Ventures, “Arnold Foundation Survey (Study #14460),” Arnold Ventures, March 23, 2023. https://www.arnoldventures.org/stories/new-poll-majority-of-voters-support-aggressive-congressional-action-to-lower-hospital-prices?x-craft-preview=FZfdMAYpOB&token=WENwOldeHSblx2pRO6y01tk_BGY5flyX; Patient Rights Advocate, Inc. and the Marist Poll, “National Survey December 2023,” PatientRightsAdvocate.org, December 2023, <https://www.patientrightsadvocate.org/2024maristpoll>.

¹² Ashley Kirzinger, Alex Montero, Grace Sparks, Isabelle Valdes, and Liz Hamel, “Public Opinion on Prescription Drugs and Their Prices,” KFF, August 21, 2023, <https://www.kff.org/health-costs/poll-finding/public-opinion-on-prescription-drugs-and-their-prices/>.

