



NATIONAL HEALTH COUNCIL

Policy Proposals for Reducing Health Care Costs Summary of Draft Recommendations

The National Health Council (NHC) supports policies that aim to reduce health care costs for people with chronic diseases and disabilities. The NHC evaluated nearly 200 proposals intended to address health care costs broadly, including drug prices. NHC does not support policies that achieve savings if they negatively impact patient safety, quality or access to care.

First and foremost, any effort designed to reduce health care costs must be predicated on value. Over the course of the last several years, we have seen a growing interest in and debate around defining value. However, many of those discussions have not adequately included patients, and value has to be defined from the patient perspective. As multi-stakeholder consensus on measuring and assessing value is achieved, we will be able to better assess cost savings and the impact of health care.

Based on our evaluation of existing policy proposals, the NHC developed a patient-centered framework with three driving principles, listed below, and [18 specific patient-centered values](#) to guide our recommendations:

- Promote high-value care;
- Stimulate research and competition; and
- Curb costs responsibly

The NHC and its Board, with input from its members, identified four main policy priority areas that have the potential to reduce costs for patients and the health care system.

Reduce barriers for development of generic and biosimilar products

- Create a generic products designation allowing for communication with FDA prior to submission
- Complete generic application reviews despite minor inspection holds
- Require FDA to give updates on the status of generic applications
- Ensure safety provisions of Risk Evaluation and Mitigation Strategies while promoting access to samples for testing

Promote meaningful transparency on price and cost sharing

- Establish standards for insurers to provide cost estimates
- Promote standards for providers to display billing information
- Protect patients from surprise medical bills
- Ensure rebates are passed through to the patient
- Require justification of significant drug price increases

Encourage outcomes-based contracting (OBC)

- Implement a voluntary demonstration project to test the impact of OBCs on outcomes, prescription drug costs, and total costs of care
- Include safe harbors to the Federal anti-kickback statute, Medicaid best-price requirement, and off-label communications

Facilitate the implementation of value-based insurance design (VBID)

- Expand Medicare Advantage (MA) VBID demonstrations within the Center for Medicare & Medicaid Innovation to include more geographic regions and conditions
- Allow plans the flexibility to provide coverage for additional services that manage chronic disease without meeting the deductible
- Address barriers to value-based arrangements, including the Stark Law and Federal anti-kickback statute