

Policy Options to Address New York's Health Care Affordability Crisis

The roots of New York's health care affordability crisis lie in a series of measures taken in the 1990s to de-regulate hospitals, insurance price setting, and health planning systems. As a result, New York has record high prices, a cascade of inequitable hospital closures, and poor quality scores. Patients suffer from inequitable access to care and high medical debt burdens. Truly comprehensive interventions include restoring hospital rate setting, regional health planning, global budgeting, and/or passing the New York Health Act to implement a single-payer health care system.

Short of these broader reforms, there are several policy solutions that have been adopted by other states that policymakers can take now to address New York's health care affordability crisis.

1. Adopt system-wide reforms.



The State should establish an independent entity like California's Office of Health Care Affordability (OHCA) to: assess market consolidation; set limits on health care spending growth; and promote high-value care. An independent New York Office of Health Care Affordability could help address consolidation and inequitable hospitals closures, slow health care spending growth, and address long-term structural issues that have reduced access to care, especially for New Yorkers who are low-income or people of color.



A functional, public-facing All Payer Claims Database (APCD) is essential to achieving this goal. New York should follow the lead of at least eight states that have APCDs that inform health care cost growth benchmarks and the 11 states that permit consumer price comparisons.

2. Impose targeted pricing reforms.



Absent establishing a system-wide entity to redress New York's health care affordability crisis, the State could adopt price caps for procedures at hospital outpatient departments by enacting the **Fair Pricing Act (S705|A2140)**. This law would ensure that the same price is charged for the same routine service across different sites of care, saving New Yorkers \$1.14 billion (\$213 million for consumers) annually.



The State should explore a hospital-specific cost review entity such as the Diamond State Hospital Cost Review Board in Delaware, which sets limits on cost growth specifically for hospitals.

3. Establish a primary care spending target.



The **Primary Care Investment Act (S1634|A1915A)** would improve patient outcomes and prevent hospital care. In doing so, it could also help address health inequities such as disproportionately high rates of preventable hospitalizations for New Yorkers of color and low-income New Yorkers.

Health care costs are a major driver of New York's affordability crisis. By adopting one or more of the policy options described above, policymakers have the opportunity to make a meaningful difference in their constituents' lives to secure a more affordable and equitable New York.