



## Weekly Checkup

# The Sea Change in the Health Policy Debate

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**There has been a marked change in the national health policy debate.** Think back several years and what stands out is a focus on coverage, coverage, coverage: single-payer, [Medicare for All](#), I-wanna-be-UK, and the like. The promises of the Bernie Sanders [campaign](#) are typical of the discussion:

- Create a Medicare for All, single-payer, national health insurance program to provide everyone in America with comprehensive health care coverage, free at the point of service.
- No networks, no premiums, no deductibles, no copays, no surprise bills.
- Medicare coverage will be expanded and improved to include: [sic] include dental, hearing, vision, and home- and community-based long-term care, in-patient and out-patient services, mental health and substance abuse treatment, reproductive and maternity care, prescription drugs, and more.

**This focus was all the more surprising given that it came on the heels of the Affordable Care Act (ACA)**, with its generous subsidies for individual health insurance, Medicaid expansions, and prohibitions on discriminating against those with pre-existing conditions (re-solving *that* problem for the second time in my life).

**Now, however, the debate is all about costs. There are no dramatic coverage expansions, simply a bipartisan shared concern over the costs of care. This is good and overdue.** Fifteen years ago, there was bipartisan recognition that the United States faced the dual challenge of coverage and costly (or, more precisely, low value) care.

**One strategy would have been to undertake steady, incremental reforms to control the growth in costs and improve outcomes – and use the resources freed up by this effort to cover more individuals.** But it proved politically too tempting to simply cover as many people as possible (at whatever expense), and a focus on cost was left behind.

**Unfortunately, the focus has been too narrowly on one category of costs: prescription drugs.** As President Biden [recently](#) put it:

...millions of Americans — millions — have similar stories: lying in bed at night literally staring at the ceiling wondering what in God's name will happen if their spouse gets cancer or if their child gets sick or something happens to them. Are they going to have enough insurance? Can they afford the medical bills they're going to have? Will they have to sell the house to keep things moving?

You know, and you find out a big reason why we're lying awake at night with these questions is because the drug companies are charging exorbitant — exorbitant prescription drug prices — higher prices than anywhere in the world.

Put aside a gazillion quibbles with that analysis and the policies proposed in response. The real problem is that drugs are not where the money is! (See grey areas in the chart below.) **Hospital spending and increases in hospital spending per capita are large and getting larger in the most recent years. Ditto for spending on doctors and other clinicians.** Nobody is talking about getting those sources of health-care cost pressure under control.

Why? It would be hard work. To say that you want to reduce the \$440 per capita in higher physician costs from 2018—2022 is the same thing as saying you'd like doctors to make less money over that period (either because of fewer services or lower reimbursements). This turns out to be quite a political fight, and one that the ACA and subsequent policies dodged completely.

**So, there has been a sea change in the debate. But there needs to be a sea-er (apologies to the English language) change to really make a difference.**

*Chart by Parth Dahima, Health Care Data Analyst*

Absolute Changes in Health Care Expenditures:  
(2013–2017) vs (2018–2022)



