

STATEMENT FOR THE RECORD BY  
HR POLICY ASSOCIATION AND THE AMERICAN HEALTH POLICY INSTITUTE  
TO THE U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON ENERGY AND  
COMMERCE  
SUBCOMMITTEE ON HEALTH

“HEALTH CARE SPENDING IN THE UNITED STATES: UNSUSTAINABLE FOR  
PATIENTS, EMPLOYERS, AND TAXPAYERS”

JANUARY 31, 2024

The HR Policy Association (Association) and the American Health Policy Institute (Institute) appreciate the Committee holding this important hearing titled “Health Care Spending in the United States: Unsustainable for Patients, Employers, and Taxpayers.” This issue is critically important for employers as rising costs directly impact the ability of employees and their families to access and receive affordable, high-quality health care.

The Association is the leading organization representing chief human resource officers of over 390 of the largest employers in the United States. Collectively, their companies provide health care coverage to over 20 million employees and dependents in the United States. The Institute, a part of the Association, examines the challenges employers face in providing health care to their employees and recommends policy solutions to promote affordable, high-quality, employer-based health care. The Institute serves to provide thought leadership grounded in the practical experience of America’s largest employers.

More than half of Americans receive coverage via an employer: about 54.5 percent of U.S. residents—or 179.8 million people.<sup>1</sup> Large employers are committed to maintaining employer-sponsored health insurance (ESI) as an essential benefit for employees. However, employers and employees are facing serious affordability challenges that threaten the viability of this system if they are not addressed. One in four workers feel that they cannot afford their health care needs without causing financial hardship.<sup>2</sup>

The Association applauds Congress for passage of the Lower Costs, More Transparency Act which would enable employers to better manage their health care costs by increasing PBM and hospital price transparency. The opaque nature of the health care system has limited the ability of employers to manage their health care costs and this legislation is a step in the right direction in creating a more robust, competitive, and accountable health care industry.

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<sup>1</sup> Census Bureau. <https://www.census.gov/content/dam/Census/library/publications/2023/demo/p60-281.pdf>

<sup>2</sup> Commonwealth: <https://www.axios.com/2023/10/26/health-care-unaffordable-insurance>

Without transparency legislation, employers, and the employees and dependents they cover, are often in the dark about the prices of health care services until after the service has been received. However, data alone will not transform the health care market. Those in the health care industry must commit to not only providing complete datasets but providing consumer-friendly datasets. The Association recognizes the increase in administrative burdens that reporting requirements may pose. Congress should work to ensure the administrative burdens are not so high that those in the health care industry work to avoid these transparency requirements or other reforms.

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The HR Policy Association and the American Health Policy Institute welcome any opportunity to provide input and speak in further detail about improving the ability of employers to provide high-quality, affordable health care benefits to their employees and dependents. We commend the Committee for acting on the unsustainable increases in health care spending and believe the data provided through the Lower Costs, More Transparency Act will only better inform future legislation.

Sincerely,

A handwritten signature in black ink that reads "Margaret Faso". The signature is written in a cursive, flowing style.

Margaret Faso  
Executive Director, American Health Policy Institute  
Senior Director, Public Policy, HR Policy Association