

# THE CONCORD COALITION



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## **CONCORD COALITION LEADERS URGE PRESIDENT OBAMA TO DETAIL COST CONTROLS**

**WASHINGTON --** Concord Coalition Co-Chairs Warren B. Rudman and Bob Kerrey today called on President Obama to push for concrete measures, including a federal health care budget, to curb runaway medical costs.

A day before the President's scheduled speech to Congress, Rudman and Kerrey warn that "Americans will suffer from any health care reform bill that expands coverage but fails to control costs."

In an article appearing today on Concord's website ([www.concordcoalition.org](http://www.concordcoalition.org)), Rudman and Kerrey noted that health care was the government's fastest growing expense and said there was already a broad consensus that this could not continue.

Federal health care spending could still be on an unsustainable path, they said, even if reform legislation this year promises not to increase federal debt over the next decade. Rudman and Kerrey, both former U.S. senators, urge the President to "weigh in now with clear targets for cost control, specific policies for achieving them, and a back-up mechanism to ensure results." The Concord leaders identify five areas that should be addressed:

1. **Budgetary restraints.** "Unlike many other nations, we do not budget for health care," they write. "Yet all of our nation's commitments need to be evaluated and prioritized." A health care budget "would force politicians, providers and the public to do the necessary prioritizing for responsible health care spending."
2. **Perverse payment incentives.** The health care system, Kerrey and Rudman argue, must move toward greater care coordination and accountability for health care outcomes rather than fee-for-service payments that encourage waste by rewarding health care providers for tests and treatments that do not really contribute to the health of their patients.

3. **Evidence-based practices.** The U.S. health care system needs more treatment guidelines that show what actually works and what doesn't. Otherwise the system will continue to jeopardize patient health and waste tax dollars on ineffective treatments. "Ultimately," Kerrey and Rudman argue, "we need to decide which treatments are worth paying for and which are not."
4. **Tax incentives.** The federal tax code currently encourages excessive spending by employer health plans while discriminating against people who try to purchase their own insurance.
5. **Enforcement mechanism.** To ensure promised savings and encourage future reforms, the government should establish a permanent review mechanism that would make periodic recommendations that Congress would be required to consider.

Administration officials have promised that health care reform legislation will not add to the enormous deficits that are already projected over the next decade. "This is an important goal, but not sufficient," the Concord leaders say.

They argue that under flawed budget rules, Congress could rely on gimmicks that would fail to effectively restrain costs over the long term. So it is important for the President and Congress to focus as much attention on costs and savings in the second 10 years as they do on the coming decade.

Reforming health care is a top priority for the country, Rudman and Kerrey say, but failure to budget responsibly for the necessary changes would be a costly mistake.

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The Concord Coalition is a nonpartisan, grassroots organization dedicated to balanced federal budgets and generationally responsible fiscal policy. Former U.S. Senators Warren B. Rudman (R-NH) and Bob Kerrey (D-NE) serve as Concord's co-chairs and former Secretary of Commerce Peter G. Peterson serves as president.