



JOINT ECONOMIC COMMITTEE

ROBERT F. BENNETT, CHAIRMAN

For Immediate Release:
February 25, 2004

Contact: Rebecca Wilder (202) 224-0379

BENNETT: “CONSUMER DRIVEN HEALTH CARE IS WORKING”

Washington, DC—Senator Robert F. Bennett, Chairman of the Joint Economic Committee (JEC), held a hearing today on the recent performance and continued potential of a consumer driven approach to health care. During the hearing, Bennett urged the Department of Health and Human Services to expand access to its Medicare claims database so that health plan sponsors could develop cost and quality comparisons and help their consumers make better informed decisions. Data would be held back only to the extent necessary to protect the privacy of individual Medicare beneficiaries.

“One of our problems with the current health care system is that the people who are making the health care decisions are not the ones consuming the services” said Bennett. “A consumer driven approach to health care restores to consumers direct control over their health care dollars. It provides them with better value, greater choice, improved health, and recognition of the true cost of the services they demand.”

“The United States faces a significant challenge to keep health care affordable,” Bennett added. “For many years, our health care spending has grown at a significantly faster rate than the economy, and many projections indicate that this will continue. By restoring control of health care decisions to individuals, we can reverse a long-term trend that has combined more third-party payment of health care bills with substantial hikes in health care spending. Consumer driven health care plans offer a broad range of options that encourage individuals to take a greater role as informed health care consumers.”

In conjunction with the hearing, the JEC released a report, *Medical Spending Growth & the Level of Insurance Coverage*, that highlights the relationship between third party payment and rising health spending. Over the last 40 years, the out-of-pocket share an individual pays has gone down while the total real cost of health care per person has increased almost seven-fold.

The report explains that for decades many Americans have had the perception that their health care is paid for with someone else’s money. This third-party could be an employer, a private insurer, or the government. In fact, most working Americans and their families receive health care through an employer because of the tax advantages of employer-provided health insurance.

One option cited in the study to restore consumers’ control over their spending decisions is the Health Savings Account (HSA), a provision included in last December’s Medicare Act. HSAs include a high-deductible insurance plan to cover large, unplanned expenses and a tax-preferred personal savings account for routine care.

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“Giving individuals and families greater control over their health care decisions should strengthen the patient/physician relationship, improve accountability, and ensure consumers receive the greatest value for their health care dollar.”

Testimony from the hearing and the full report on medical expenditures can be found online at <http://jec.senate.gov>.

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