



March 1, 2019

The Honorable Lamar Alexander
Chairman
Senate Committee on Health,
Education, Labor, and Pensions

The Honorable Patty Murray
Ranking Member
Senate Committee on Health,
Education, Labor, and Pensions

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Re: Strategies for Responsibly Reducing Health Spending

Dear Chairman Alexander and Ranking Member Murray:

On behalf of Research!America, the nation's largest not-for-profit advocacy and public education alliance committed to faster medical and public health progress, we appreciate your efforts to address America's rising health care costs, and this opportunity to provide input.

The most effective means of reducing healthcare costs is to prevent, delay and ultimately eliminate the diseases and conditions that engender those costs. One example of many: it's estimated that delaying the onset of Alzheimer's by five years would reduce associated costs by \$511,208 per person (1). Beyond that fact, every second of every day, Americans and people on every corner of this planet are losing their lives or their loved ones to illnesses that we can overcome. The medical and public health progress we've made to date proves it. Our nation can lead the way in wiping out these scourges. It is not a matter of possibility, it is a matter of will.

Fueling the full complement of research disciplines that combat existing and emerging health threats—biomedical, behavioral, epidemiological, health services, health economics, and more—is both smart and right. That means investing in the NIH, CDC, AHRQ, FDA, NSF, and the other federal health agencies that advance crucial, health-relevant research.

It also means recognizing that medical progress requires both public and private sector investment. It is critical that policymakers carefully consider and weigh all of the consequences that attend healthcare cost cutting strategies, including the impact, if any, on the nature and scope of private sector R&D investment. Reducing health spending today by undercutting medical progress going forward is a Faustian bargain when lives are at stake.

The HELP Committee's systematic approach to evaluating rising healthcare costs and commitment to gathering as much input as possible before coalescing around proposed policy changes is consistent with the need to:

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- 1) confront this issue in all of its complexity;
- 2) recognize that health care affordability, health care access, and medical and public health progress are intertwined priorities, each of which is critically important; and
- 3) pursue changes that honor and balance all three of these priorities. We are truly appreciative that you chose the admittedly difficult, but responsible, path.

We focused our recommendations below explicitly on the facet of this issue that you underscored in your request for information: the alarming estimate that between 30% and 50% of health care spending is unnecessary.

RECOMMENDATION 1: BOLSTER AND LEVERAGE EXISTING FEDERAL ASSETS

Health services research, health economics and social sciences research, and patient-centered outcomes research are particularly salient tools for squeezing unjustifiable spending from the health system, and maximizing the return on each needed healthcare dollar. Federal agencies such as AHRQ and NSF, along with the federally-chartered Patient-Centered Outcomes Research Institute (PCORI), empower these crucial research disciplines. The HELP Committee should consider strengthening the ability of these entities, individually and collectively, to advance the goal of responsibly bending the healthcare cost curve.

Since 2010, AHRQ-supported health services research has led to a 21% reduction of in-hospital medical complications, 125,000 avoided deaths, and \$28 billion in savings (2). AHRQ-funded research identifies practicable fixes for expensive, systemic problems. One study found that a simple treatment reduced MRSA infections in at-risk patients by 30% (3), while another found that nearly one in four antibiotic prescriptions are unnecessary—generating unjustifiable expense, and contributing to the growing problem of antibiotic resistance (4). As one of the leanest federal public health agencies, AHRQ has an outsize cost-benefit impact. Congress should consider dramatically expanding AHRQ’s role in our arsenal of health research resources, positioning the agency to optimize patient care, saving dollars and lives.

Like AHRQ, the National Science Foundation is an underappreciated and underutilized asset that has a crucial role to play in advancing healthcare cost-efficiency. From economics to social sciences research to computational sciences, NSF fuels research that demystifies and works out the kinks in complex systems. There is arguably no structure in our nation more complex than the healthcare system, and accurately characterizing how that system operates and the ways in which it is misfiring are fundamental steps in the process of improving it. Our nation can make progress far faster against the systems issues that are confounding key objectives in health and healthcare by focusing greater attention and resources on the power of the knowledge-unlocking research NSF supports.

RECOMMENDATION 2: KEEP THE PATIENT AT THE FOREFRONT BY REAUTHORIZING PCORI

Another fundamental step, if the goal is a healthcare system that spends dollars wisely, not haphazardly, is to engage patients from the very beginning of the discovery, development, and delivery continuum. That's what PCORI does. By listening to and involving patients rather than making assumptions about their needs and preferences, PCORI is advancing research that uncovers the right solutions for the most pressing problems in the health arena.

For example, a recent PCORI study found that cognitive behavioral therapy, a common treatment for depression, can reduce pain intensity and physical dysfunction for patients suffering from chronic pain (5). Especially pertinent for a nation besieged by an opioid crisis, research like this can reduce unnecessary prescriptions, decrease the risk of opioid abuse, relieve suffering, and save lives. Another PCORI-funded research project found that including the parents of pediatric care patients in medical rounds reduced the rate of harmful medical errors by 38% (5). PCORI must and should be reauthorized this year so that researchers across our nation can continue their common sense, high impact work.

RECOMMENDATION 3: ADVANCE DIAGNOSTIC DEVELOPMENT BY REPEALING THE MEDICAL DEVICE EXCISE TAX

The leading cause of malpractice lawsuits (6) and a contributor to one in twenty hospital deaths, diagnostic errors—and the consequent misdiagnosis and legal payouts they produce—cost over \$100 billion annually (7). More accurate, swift, and affordable diagnostics are a crucial part of the toolkit to reduce healthcare costs, yet the medical device excise tax actively discourages the continued development of such technologies. Congress has twice acted on a bipartisan basis to suspend this tax. It is time for full repeal.

Clearly, the recommendations above are not constrained to the HELP Committee's jurisdiction, since we hope the precedent you have set in your thoughtful approach to addressing rising healthcare costs sets the tone and the stage for actions that cross committee lines. Nor are the recommendations exhaustive. We hope, however, that they prove useful. As advocates for science-driven medical and public health progress, we know that the value of health innovation is inexorably tied to access, and that access is inexorably tied to affordability.

Thank you for your leadership, and for your willingness to consider our views. We urge you to call on our alliance if we can assist your efforts going forward.

Sincerely,

Ellie Dehoney
Vice President, Policy & Advocacy

- 1) <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4851168/>
- 2) https://www.researchamerica.org/sites/default/files/AHRQ_2018_0.pdf

- 3) <https://www.ahrq.gov/news/newsroom/press-releases/project-clear-study.html>
- 4) <https://www.ahrq.gov/news/newsroom/press-releases/antibiotic-prescriptions-study.html>
- 5) <https://www.pcori.org/research-results/explore-our-portfolio/highlights-pcori-funded-research-results>
- 6) <https://www.modernhealthcare.com/article/20180313/NEWS/180319965/diagnostic-errors-are-largest-contributor-to-medical-malpractice-claims>
- 7) <http://thehealthcareblog.com/blog/2016/06/15/the-team-sport-of-diagnosis-a-culture-shift-can-reduce-missed-diagnoses/>