



HEALTH CARE
COST INSTITUTE

Congressman Brett Guthrie
Chair, Subcommittee on Health
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515-6115

Dear Chair Guthrie:

Thank you for the opportunity to appear before the Subcommittee on Health on Wednesday, January 31, 2024. It was an honor to testify at the “Health Care Spending in the United States: Unsustainable for Patients, Employers, and Taxpayers” hearing.

Enclosed please find my responses to the Questions for the Record.

Please let me know if you have any additional questions.

All the best,

Katie Martin

Katie Martin
President and CEO
Health Care Cost Institute

The Honorable Dan Crenshaw

1. Ms. Martin, would you agree with Dr. Ippolito's assessment that cost efficiency should be an important point of evaluation for services like primary care?

a. Do you have any data about whether the availability of lower cost services (like primary care), drive more utilization? What are the other factors that have to be considered?

i. See *Comparing Price and Use Indices, Updated June 2023*:

<https://healthcostinstitute.org/hcci-origins/hmi-interactive#HMI-Price-and-Use> "Variation in use levels could result from underlying differences in the health characteristics of the population, the supply of providers, provider practice patterns, or some combination of these factors. And while relatively high prices likely contribute to higher spending in both areas, examining the different drivers of use in these two areas could give stakeholders a deeper understanding of what causes differences in their spending levels."

ii. See *Healthy Market Index, Health Care Spending*:

<https://healthcostinstitute.org/hcci-origins/hmi-interactive#HMI-Spending-Price-Index> "4. Compared to 2017, prices in 2021 were higher in nearly all metro areas. On average, prices increased by 9% between 2017 and 2021. In 18 metro areas (10%), prices grew more than 15% during this period....We found that the amount of price growth in a metro area was not consistently related to whether or not the area had high or low prices in 2021. Of the 183 metro areas we studied, 48% experienced above-average price growth throughout the study period. The relationship between price in 2021 and cumulative price growth between 2017 to 2021 is shown in the scatterplot on your right."

Thank you for your question, Congressman Crenshaw.

Primary care is an invaluable component of the US health care system. In their report, [*Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care*](#), the National Academies of Sciences, Engineering, and Medicine note, "High-quality primary care is the foundation of the health care system. It provides continuous, person-centered, relationship-based care that considers the needs and preferences of individuals, families, and communities. Without access to high-quality primary care, minor health problems can spiral into chronic disease, chronic disease management becomes difficult and uncoordinated, visits to emergency departments increase, preventive care lags, and health care spending soars to unsustainable levels."

By preventing minor health concerns from turning into large ones, primary care represents a more cost efficient way to achieve high-quality health outcomes. For example, HCCI's data show that the typical price for a new patient, low complexity doctor's office visit was [\\$79 in 2021](#). In contrast, the average price of a moderately complex emergency department visit was nearly [\\$1,650 in 2021](#).

It also stands to reason that greater utilization of primary care might result in increased patient interactions with the health care system, including routine check-ups and additional preventive care, and through early diagnosis of health conditions. HCCI has not recently studied whether the availability of lower cost services like primary care drive more utilization, although such a question likely could be answered using our data.

In the pursuit of high-quality health outcomes, factors such as quality, accessibility, comprehensiveness, continuity, and equity, should be considered in addition to cost.