



January 2025

Purchaser Policy Priorities in 2025

Introduction

The Purchaser Business Group on Health (“PBGH”) represents 40 members that include the largest private employers and public purchasers of health care in the United States. Collectively, these organizations spend roughly \$350 billion annually buying health care for nearly 21 million employees and their families. PBGH supports its members in implementing strategies that improve health care outcomes and value, and through public policy advocacy that enables such innovation. With a 35-year track record of designing and implementing new, innovative programs that lower health care costs and increase care quality across the United States, PBGH is committed to solving problems that threaten the viability of America’s health care system for businesses and workers.

PBGH and its members are committed to containing unrelenting health care cost growth that imposes an intolerable financial burden on families and businesses, while improving care quality and access to optimize health. Under growing affordability pressures and newly elevated fiduciary responsibilities, large purchasers are changing procurement strategies to better ensure high quality and fairly priced care, while also supporting policy to create a functional health care market. Specifically, they support policies with the potential to lower costs, increase transparency, raise the quality of care, and restore much-needed accountability to the health care industry.

This brief outlines the 2025 policy priorities of PBGH’s purchaser members and was developed through the leadership of PBGH’s Public Policy Leadership Group (“PPLG”), a group of industry-leading employers and public purchasers guiding PBGH’s policy efforts.

Purchaser Policy Priorities in 2025

The health care affordability crisis is apparent and worsening.¹ And while costs increase, access to needed care is worsening. Health care market consolidation has caused escalating health care prices and spending.² This problem is compounded by a lack of price and quality transparency, which limits purchasers’ ability to provide affordable, high- quality health care to employees and their families.³

PBGH members are committed to ensuring access to high quality health care for employees and their families. As the affordability crisis deepens, we believe it is crucial for Congress and the Administration to collaborate with private employers and public purchasers to implement meaningful policies to achieve two fundamental goals: *Improve health care affordability and expand access to high- quality care for America’s workforce.*

Improving Affordability

The affordability crisis for purchasers and patients continues to worsen. Commercial premium increases in 2024 were well above general inflation and are expected to be high once again in 2025.⁴ The high cost of health benefits has crowded out wages, dampened job growth, and reduced business investment.⁵ But paying more is not getting better or more accessible care. High costs are driven primarily by high prices, which are largely the result of the market power that hospitals, health systems, and health plans have gained through consolidation.

Federal policymakers — including the FTC, the Administration and Congress — have recognized the problem of health care industry consolidation and anti-competitive practices. To ensure access to affordable and high quality care for the more than 150 million Americans getting health care in the commercial market, PBGH offers the following recommendations to address the affordability crisis:

Curb Key Drivers of Health Care Costs

- Implement site-neutral payment reforms, and eliminate facility fees.
- Establish transparent billing requirements, and support the No Surprises Act.
- Support policies that reduce drug costs for purchasers and patients – including PBM reform.
- Address market consolidation among health systems and health plans that increases costs without increasing quality of care.
- Prohibit anti-competitive contract terms used by providers and hospitals, such as “all-or-nothing” clauses and anti-steering/anti-tiering clauses and encourage robust FTC/DOJ oversight and enforcement.

Data Access and Transparency

- Strengthen enforcement of the Hospital Price Transparency and Transparency in Coverage rules, codify them into law, and increase penalties for non-compliance.
- Ensure purchasers have real-time and unrestricted access to their own claims data, including data on the quality of health care services at the individual physician and facility level.
- Prohibit anti-competitive contract terms used by providers and hospitals, such as “all-or-nothing” clauses and anti-steering/anti-tiering clauses and encourage robust FTC/DOJ oversight and enforcement.

LEGISLATIVE



Service Provider Reforms

- Require PBMs to transparently report drug pricing data to purchasers, eliminate spread pricing, pass through all rebates, and disclose direct and indirect compensation to purchasers.
- Allow purchasers to audit all cost and quality data without restrictions at the individual physician and facility level.
- Extend fiduciary duty to other service providers (TPAs, PBMs, and other third parties) to the extent that these service providers manage plan assets and data.
- Prevent TPAs from engaging in medical spread pricing and cross-plan offsetting, require the pass-through of all medical specialty rebates, and limit shared-savings fees.
- Capitalize on the recent Presidential Memorandum that directs federal agencies to “eliminate unnecessary administrative expensive and rent-seeking practices that drive up healthcare costs” by applying it vigorously to the business practices of PBMs, TPAs, and other third parties, as appropriate.

Direct Contracting and Joint Purchasing

- Ensure that self-funded purchasers’ direct contracts are protected by ERISA’s preemption law and not hindered by state barriers.
- Modify recent FTC Anti-Trust Guidelines for Business Activities Affecting Workers to explicitly permit purchasers to collectively purchase healthcare services without fear of undue anti-trust risk.
- Create new resources for purchasers to participate in direct contracts, such as model contract language and technical assistance.

Expanding Access to High-Quality Care

Over 30 percent of the nearly \$5 trillion annual spend on health care is on low-value care that does not improve health.^{6,7} Research has shown that advanced primary care is one of the few strategies with quantitative evidence of improving health outcomes while reducing total care costs.⁸ Despite its efficacy, primary care in the U.S. is severely underfunded, receiving less than 10% of total health care spending. The results achieved by advanced primary care practice underscores the urgent need of our health care system to invest in primary and preventive care.

With a renewed focus on preventive care, nutrition, and a healthy environment in the Administration, we have the opportunity to redirect spending from low value services to optimal health. PBGH believes the proposals below can accelerate the transition to high value care including access to primary care, mental health care, and maternity care.

Improving Employee Wellness

- Support federal efforts to boost nutrition by removing foods determined harmful to children that can cause neurotoxicity (i.e., MSG and certain artificial food dyes).
- Support families by ensuring parents have access to safe and high quality maternal and postpartum care, and resources for newborns.
- Support a holistic approach to wellness by accessing nutrition, social support, and a healthy environment.

Improve Primary Care and Provider Access

- Remove cost barriers to primary care by directing the IRS to allow HSA dollars to be used for direct primary care arrangements and allow for pre-deductible treatment in high-deductible health plans.
- Ensure robust access to telehealth across state lines with medical licensing reciprocity, to increase access to primary, preventive, and mental health care.
- Remove regulatory, data sharing, and payment barriers to the integration of mental health care into primary care settings.
- Develop new payment models for rural hospitals, birth centers, and clinics that sustain access to needed care — including maternity care.
- Expand access to care teams and non-physician practitioners, particularly in rural areas by incorporating midwives and doulas.

Finding Cures, Not Treating Symptoms

- Support innovation in the commercial market and redirect CMMI resources to also enable private sector reforms to benefit the entire health care market.



Acknowledgment and Appreciation of Support

PBGH extends appreciation to the purchaser members who have provided guidance and direction on the policy priorities contained in this issue brief through PBGH's Public Policy Leadership Group ("PPLG") and Arnold Ventures for its support.

About Purchaser Business Group on Health

PBGH is a 501(c)(3) non-profit coalition of health care purchasers comprised of members that include the largest public and private purchasers of health care in the United States. Collectively, these organizations spend roughly \$350 billion annually buying health care for nearly 21 million employees and their families. PBGH supports its members in implementing innovative solutions to improve health care outcomes and quality. PBGH's members operate at the forefront of advancing affordability, quality, accountability, and equity in health care purchasing practices.

Endnotes

- 1 Sobotko (2024) "Making Health Care More Affordable" Harvard T.H. Chan School of Public Health [\[Link\]](#)
- 2 Levinson et al. (2024) "Ten Things to Know About Consolidation in Health Care Provider Markets" KFF [\[Link\]](#)
- 3 Hulver (2024) "Gaps in Data About Hospital and Health System Finances Limit Transparency for Policymakers and Patients" KFF [\[Link\]](#)
- 4 Cox et al. (2024) Health Care Costs and Affordability" KFF [\[Link\]](#)
- 5 Yale (2024) "Rising Health Care Prices are Driving Unemployment and Job Losses" YaleNews [\[Link\]](#)
- 6 Lallemand (2012) "Reducing Waste in Health Care" Health Affairs [\[Link\]](#)
- 7 CMS Historical NHEA Figures [\[Link\]](#) (Last modified 12/18/24)
- 8 Golinkin (2024) "Primary Care: Why It's Important and How to Increase Access to It" Forbes [\[Link\]](#)

