



# Advancing Affordable Health Care Through State-Level Policies



**Rising health care costs have put increasing pressure on families, employers, and taxpayers — and on state budgets.** But states are uniquely positioned to turn the tide. As both purchasers and regulators of health care, they have the authority and public support to drive meaningful change, even in the face of major changes in federal health care policy. In fact, research shows strong bipartisan backing for solutions to make care more affordable. By taking bold, evidence-based action, states can build a health care system that delivers better value and better outcomes at a lower cost.

## What Can States Do?

- **Lower costs and improve administration of public benefit programs.**
  - › Modernize Medicaid oversight and administration and reform state procurement processes.
  - › Benchmark prices for state employee health care plans to Medicare or another reference price.
- **Make insurance more affordable for employers and families.**
  - › Crack down on unchecked, costly provider consolidation.
  - › Rein in high hospital and drug prices.
- **Transform how health care is experienced and delivered.**
  - › Bolster access to high-quality primary care through payment reform.
  - › Use hospital global budgets to enable better, more efficient care.
- **Improve transparency and oversight of the health care market.**
  - › Use state-level cost, quality, and utilization data to drive smarter oversight and reforms.
  - › Require ownership transparency to expose hidden consolidation and cost drivers.

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### Health care costs are a burden on the economy and American families.



Health care spending is 17.6% of GDP: **higher than any other peer nation**, yet outcomes are similar or worse<sup>1</sup>



36% of adults have **skipped or postponed needed health care** due to cost<sup>2</sup>



costs are growing **twice as fast** as inflation<sup>3,4</sup>



American families report **not filling a prescription** in the past year<sup>5</sup>



of employees' total compensation is **now spent on health care**; employers spend more on it than any other employee benefit<sup>6</sup>

1. <https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/nhe-fact-sheet>
2. <https://www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs/>
3. <https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/nhe-fact-sheet>
4. [https://www.bls.gov/news.release/archives/cpi\\_07152025.htm](https://www.bls.gov/news.release/archives/cpi_07152025.htm)
5. <https://news.gallup.com/poll/268094/millions-lost-someone-couldn-afford-treatment.aspx>
6. <https://www.bls.gov/ebs/factsheets/medical-care-premiums-in-the-united-states.htm>

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