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INSIGHTS

Joint Economic
Committee
Hearing on
Health Care Costs
and Outcomes

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On December 17, 2025, the Joint Economic Committee [held](#) a hearing on realigning health care incentives to improve outcomes and reduce costs. The committee was very interested in the ideas shared by the witnesses and in working together to find long-term ways to reduce health care costs.

WITNESS TESTIMONY

- Mr. Brooks Tingle, CEO, John Hancock Financial - [Testimony](#)
- Dr. Ed Clarke, Vice President, Chief Medical Officer of the Insurance Division, Banner Health - [Testimony](#)
- Mr. Avik Roy, Co-Founder and Chairman, The Foundation for Research on Equal Opportunity - [Testimony](#)
- Mr. Matthew Fiedler, Senior Fellow, Brookings Institution Center on Health Policy - [Testimony](#)

MEMBER DISCUSSION

Vice Chairman Eric Schmitt (R-MO) began the discussion by asking how policymakers can address families applying for coverage without immigration status verification. Mr. Roy responded that verifying social security numbers could improve program integrity across both income and immigration status verification. He also suggested basing subsidies on the previous year's tax returns instead of estimated future income. To address the issue of overutilization, Mr. Clarke recommended the Banner Model, which manages a population. Mr. Clarke argued that this incentivizes preventive care and primary care to reduce costs.

Ranking Member Maggie Hassan (D-NH) asked Mr. Tingle to speak to the positives of preventive and primary care, specifically for cost reduction. Mr. Tingle shared that prevention and early detection are key to success, but his company also believes it has a responsibility to ensure its customers have access to advancements in screening and technology so they can use the information to inform decision-making. Ranking Member Hassan then asked how increased access to enhanced Advance Premium Tax Credits (APTCs) in the ACA marketplace can lead to better preventive care. Mr. Fielder responded that if an individual is uninsured, they have reduced access to care, especially preventive care, which can lead to higher costs down the road.

Rep. Nicole Malliotakis (R-NY-11) questioned how to incentivize better, healthier decisions to lower premium costs. Mr. Roy responded that the ACA prevents charging different premiums based on health status, which he argued can make it difficult to incentivize health in the short term. He recommended adopting the Swiss model, where, among other differences, health insurance plans span multiple years

and refunds can be issued for improved health status. When Rep. Malliotakis asked about how to reduce predatory pharmacy benefit manager (PBM) practices, Mr. Fiedler shared that it is difficult since there is very little competition for PBMs. Fixing that, he said, is the first step to addressing the issue.

Rep. Gwen Moore (D-WI-4) expressed her frustration that the Congressional Budget Office (CBO) does not score preventive care well, which can make it difficult to craft legislation for preventive care. She questioned whether the large increase in premium prices could be traced to the ACA, but Mr. Fiedler responded that ACA marketplace premiums are comparable to private insurance premiums. He also shared that health care as a share of US GDP has remained steady over the last decade.

Sen. Ashley Moody (R-FL) asked the panel whether there should be a health care fraud czar to oversee the numerous health programs, but Mr. Roy felt that improving program structure overall would be more effective at reducing fraud.

Rep. Don Beyer (D-VA-08) asked Mr. Fiedler how he should respond to hospital arguments against site-neutral payment. Mr. Fiedler responded that he did not think the services targeted for site-neutral payments are any more complex in hospital settings than in other care settings, which he said was the main argument hospitals use. Rep. Beyer then asked how the US can move away from the employer-based insurance system. Mr. Roy shared that the best approach would be to create an individual market with affordable plans offering high-quality care, which employers can then help fund.

Sen. Amy Klobuchar (D-MN) requested that Mr. Fiedler share how extending the enhanced APTCs could impact competition. Mr. Fidler shared that tax credits allow more individuals to purchase care, thereby expanding the market. As a result, he said, more insurers enter the ACA market, which increases competition. Sen. Klobuchar then asked Mr. Clarke to explain how quality, affordable coverage leads to more preventative care. Mr. Clarke responded that rewarding physicians for improved patient outcomes, which can only be achieved through health insurance coverage, creates better incentives for primary care physicians to engage in preventive patient care.

Chairman David Schweikert (R-AZ) was curious about what has been the biggest success in incentivizing behavior change. Mr. Tingle responded that the biggest surprise is that behavior change is achievable with the correct incentives and that small prices, such as a \$5 gift card, have incentivized the behavior change. In discussing ways to reduce health spending with Chairman Schweikert, Mr. Roy pointed out that while prevention can reduce costs, it can also lead to higher expenditure. Mr. Clarke favored a capitation model, but Mr. Fiedler suggested that a complete capitation model might result in reduced health services.

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