



The Problem

Against a backdrop of soaring prices, inflation and cost of living have become the [top concern](#) of Americans. The cost of consumer goods, such as food and utilities, remains at historic highs and health care costs are expected to increase in the coming months. **Increased costs are forcing many families to choose between affording health care or other basic needs in order to make ends meet.**

[Recent polling](#) has shown that, alongside increased concern over inflation, the affordability of health care remains top of mind for many families. [Nationwide](#), nearly one in three people have avoided treatment for a health problem because of cost, and in some [states](#) that number is far higher. The impact of these high costs goes beyond just health – for example, [one in four people](#) have put off major purchases and 14% have been forced to work an extra job or worked more hours to pay for their health insurance. And it's not just families that are affected – [higher health care costs](#) in state budgets have driven down spending on education, affordable housing, and other things that contribute to healthy lives and lower costs. Health care is critical for the well being of all families, yet additional action is needed to make it accessible and affordable for families under financial strain.

The Solution

States have an opportunity to address high health care costs and their impact on family budgets. Nearly all people believe that it is time for a **better, more equitable health care system**. Nearly **seven in ten voters** [support a public health insurance option](#), or “**public option**,” which would institute a government-regulated, largely privately run insurance plan for individuals and small businesses as **an alternative to traditional private insurance**. Public options save money for all by containing health care costs, increasing competition, and investing in payment reforms, while freeing up family budgets for gas and groceries.

Containing costs

A public health insurance option would create tools to lower costs in ways unavailable to for-profit insurance companies. Governments would have the ability to leverage their power with industry to drive down costs and reduce spending. The result would be more money in people's pockets to reinvest in their own health, spend on other basic needs, or save for a rainy day fund.

Increasing competition

A public health insurance option would be offered to consumers alongside traditional health insurance options, providing additional choice for consumers and pressuring insurance plans to cut high deductible and premium costs. A public option would benefit historically marginalized communities that have historically struggled with their coverage options and would eliminate the stranglehold many insurers have on certain markets.

Payment and delivery system reform

Public options could incentivize value based payment arrangements that move away from wasteful fee-for-service and toward further savings for both people and the health care system. A public option would leverage payment models such as global budgeting and bundled payments to achieve better outcomes and lower costs.