AMERICAN ECONOMIC LIBERTIES PROJECT

Executive Summary

BREAK UP BIG MEDICINE:

A Health Care Agenda to Restore Power to Patients and Practitioners and Save Families $6,000 a Year

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EXECUTIVE SUMMARY

The U.S. health care system is at a reckoning point. Following decades of unchecked consolidation and vertical integration, Big Medicine—insurance conglomerates, Big Pharma manufacturers, pharmaceutical middlemen, mega hospitals, and private equity-backed practices—controls nearly every aspect of this system. As a result, costs have skyrocketed, even as both patient outcomes and physician supply relative to demand have declined.[1] Health care practitioners are also leaving clinical practice in droves, unable to continue dealing with Big Medicine's incursion into clinical decision-making.

This agenda outlines the root causes of health care industry consolidation, its devastating effects, and policy solutions to promote competition and restore power to patients and practitioners. Our proposed reforms could save Americans up to $795 billion annually—or more than $6,000 per household—by reducing Big Medicine administrative waste.[2] They would also wrest control over our health care system from Big Medicine, whose fiduciary duty is to investors, and restore it to patients and the practitioners who have sworn an oath to care for them. Finally, polling shows that they are supported by most voters in both parties, and bipartisan state and federal policymakers have introduced legislation that would accomplish many of its goals.[3]

NEOLIBERALISM → BIG MEDICINE

Beginning in the 1970s, lawmakers and regulators from both political parties adopted a new philosophy of deference to private market forces, based on an unfounded belief that this would result in efficiency gains and lower costs.[4] This neoliberal approach gave rise to the "managed care" revolution, shifting health care financing from a fee-for-service model, in which insurers reimbursed providers a set rate for each service, to a new model, in which insurers took a more active role in cost containment.[5] Fifty years later, it is clear that these policy changes resulted in extreme market consolidation and vertical integration between

[1] Munira Gunja et al., "U.S. Health Care from a Global Perspective, 2026," The Commonwealth Fund, May 28, 2026, http://commonwealthfund.org/publications/issue-briefs/2026/may/us-health-care-global-perspective-2026; Nichole Fusilier et al., "Recent trends in US government healthcare & behavioral health workforce departures," *Health Affairs Scholar*, Feb. 7, 2026, https://pmc.ncbi.nlm.nih.gov/articles/PMC12931559/.

[2] U.S. health care spending totaled $5.3 trillion in 2024, the latest year for which data is available. Assuming 15% of that is wasteful overhead, U.S. health care spending would decrease by $795 billion, which, divided by the number of U.S. households reported by the U.S. Census Bureau, equals nearly $6,200. Detailed economic modeling is forthcoming. See "NHE Fact Sheet" above; "QuickFacts: United States," U.S. Census Bureau, accessed June 4, 2026, https://www.census.gov/quickfacts/fact/table/US/HSD410224.

[3] YouGov polling data, June 10-12, 2026, https://www.economicliberties.us/wp-content/uploads/2026/08/AELP_YouGov_HealthcarePoll.pdf.

[4] Hayden Rooke-Ley et al., "Health Care Conglomerates: Policy and Legal Options for Addressing Vertical Integration," Brown University Center for Advancing Health Policy through Research, May 2026, https://repository.library.brown.edu/studio/item/bdr:99ckb2aq/.

[5] Adam Gaffney, "The Neoliberal Turn in American Health Care," *Jacobin*, April 15, 2014, https://jacobin.com/2014/04/the-neoliberal-turn-in-american-health-care/; Hayden Rooke-Ley, "Medicare Advantage and Vertical Consolidation in Health Care," American Economic Liberties Project, April 2024, https://www. economicliberties.us/wp-content/uploads/2024/04/Medicare-Advantage-AELP.pdf.

payers and providers, enabling the rise of Big Medicine at the expense of patients, practitioners, employers, workers, and taxpayers.[6]

THE AGENDA

Policymakers must abandon this neoliberal approach and embrace structural policy solutions that address the root causes of Big Medicine's harms. Our four-part policy agenda, summarized below, will restructure health care markets to lower costs, improve quality, and restore power over our system to patients and practitioners.[7]

Break up Big Medicine

- **Eliminate conflicts of interest** that inflate prices. Congress should pass the following legislation:
  - The bipartisan **Break Up Big Medicine Act** (S.3822), which would prohibit insurers, pharmacy benefit managers (PBMs), and wholesale drug distributors from owning or controlling providers.
  - The **Patients Over Profits Act** (S.2836, H.R.5433), which would force insurers to divest certain Medicare providers.
  - The bipartisan **Patients Before Monopolies Act** (S.5503, H.R.10362), which would force health insurers and PBMs to divest their pharmacy businesses.
- **End the corporate practice of medicine** to protect clinical judgment from financial interests. Congress should pass the following legislation:
  - The **Stop Corporate Takeovers of Physicians Act** (S.5419), which would create a federal ban on the corporate practice of medicine, closing loopholes in state laws that private-equity firms and other corporate entities use to gain control of physician practices.
  - The **Take Back Our Hospitals Act** (S.4085, H.R.7920), which would effectively prohibit private-equity ownership of hospitals and skilled nursing facilities by prohibiting them from receiving Medicare reimbursements.
  - The **Corporate Crimes Against Health Care Act** (S.3829, H.R.7537), which would create new criminal and civil penalties for private-equity executives

[6] "Fortune 500," Fortune, June 3, 2026, https://fortune.com/ranking/fortune500/2026/; "Form 10-K," UnitedHealth Group, March 2, 2026, https://www.unitedhealthgroup.com/content/dam/UHG/PDF/investors/2025/UNH-Q4-2025-Form-10-K.pdf; "Form 10-K," CVS Health, Feb. 10, 2026, http://d18rn0p25nwr6d.cloudfront.net/CIK-0000064803/fbe8d854-5705-4843-bf0a-c4cafc17fcd4.pdf; "Form 10-K," McKesson, May 8, 2026, https://s24.q4cdn.com/128197368/files/doc_financials/2025/ar/f228364d-7e15-414a-a2e2-177651014ef5.pdf; "Form 10-K,"Cencora, Sept. 30, 2025, https://d18rn0p25nwr6d.cloudfront.net/CIK-0001140859/76d55a73-04ea-4af4-be6b-10270ebef61e.pdf; "Form 10-K," The Cigna Group, Feb. 26, 2026, https://investors.thecignagroup.com/financials/sec-filings/sec-filings-details/default.aspx?FilingId=19188102; "Form 10-K," Cardinal Health, Aug. 12, 2025, https://d18rn0p25nwr6d.cloudfront.net/CIK-0000721371/af4f5ef3-12df-4c7e-a350-e1d952402ed5.pdf.

[7] Emma Freer and Morgan Harper, "Break Up Big Medicine: A Health Care Agenda to Restore Power to Patients and Practitioners and Save Families $6,000 a Year." American Economic Liberties Project, August 2026, https://www.economicliberties.us/wp-content/uploads/2026/08/AELPHealthcareAgenda.pdf.

whose firm takes control over a health care organization and contributes to a triggering event, such as looting, that results in the injury or death of a patient.

Bring Down Prices

- **Standardize and cap health care prices** across public and private payers using traditional Medicare reimbursement rates for inpatient and outpatient services and negotiated drug prices as benchmarks.
- **Invest in public options** for PBMs, generic drug manufacturing, and insurance that lower health care costs by eliminating Big Medicine administrative waste.
- **End utilization management practices**, which private insurers use to deter, delay, and deny necessary care.[8] Specifically, Congress should:
    - **Ban prior authorization** by prohibiting the use of the corporate care veto by private insurers and their corporate affiliates with a financial conflict of interest. For a more detailed proposal, see our August 2026 policy brief, "Ban Prior Authorization: Ending Big Medicine's Strategy to Boost Profits by Denying Medically Necessary Care."
    - **End patient cost-sharing obligations** (such as deductibles and co-pays) across private and public payers.

Build Capacity

- **Invest in providers**, especially safety-net hospitals in rural and low-income metro areas, independent medical and dental practices, community pharmacies, and primary care physicians. Specifically, Congress should:
    - **Create a revolving loan fund for independent practices** that lack leverage in payment and coverage negotiations with Big Medicine insurance conglomerates.
    - **Ban noncompete agreements** to ensure workers' mobility, including negotiating better pay, taking a job, or going independent.
    - **Invest in a pipeline of new physicians** by increasing and reallocating medical residency slots across specialties and geographic areas according to need.
    - **Expand public ownership** by funding new and existing programs, such as expanding federally qualified health centers, the National Health Service Corps, and local publicly owned hospital systems.[9]
- **Invest in the U.S. prescription drug manufacturing base** to ensure affordability and access to essential medicines.

[8] Scott Howell et al., "Quantifying The Economic Burden Of Drug Utilization Management On Payers, Manufacturers, Physicians, and Patients," Health Affairs, August 2021, https://www.healthaffairs.org/doi/pdf/10.1377/hlthaff.2021.00036.
[9] Alex Jacquez, "It's Time for an American Health Service," Democracy Joursnal, Spring 2026, https://democracyjournal.org/magazine/80/its-time-for-an-american-health-service/.

Bolster Enforcement of Existing Laws

- **Close loopholes that allow anti-competitive business practices**, such as rebates and patent abuse, which Big Pharma manufacturers and pharmaceutical middlemen use to drive up prescription drug costs.
- **Increase funding for federal antitrust enforcers** so that the Federal Trade Commission and the Department of Justice's Antitrust Division can vigorously enforce existing federal laws and implement new structural legislative reforms.

CONCLUSION

The passage of President Donald Trump's and congressional Republicans' One Big Beautiful Bill has only exacerbated cost and coverage issues, pushing our already strained health care system to the brink. Congress should heed Americans' demands for relief by dismantling the neoliberal policies that enabled the rise of Big Medicine, which has failed everyone except corporate executives and shareholders. It's time to build the health care system American families have always deserved.

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