Academic Articles & Reports Round Up: April 2016

Happy May! April produced a number of articles and reports on interesting aspects of healthcare issues. As always, healthcare cost was at the forefront of the scene. Also discussed were pharmaceutical cost, the intersection of quality and cost, cost-sharing, the likelihood of a single-payer healthcare system in the United States, the effects of the ACA's Medicaid expansion, and the ins and outs of the new Medicare payment system.

HEALTHCARE COST

Health Affairs published an article entitled *Study of Physician And Patient Communication Identifies Missed Opportunities To Help Reduce Patients' Out-Of-Pocket Spending*. The article's authors recorded patient interactions with physicians and identified key physician behaviors that interfere with physicians helping patients plan for out-of-pocket healthcare expenses. These behaviors ranged from physicians failing to "fully engage with patients' financial concerns" to relying solely on temporary solutions to out-of-pocket expenses (versus developing long-term solutions to reduce healthcare spending). At the root of each of these physician behaviors were "systemic barriers" to these conversations (i.e., an overall lack of price transparency data).

Health Affairs also published an article entitled *Prices For Common Medical Services Vary Substantially Among The Commercially Insured*. Here, the article's authors analyzed a national multi-payer commercial claims database, that collected and published allowed amounts for each claim, and found large variations in healthcare service price, based on geographic area. This article's findings add to a large number

of articles and reports that have also identified significant price variations—both among and within—geographic areas.

The National Academy for State Health Policy published an article entitled *Answering the Thousand-Dollar Debt Question: An Update on State Legislative Activity to Address Surprise Balance Billing*. This reports offers a comprehensive explanation of the rise of "surprise balance billing," federal legislation that addresses it, and current state initiatives that seek to address it. Whereas federal regulation focuses on Medicare, states have been creative in how they are approaching surprise balance billing|state initiatives span an array of methods, which include: increasing patient price disclosures, cost estimates, and network transparency|capping or limiting out-of-network charges|establishing processes to resolve billing disputes|assessing the impact of balanced billing and incentivizing patients to use out-of-network care that is less expensive than the cost of in-network care.

PHARMACEUTICAL COST

Journal of Pharmaceutical Policy and Practice published an article on *Evaluating availability and price of essential medicines in Boston area (Massachusetts, USA) using WHO/HAI methodology*. The article's authors investigated the availability and prices of essential medicines in the Boston Area. Much like the large number of articles and reports that have identified price variances in healthcare prices, the authors of this article found that medicine prices vary and were "considerably higher" in the Boston Area than surrounding areas. This, they argue, suggests that patients should "shop around" for favorable medicine inclusion programs.

HEALTHCARE PRICE TRANSPARENCY

Health Affairs published an article entitled *Examining A Health Care Price Transparency Tool: Who Uses It, And How They Shop For Care*. Here, the article's authors evaluated a small

population of Aetna insureds who had access to Aetna's Member Payment Estimator service between 2011-12. The authors found that, although use of the price estimator increased throughout that year, it remained low. The authors conclude that campaigns to increase patients' engagement with price transparency tools would increase the amount of price information patients could receive.

HEALTHCARE COST AND QUALITY

Another hot issue in April was the intersection of healthcare cost and quality. Health Affairs kicked off the month's discussion with an article that found that *Most Americans Do Not Believe That There Is An Association Between Health Care Prices and Quality of Care*. The article's authors surveyed healthcare consumers and found that up to 71% of people did not think there was an association between healthcare cost and quality|that up to 24% believed there was an association|and up to 16% were unsure. The authors plan to use their findings to inform behavioral economics approaches aimed at helping healthcare consumers use price and quality information to their advantage.

Quality Evaluation in Non-Invasive Cardiovascular Imaging published a piece on *The Quality/Cost/Value Relationship*. The authors examined the "cost of quality" theoretical model (which assumes that in order to increase value, either (1) quality must improve or (2) cost or volume must be reduced). The article explores this model and the ways in which its quality, cost, and volume variables can be adjusted to increase healthcare value.

Health Affairs also published an interesting article on *Summarized Costs, Placement of Quality Stars, and Other Online Displays Can Help Consumers Select High-Value Health Plans*. Here, the article's authors observed consumers as they navigated and selected healthcare plans. They found that consumers were more likely to choose high-value plans when

cost information was summarized (versus detailed)|when quality stars were displayed adjacent to cost information|when consumers understood the quality star system|and when high-value plans were highlighted with either a checkmark or a blue ribbon. The authors encourage exchange plans to incorporate these findings into their plan displays to signify and alert consumers to high-value plans.

COST-SHARING

Kaiser Family Foundation ("KFF") posted an insight brief entitled *Payments for cost sharing increasing rapidly over time*. KFF identified a number of cost-sharing variables and found that most of them rapidly increased between 2004-14. KFF found that average payments by plan enrollees towards deductibles rose by a sharp 256%|average co-insurance payments rose by 107%|and patient cost-sharing rose by 77%. On the other hand, KFF found that average copays decreased by 26%. Also of note, KFF identified that whereas deductibles accounted for less than 25% of cost-sharing payments in 2004, they accounted for nearly 50% in 2014. All of these shifts in costs, the article's author argue, evidence greater cost sharing—and therefore out-of-pocket costs—for patients.

MISCELLANEOUS

The New England Journal of Medicine published an article on *The Virtues and Vices of Single-Payer Health Care* wherein the author explains why he thinks a single-payer system has no realistic path to enactment in the foreseeable future." Additionally, the National Bureau of Economic Research (NBER) published a report on *The Effect of the Patient Protection and Affordable Care Act Medicaid Expansions on Financial Well-Being*. In its report, NBER posts findings that, beyond the ACA's Medicaid expansion increasing access to healthcare services, it also reduced the number of unpaid healthcare bills, as well as the amount of debt sent to third party collection agencies for patients in zip codes with the highest

number of low income, uninsured individuals. And, finally, Health Affairs published a policy brief on *Medicare's New Physician Payment System* wherein the article's authors explain the new payment system, its requirements, the policies that underlie the system, and poses the questions on everyone's minds: will the new system increase healthcare quality, will it reduce unnecessary care, and will it lower cost growth rates—something other healthcare payment reforms have tried, but failed, to achieve.

See you next month!