

# The Source Roundup: April 2019 Edition

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Spring is finally here! With it, we review articles and reports about 1) single payer health plans and universal health care, 2) the causes, effects, and possible solutions to rising prescription drug pricing, and 3) health care costs and price transparency.

## Single Payer Health Plans and Universal Health Care

The terms “single payer health plans” and “universal health care” are becoming increasingly familiar as the 2020 elections approach. But the meanings of these terms, and the specific policies and proposals associated with them, are often misunderstood. In [The Pros and Cons of Single Payer Health Plans](#), Linda Blumberg and John Holahan of *The Urban Institute* clarify that single payer plans are one tool used to promote universal health coverage, and different single payer plans can vary greatly. They also consider the pros and cons of one popular single payer proposal, Medicare for All. They find that, while Medicare for All would increase access to care, affordability for patients, and promote equity, it would also increase taxes and present serious administrative challenges.

Understanding the nuances of different single payer proposals, including Medicare for All, can be difficult. Helpfully, *The Commonwealth Fund* launched an [interactive tool](#) for analyzing the range of proposals introduced in Congress. In [The “Medicare for All” Continuum: A New Comparison Tool for Congressional Health](#)

[Bills Illustrates the Range of Reform Ideas](#), Sara Collins explains how the tool groups bills into three categories: those that would add features of public plans to existing private insurance plans, those that would give people the choice of public and private plans, and those that would make a public plan available to everyone. Given the broad range of bills that fall into these different categories, she suggests politicians may wish to support an approach that builds a Medicare for All system over time or one that implements key features of Medicare for All, instead of an entire single payer system.

Another useful way to assess such proposals is comparing them to policies operating in other countries. *The Commonwealth Fund's* Roosa Tikkanen analyzed ways in which the Netherlands, Switzerland, Canada, Australia, Germany, Norway, and England achieve universal health coverage in [Variations on a Theme: A Look at Universal Health Coverage in Eight Countries](#). She finds these countries employed strategies that include at least one of the following elements: regulating private health plans, supporting public insurance, and/or allowing secondary private coverage in addition to public coverage.

## **Pharmaceutical Pricing**

Increased spending on prescription drugs is not news, but *The Pew Trusts'* new study, [The Prescription Landscape Explored](#), details how much spending has increased, and the key reasons for it. Importantly, consumer costs are increasing. The study finds that the amount of health plan premiums allocated to prescription drug coverage increased from 12.8 percent to 16.5 percent. Consumers seem to be aware of such increases, as illustrated in a new Centers for Disease Control and Prevention survey: [Strategies Used by Adults Aged 18-64 to Reduce Their](#)

[Prescription Drug Costs](#). It found that about 20 percent of adults asked their doctors for lower-cost medications, and more alarmingly, over 10 percent of adults did not take medications as prescribed in order to reduce costs.

One of the often-discussed causes for increasing drug costs is the use of pharmacy benefit managers (PBMs) in negotiating drug prices. In [Pharmacy Benefit Managers: Practices, Controversies, and What Lies Ahead](#), *The Commonwealth Fund's* Elizabeth Seeley and Aaron Kesselheim find that PBMs have increased prices in some instances because of their use of rebates. However, the authors also find that addressing rebates without addressing other strategies for driving PBMs towards value is insufficient for lowering spending on prescription drugs.

Continuing the current theme of single payer system, James Robinson et al. offer a possible solution to rising prescription drug prices in the *Health Affairs* blog, [Single Payer Drug Pricing in a Multipayer Health System: Does Germany Offer a Model for the US?](#). The authors suggest that the German single payer drug pricing system could be a useful model for the U.S. because despite similarities between the German multipayer health insurance system and the US employment-based system, drug prices in Germany are much lower. The German system for pricing drugs includes factors not considered in the US, such as assessments of the clinical benefits of new drugs from stakeholders like physicians and patients. The authors recommend that the U.S. adopt such features in order to better align drug prices with their clinical value.

### **Health Care Costs and Transparency**

Prescription drug costs aren't the only costs researchers are studying. Three recent studies look at the patient's role in

lowering the amount they spend on health care providers. A *New England Journal of Medicine Catalyst* survey by Leemore Dafny and Chris DeRienzo, [Patients Lack Information to Reduce the Cost of Care](#), finds that health care stakeholders believe that individual patients share responsibility for lowering the cost of their care with hospitals, clinicians, and government. At the same time, the majority of stakeholders also acknowledge that patients may not have enough information to make decisions that would lower their health care costs due to the lack of price transparency.

One strategy for helping patients lower the cost of their care is implementing programs that incentivize patients to receive care from lower-cost providers. Christopher Whaley et al. analyzed such a program in their *Health Affairs* article, [Paying Patients to Switch: Impact of a Rewards Program on Choice of Providers, Price, and Utilization](#). They find that a program that financially rewarded patients who switched to lower-cost providers resulted in a 2.1 percent reduction in prices paid for a selected group of health care services targeted by the program. The services most affected were MRIs and ultrasounds. However, another strategy for incentivizing consumers to lower their costs, enrolling in high-deductible health plans (HDHPs), was found to not generally induce cost reducing behaviors. In [A Survey of Americans With High-Deductible Health Plans Identifies Opportunities to Enhance Consumer Behaviors](#), published in *Health Affairs*, Jeffrey Kullgren et al. find that only 40 percent of HDHP members who were surveyed saved for health care costs, only 25 percent talked to their doctors about costs, and less than 15 percent compared costs. Many surveyed patients said they did not do these things because they simply had not thought about it, or they did not believe engaging in these behaviors would make a difference.

That's it for this month's Roundup. As always, if you find articles or reports that you think should be included in the monthly Roundup, please [send](#) them our way. Happy reading!