The Source Roundup: December 2019 Edition

Happy December! The holiday season is upon us and it is time to cozy up with a warm cup of tea to the latest health policy news. This edition of the Source Roundup looks at articles on 1) healthcare market consolidation and provider network access, 2) increases in insurance premium contributions and deductibles, and 3) lessons from healthcare system reforms abroad.

Healthcare Markets

Accountable care organizations (ACOs) have been lauded for providing higher quality medical care at lower costs. In a recent *Health Affairs* research article, Changes in Physician Consolidation with the Spread of Accountable Care Organizations, Genevieve P. Kanter, Daniel Polsky, and Rachel M. Werner analyze to what extent ACOs actually drive down healthcare costs. The authors reveal that ACOs may incentivize consolidation among physician groups. This is particularly concerning because consolidation can be associated with lower quality care and higher prices.

In another *Health Affairs* article, Simon F. Haeder, David Weimer, and Dana B. Mukamel report on the effect of provider networks on access to cardiologists, endocrinologists, obstetrician-gynecologists, and pediatricians for Affordable Care Act Marketplace plans in California. In A Consumer-Centric Approach To Network Adequacy: Access To Four Specialties In California's Marketplace, Haeder et al. applies geographic distances between consumers and providers and the availability of active providers to their approach and found that Marketplace plan networks are narrower than alternative commercial plans. These network designs ultimately create greater access issues for rural consumers compared to metropolitan consumers.

Healthcare Costs

Sarah R. Collins, David C. Radley, and Jesse C. Baumgartner investigate the cost of health insurance as compared to household incomes in the *Commonwealth Fund* study Trends in Employer Health Care Coverage, 2008–2018: Higher Costs for Workers and Their Families. Despite median wages rising over the past decades, employees are contributing a greater proportion of their income to their health plan premiums and deductibles. Average health insurance contributions exceeded ten percent of median incomes in forty-two states, and consumers remain vulnerable to high out-of-pocket costs due to the rise in deductibles. Lower-income families experience even greater impact from these trends in employer health care coverage.

In addition to the rise in deductibles and premium contributions, Tim Xu finds that hospital sticker prices, or chargemaster rates, for emergency medicine and anesthesiology have increased faster than inflation in his *JAMA Internal Medicine* research letter, Markups on Emergency Medicine and Anesthesiology Services in the United States From 2012 to 2016. Uninsured patients or those who receive out-of-network care are billed at these higher rates and face legal repercussions if they do not pay up. Additionally, uninsured patients comprise a greater percentage of emergency departments visits and therefore more vulnerable to surprise medical bill practices.

Healthcare System Reform

As Americans continue to bear the brunt of out of control pharmaceutical costs, scholars and researchers are urging policymakers to look to other countries for price control models. In the *Commonwealth Fund* issue brief What Can the United States Learn from Pharmaceutical Spending Controls in France?, Marc A. Rodwin asserts that drug spending can be reduced in America if we implement similar French pharmaceutical price and spending control methods. These regulations include establishing maximum prices for new drugs that reflect the new drug's added value, capping price increases after a new drug enters the market, and requiring manufacturers to pay rebates when drug spending exceeds a national pharmaceutical spending limit. Contrary to popular industry criticism that

pharmaceutical price control regulations will stifle innovation, Rodwin finds no significant impact on access to new drugs in France. As a result, Americans likewise could benefit from new drug control spending reforms that still inspire therapeutically useful new drug innovation.

Domestically, the popular Democratic presidential candidates' "Medicare for All" plan is not an unfamiliar healthcare reform proposal. In the *Manhattan Institute* report, Medicare for All? Lessons from Abroad for Comprehensive Health-Care Reform, Chris Pope describes how eight countries have successfully implemented four broad versions of "Medicare for All." Research reveals that a citizen's ability to obtain expensive medical procedures increases in proportion with the ability to purchase private medical care insurance. Pope concludes that the most successful "Medicare for All" system will incorporate private insurance with public subsidies.

That concludes this month's Roundup. If you find articles or reports that you think should be included in the monthly Roundup, please send them our way. Happy reading!