

Academic Articles & Reports Roundup: September 2015

With fall comes sweeping change—and the health care price and competition fields were no exception this year. September’s literature focused most heavily on: 1) health care and insurance competition|2) pharmaceutical drug pricing|and 3) Medicare/Medicare Advantage.

Health care and insurance competition took center stage in September. Subcommittees of the U.S. Senate and House of Representatives’ Judiciary Committees held multiple hearings on various competition topics. Numerous stakeholder representatives testified at each hearing—including, as you’ve probably already heard, The Source’s very own Executive Editor, Jaime King! Each of the witnesses’ Prepared Statements from these hearings can be found on our September [Litigation & Enforcement](#) page.

Just prior to the hearings commencing, Professor Leemore Dafny and economists, Mark Duggan and Subramaniam Ramanarayanan, wrote an article arguing that Americans already pay 7% “premium[s] on their health insurance premiums” due to recent insurance market concentration. Taking the insurance merger implications one step further, the AMA Wire published an article that aims to predict which states’ citizens will be [most affected](#) if the proposed insurance mergers go through.

In a similar vein, an [article](#) in the Journal of Insurance Regulation argued that insurance premiums have doubled in the past 10 years—likely as a result of high market concentration. The article’s authors propose a state level analysis to determine insurance marketplaces across states, as well as market concentration and profitability. Almost as if in partial response, the GAO published the results of its study on [Private Health Insurance: The Range of Premiums and Plan Availability for Individuals in 2014 and 2015](#). The GAO found that premiums varied among states and counties, and it created [an interactive map](#) that reports the minimum, median, and maximum premium values by state and county.

Simultaneously, The Journal of Health Administration Education published an article

on [“Vertical Integration Strategies in Healthcare Organizations”](#) in which the authors argue that hospital participation in ACOs is a form of vertical integration, outline which hospitals would benefit from ACO participation, and set forth conceptual models that illustrate the conditions under which these hospitals could benefit. In addition, Susan Adler Channick published an article in the William & Mary Policy Review, analyzing [“The ACA, Provider Mergers and Hospital Pricing: Experimenting With Smart, Lower-Cost Health Insurance Options”](#) and concluded that the “ACA promises health care security by creating near universal, affordable, adequate health care,” but that provider pricing is “key.” She provides an extensive list and description of measures that would remedy current and future health care market concentration.

Hot on the health care price transparency front, in September, was pharmaceutical pricing. Mid-month, the Center for American Progress published an article entitled, [Enough Is Enough: The Time Has Come to Address Sky-High Drug Prices](#). The article argues that growing pharmaceutical costs are not sustainable and sets forth an integrated package of reform measures the Center urges the CBO to take. The September/October issue of The Physician Leadership Journal’s Health Care Policy section featured an [article](#) written by Heather Boerner, detailing how some physicians have begun to take a more public stand against the high costs of pharmaceuticals (as opposed to the traditional, primary approach of simply prescribing patients generic drugs).

One of the huge issues underpinning the proposed insurance mergers—and also aptly represented in September literature is Medicare and Medicare Advantage. Jonathan Oberlander, Ph.D. and Miriam L. Laugesen, Ph.D. published an article in The New England Journal of Medicine, where they [explain Medicare’s new physician payment system](#). The new system includes the repeal of the sustainable growth rate formula (SGR) and the various incentive-based payment rate increases on the horizon. On a similar note, JAMA Surgery published an article that explains the ACA-proposed Medicare [payment bundling and episode of care](#) definitions and provisions. Forthcoming in the American Journal of Managed care is Anna D. Sinaiko, Ph.D.’s article, [“Medicare Advantage - What Explains Its Robust Health?”](#) Her article concludes that a combination of various factors has helped Medicare Advantage thrive in the face of today’s payment cuts. These include: the way the payment cuts

were phased in|the variety and quality of today’s Medicare Advantage plans|the fact that current plan beneficiaries are experienced in, and comfortable with, these plans|and beneficiaries’ tendencies to favor Medicare Advantage and stay in their plans over time. Lastly, Source Advisory Board member [Paul B. Ginsburg, Ph.D.](#), and Alice M. Rivlin, Ph.D. authored a “Perspectives” piece in NEJM, “[Challenges for Medicare at 50](#),” in which they advise: “Medicare would be wise to accelerate the adoption of provider payment reforms in the traditional program and increase competition among the private health plans available to beneficiaries under Medicare Advantage.”

Other relevant September articles touched on: [institutional theory](#), [evidence-based care](#), [the accuracy of inpatient payment estimates via payment-to-charge ratios \(PCRs\)](#), [the effects of reference pricing](#), [healthcare inflation and the core inflation gap](#), and [physician-owned hospital studies](#).

See you next month!