# The Source Roundup: December 2018 Edition

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Happy December! 'Tis the season for curling up next to the fire and catching up with what's happening in the world of health policy. In this December Roundup, we highlight (1) effect of disclosing prescription drug price in advertisements, (2) a systematic review of cost-saving literature, (3) employer alliances for health plans, (4) how to decrease the cost of care for Alzheimer's patients, and finally, already gearing up for the next election, (5) what types of health policies the Democratic and Republican 2020 presidential nominees may campaign on.

Prescription drug price disclosures are popular but likely ineffective

Requiring pharmaceutical companies to include price information in their advertisements has been an increasingly popular idea, even though Congress was unable to implement the policy through legislation this year. In October, CMS proposed a rule which would require pharmaceutical advertisements to display the wholesale acquisition cost (WAC) for one month's prescription. In the NEJM Perspective article Disclosing Prescription-Drug Prices in Advertisements — Legal and Public Health Issues, Stacie Dusetzina and Michelle Mello discuss why such a rule is unlikely to achieve its policy objectives. First, the WAC price disclosure is irrelevant for the majority of patients who have at least some form of insurance; advertising the WAC price may actually discourage patients who could afford the treatment with their insurance. Second, the rule may unconstitutionally compel commercial speech, violating the First Amendment. Finally, the rule does not currently have any enforcement mechanism besides shaming non-compliant companies by posting a list of violators on the CMS website. In the alternative, Dusetzina and Mello suggest that providers discuss drug costs with individual patients when prescribing the treatment.

A systematic international policy review reveals which systems effectively contain costs, and which do not

After an extensive review of global health policies going back to the 1970s, Niek Stadhouders, et al. published Effective Healthcare Cost-Containment Policies: A Systematic Reviewwith Health Policy, which looks at the societal impact of cost containment strategies.  A rigorous review of existing literature revealed that policies such as decentralization and case management did not produce significant cost-savings. However, cost sharing does reduce costs; various studies showed that deductibles, coinsurance, and tiered copayment systems were associated with lower premium growth rates. Managed competition was also effective at reducing long term costs, and the authors posit that cost sharing and competition work hand-in-hand. Unsurprisingly, they also found that internal price referencing and generic substitution greatly reduced paramedical spending. Finally, the authors highlight specific reform areas which could produce significant cost savings, such as tort reform and end-of-life care.

As the largest purchaser of health insurance, employers can work together to bring down health costs

In order to keep their spending low, employers have been moving towards high deductible plans to shift the cost of health care onto their employees. However, as the labor market booms, the Harvard Business Review argues To Control Health Care Costs, U.S. Employers Should Form Purchasing Alliancesin an article by David Blumenthal, et al. In order to keep employees from leaving in search of companies with better health plans, employers instead can form alliances to increase their bargaining power with health care providers. Currently, providers charge employer health plans far more than they charge Medicare or Medicaid, simply because they can. Individual employers lack bargaining power, and small employers often don’t have the same sophisticated knowledge of health insurance to navigate the system on behalf of their employees. The authors of this article argue that with some adjustments to antitrust law, employers of all sizes can pool their resources to

secure low cost, high quality health care for their employees.

Health systems need to implement comprehensive plans to deal with the inevitable increase in dementia patients over the next 50 years

Life expectancies are increasing around the globe, but there's no promise of a cure for Alzheimer's just yet. R. John Sawyer argues in his NEJM Catalyst article that Value-Based Care Must Strengthen Focus on Chronic Illnessesin order to effectively care for this aging population. Currently, dementia patients account for a disproportionate amount of health care spending, as they are frequently receiving treatment in the wrong settings. Too often, people with Alzheimer's disease end up in the hospital, as there is little comprehensive preventative care for these patients. Sawyer points to our Consortium partner UCSF's Care Ecosystem Model as a great example of the type of comprehensive care system that he hopes to see adopted more widely to better care for this population. The end of the article sets out concrete steps health systems can take in modifying their care team structure, care coordination, and data and metrics to prepare for the increase in dementia patients.

Now that the 2018 midterm elections are over, it's time to consider what health policy proposals may look like from the 2020 presidential nominees

Given their failure to repeal and replace the ACA, Lanhee Chen speculates Republicans will lean into a more state-focused approach for health policy in her article for Health Affairs, Getting Ready for Health Reform 2020: Republicans' Options for Improving Upon The State Innovation Approach. In 2017, Republican senators proposed the Graham-Cassidy-Heller-Johnson legislation, which would have increased state flexibility by giving federal block grants to the States to innovate their own health care systems. The 2020 presidential nominee will likely have a health policy plan which builds off this legislation, including federal block grants, an increased focus on health savings account, and an adjustment of the Medicaid eligibility requirements. Chen identifies specific policy issues which will need to be worked out by the nominee, such as how the block grants work, and to what extent

the state innovation approach can work within the ACA framework.

On the other side of the aisle, Democratic presidential candidates will propose a variety of public health plans, given the popularity of "Medicaid-for-all" within the party. Sherry Glied and Jeanne Lambrew give some guidance to potential candidates in their Health Affairs article, How Democratic Candidates for the Presidency In 2020 Could Choose Among Public Health Insurance Plans. The authors break down the different types of public plan legislation into three categories. Public option policy proposals could put public plan elements into private plans, add a public plan choice in addition to private plans, or create a true single public plan. To help candidates decide between these types of public plans, the article suggests that potential Democratic candidates should consider the goals of their policy proposal, such as whether their priority is to reduce complexity in the health care system, increase the general affordability of health care, or target specific populations.

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!