The Source Roundup: January 2024 Edition

Healthcare Costs and Spending

- **Arriving at a Fair Price in the Medicare Drug Price Negotiation Program: Considerations from Other Countries** (***Health Affairs Forefront***)

  John K. Lin, James I. Barnes, Jalpa A. Doshi, Salah Ghabri, Peter Kolominksy-Rabas, Brian O'Rourke

  The Centers for Medicare and Medicaid Services (CMS) are slated to begin negotiating drug prices for a subset of Medicare drugs soon, due to the Inflation Reduction Act (IRA) of 2022. Recognizing the subjectivity involved in determining fair drug prices, this article highlights the authors' perspectives on CMS' current strategic shortcomings and analyzes analogous approaches from three other high-income countries (Canada, France, and Germany). The authors culminate their findings into five recommendations for CMS to adopt ahead of their upcoming negotiations including: more thoroughly and transparently pre-specifying CMS' qualitative approach and establishing an impartial, publicly funded health technology assessment body.

- **National Health Care Spending in 2022: Growth Similar to Prepandemic Rates** (***Health Affairs***)

Micah Hartman, Anne B. Martin, Lekha Whittle, Aaron Catlin

A new study published in Health Affairs found that national health care expenditures and the health share of the GDP has started to become more consistent with pre-pandemic growth rates. The study discusses findings and trends from national health expenditure and health insurance enrollment in the US from 2016 to 2022. In 2022, health care spending in the US reached $4.5 trillion, causing spending to grow by 4.1%, up slightly from the 3.2% growth rate in 2021 but a decrease from the 10.6% growth rate during the height of the COVID-19 pandemic in 2020.

Health Insurance Coverage Trends

- **Competition in Health Insurance: A Comprehensive Study of U.S. Markets** (***American Medical Association***)

American Medical Association Division of Economic and Health Policy Research

The American Medical Association released the results of its 22nd edition of its study on the degree of competition in health insurance markets in the United States, which focused on addressing questions such as whether health insurance markets are competitive, whether health insurers possess market power, and how proposed mergers may affect the power of health insurers. The 73-page report is designed to help researchers, policymakers, and regulators understand which insurance mergers and acquisitions may negatively impact consumers and health care providers.

Among their findings, the authors determined that the majority of health insurance markets in the US are highly concentrated, suggesting that health insurers are exercising market power in many parts of the country causing competitive harm to consumers and provides of care.

- **Engaging Specialists in Accountable Care: Tailoring Payment Models Based on Specialties and Practice Contexts** (***Health Affairs***)

  Katie Huber, Jonathan Gonzalez-Smith, Sherrie Wang, Mark Japinga, Frank McStay, Mark B. McClellan, Robert S. Saunders

  Accountable care refers to a movement that calls for less fragmented healthcare for patients by rewarding providers who can deliver high-quality, team-based, coordinated care. The Center for Medicare and Medicaid Services (CMS) is currently working towards a goal to ensure that the majority of Medicare and Medicaid beneficiaries will receive accountable care by 2030. This article is the first in a two-part *Health Affairs* series that discusses how differences in specialty care providers and practices should inform accountable care strategies. Specifically, the authors explore how to incorporate different medical specialties into the accountable care model, outline how practice environments can affect specialist engagement, and discuss the policy and implementation outcomes of engaging different types of specialists in accountable care.

Public Health Insurance Policy

- **The Predominance of Medicare Advantage (*The New England Journal of Medicine*)**

  Gretchen Jacobson, David Blumenthal

  Medicare Advantage is a program that allows Medicare beneficiaries to enroll in private health plans and benefit from the efficiencies of the private insurance market. Enrollment in Medicare Advantage has steadily increased since Medicare's inception in 1965. Today, over 33 million Medicare beneficiaries are estimated to be enrolled in Medicare Advantage. As the program grows, it poses challenges for federal authorities and plan stakeholders on how it can stay affordable and high in quality while meeting the needs of its beneficiaries. This new article in the New England Journal of Medicine provides the lowdown on the Medicare Advantage program by describing the program's unique features, explaining how these plans are paid for, discussing why enrollment has grown, and comparing Medicare Advantage to traditional Medicare programs.

Pharmaceutical Costs and Competition

- **Lawsuits Over the Price of Insulin—State Efforts for Insulin Access (*JAMA Internal Medicine*)**

  Daniel G. Aaron, Glenn Cohen, Eli Y. Adashi

  At least nine states and the territory of Puerto Rico have sued pharmaceutical companies and pharmacy benefit

managers (PBMs) to combat the high prices standing between patients in-need and insulin access. The authors of this new JAMA article assess the litigation strategy behind these lawsuits and discuss what the implications of these legal battles may foretell for the national insulin market.

And with that, we conclude this month’s roundup. If you find articles or reports that you think should be featured, please send them our way.