

The Source Roundup: July 2021 Edition

This month, we are proud to announce the publication of an issue brief by our Source colleagues Katherine L. Gudiksen, Alexandra D. Montague, and Jamie S. King on the topic of healthcare market consolidation—and more specifically, on what state and federal leaders are doing to deal with it. This month's Roundup also discusses new research about a potential link between ACO participation and higher prices, hospitals' lagging price transparency compliance efforts, surprise ambulance bills, the future of telehealth, enrollee satisfaction with public and private health plans, and state employee health plans' cost containment efforts.

Healthcare Market Consolidation

In [Who Can Rein in Health Care Prices? State and Federal Efforts to Address Health Care Provider Consolidation](#) (Milbank Memorial Fund), The Source's own Katherine L. Gudiksen, Alexandra D. Montague, and Jamie S. King discuss state and federal efforts to curtail the predatory behavior that created this situation—and make the case that collaboration between state and federal leaders is needed. For example, the issue brief discusses state efforts to increase price transparency by creating all-payer claims databases—and also, the need for federal ERISA reform that would allow states to collect such data from self-insured plans. That said, the brief notes that states are in some ways better positioned to address the harms of health care consolidation, and in other ways have simply been more successful than their federal counterparts in addressing it (such as efforts to create a public option). The brief is the first of three that will address the topic of consolidation.

How do Medicare accountable care organizations (ACOs) –whose providers are considered exempt from antitrust regulations prohibiting joint negotiation with commercial payers—affect prices and competition? In [Soft Consolidation In Medicare ACOs: Potential For Higher Prices With Mergers Or Acquisitions](#), (Health Affairs), Peter F. Lyu, Michael E. Chernew, and J. Michael McWilliams offer some evidence that ACO participation can lead to higher prices resulting from this exemption, but stop short of attributing such cost increases to enhanced market power. With such arrangements potentially on the rise, however, they say that further attention and analysis are needed. Analyzing commercial claims data for office visits, the researchers spotted sudden, large price increases for some primary care practices that joined ACOs led by health systems but kept their practices independent. However, they found little evidence that the practices enhanced their market share as a result of their ACO participation. The price increases were more likely an extension of the health systems' existing market power, the authors say.

Price Transparency

A new federal rule requiring hospitals to disclose their prices to patients took effect on January 1 of this year. Unfortunately, the vast majority of hospitals are not following it, Suhas Gondi, Adam L. Beckman, and Avery A. Ofoje write in a new research letter, [Early Hospital Compliance With Federal Requirements for Price Transparency](#) (JAMA Internal Medicine). Their analysis of the 100 highest-revenue hospitals showed that just 25 percent were fully compliant with the new rule, while only 17 percent of 100 randomly sampled hospitals were compliant. While the majority of hospitals provided charge or price data and a shoppable service tool that allows patients to obtain cost estimates, most failed to provide information on rates negotiated with individual insurers or

discounted prices for uninsured patients. The authors suggest that hospitals' lack of compliance may have been driven by small fines for noncompliance—\$300 per day—or the COVID-19 pandemic.

Congress passed the No Surprises Act to shield patients from surprise medical bills. However, lawmakers left one major potential source of surprise bills out of the law and designated it for further study: ambulance rides. In ["Ground ambulance rides and potential for surprise billing"](#) published by the Kaiser Family Foundation, researchers Krutika Amin, Karen Pollitz, Gary Claxton, Matthew Rae, and Cynthia Cox take a look at the rides' potential for generating surprise bills. Some 10 percent of emergency room patients with private insurance are delivered via ambulance. The researchers found that more than half of emergency ambulance rides and close to 40 percent of non-emergency rides came with an out-of-network charge that put privately insured patients at risk of receiving a surprise medical bill. In seven states, the risk of receiving a surprise bill for an emergency ambulance ride was present for more than two-thirds of such rides. According to the brief, Congress shied away from regulating ground ambulance transports because many are operated by local government and are already subject to varying degrees of state and local regulation.

Telehealth

The COVID-19 pandemic prompted a dramatic expansion of the use of—and payment for—telehealth services. In a new issue brief, [States' Actions to Expand Telemedicine Access During COVID-19 and Future Policy Considerations](#), authors JoAnn Volk, Dania Palanker, Madeline O'Brien, and Christina L. Goe explore states' specific efforts to expand access to telehealth with an eye toward post-pandemic regulation. According to the brief's authors, 22 states changed laws or policies to expand

access to telehealth during the pandemic; in 2021, 30 states have considered legislation to change coverage standards. The primary changes included coverage requirements for audio-only services, waivers of and limitations on cost-sharing for telehealth services, and reimbursement parity for such services. Telehealth service is far from perfect—Volk et al. found, for example, that its use has been lower in higher-poverty communities and with patients who lack English proficiency. Still, it is valued by patients. As such, the authors say, lawmakers in states where the changes were only temporary must now determine how to ensure that insurance coverage continues for telehealth in the long term.

Healthcare Costs

People with private insurance have less access to care, are less satisfied with their care, and face higher costs than those on public plans, a new survey of nearly 150,000 people across 17 states and the District of Columbia shows. Charlie M. Wray, Meena Khare, and Salomeh Keyhani detail the results in [Access to Care, Cost of Care, and Satisfaction With Care Among Adults With Private and Public Health Insurance in the US](#) (Jama Network Open), which adds to a growing body of research demonstrating higher satisfaction with public health insurance plans. The survey found that people with employer-sponsored or individual private insurance were less satisfied with their care than those with Medicare or military insurance, and more likely to report instability in coverage, difficulty in paying for doctor visits or medications, and medical debt. A similar comparison between private plans and Medicaid yielded mixed results. The study's authors say the results show the need for efforts to expand access to public insurance.

Roughly one in 10 people with employer-sponsored health insurance work for state and local governments. As a result,

state employee health plans may be uniquely positioned to drive efforts to contain costs, the authors of a new study claim. In [Unleashing the Giant: Opportunities for State Employee Health Plans to Drive Improvements in Affordability](#) (Georgetown University Health Policy Institute), Sabrina Corlette, Maanasa Kona, and Megan Houston detail state employee health plans' cost containment efforts—and the relative success of each. High-deductible health plans, value-based insurance design, workplace wellness initiatives, and reference pricing/right to shop programs top the list of reform initiatives. The study notes, however, that state employee health plans have not targeted their largest cost driver—high hospital prices—due to a lack of competition, hospitals' political power, and employees' desire for choices. The study also discusses the roles that labor and third-party administrators play in state plans' efforts to contain costs, and offers lessons learned from state plan administrators.

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. Stay safe and healthy!