

The Value & Innovation Forum Presents Current State of Transparency in Health Care Pricing

March 1, 2023 | 11 A.M. – 12 P.M. ET



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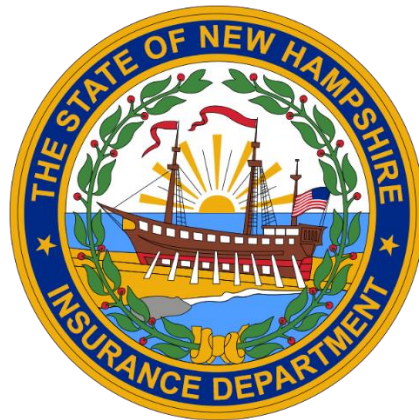
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The Value & Innovation Forum is made possible by funding from Amgen.



Healthcare Price Transparency in New Hampshire

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New Hampshire Insurance Department



Price Transparency in NH takes on several forms:

NH Healthcost

- ▶ NH consumer-facing, health and dental service price estimator tool
- ▶ Currently: 269 services (238 medical and 31 dental)
- ▶ Queries may be stratified by insurance carrier (including NO Insurance) AND plan type



Transparency in Coverage (TiC)

- ▶ Carriers are required to post negotiated rates and cost-sharing information in a consumer-friendly format
- ▶ ...And in-network provider negotiated rates, historical out-of-network allowed amounts, and drug pricing information through three machine-readable files posted on an internet website
- ▶ 500 'Shoppable Services'



Prescription Drug Price Transparency

▶ NH RSA 318:68

- ▶ Requires drug manufacturers to report new, high-cost Rx drugs to the NH Insurance Commissioner
 - ▶ 'high-cost' is defined as: *a wholesale acquisition cost that exceeds the threshold set for a specialty drug under the Medicare Part D program*

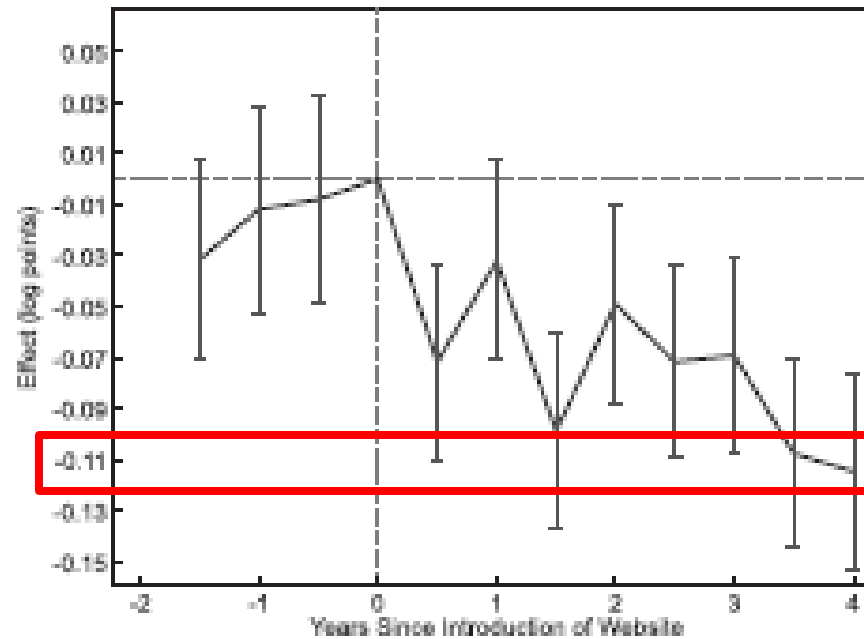
▶ NH RSA 126-BB

- ▶ Authorizes a NH Prescription Drug Affordability Board (NH PDAB)
- ▶ Requires drug manufacturers, PBMs, and insurers to report drugs which:
 - ▶ (a) Increased the wholesale acquisition cost of a brand-name drug by more than 20 percent per pricing unit;
 - ▶ (b) Increased the wholesale acquisition cost of a generic drug that costs at least \$10 per pricing unit by more than 20 percent per pricing unit; or
 - ▶ (c) Introduced a new drug for distribution in this state when the wholesale acquisition cost is greater than the amount that would cause the drug to be considered a specialty drug under the Medicare Part D program.



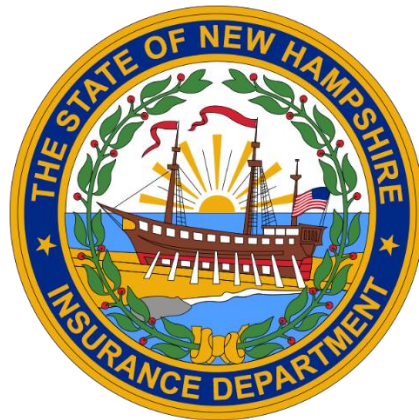
Price Transparency: *Benefits to Consumers*

- ▶ Patient out-of-pocket prices decreased by 11%*
- ▶ This was a long-run effect
 - ▶ Significant at 2 yrs.
 - ▶ Prices are infrequently negotiated!
- ▶ This analysis controlled for demand-side effects:
 - ▶ Provider
 - ▶ Insurer
 - ▶ Procedure



(b) Patient Out-of-Pocket Price

*Brown, Z., Equilibrium Effects of Healthcare Price Information, *The Review of Economics and Statistics*, October 2019, 101(4): 699-712, https://doi.org/10.1162/rest_a_00765



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Hospital Price Transparency

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Senior Policy Fellow

March 1, 2023



NATIONAL ACADEMY
FOR STATE HEALTH POLICY

nashp.org

Hospital Price Transparency

January 1, 2021 – Hospitals required to provide clear, accessible pricing information online

1. Machine Readable File
2. Consumer-Friendly Manner, Shoppable Services (At least 300 Services; 70-CMS Specified)

Must Include

- Gross Charge (Charge Master Amount)
- Discounted Cash Price
- Payer-Specific Negotiated Charge (Charge negotiated between Third Party Payer and Hospital)
- De-identified Minimum and Maximum Payer-Specific Negotiated Charges

Transparency in Coverage (TiC)

July 1, 2022– Group Health Plans and Health Insurance Disclose Prices

- **Machine Readable File** – All Covered Items and Services; Plan/Insurer Public Website
 - In Network: All Allowed Amounts
 - Out of Network: Allowed Amounts and Billed Charges

January 1, 2023– Plan Years Beginning on or after

- **Consumer Price Comparison Tool**– 500 Shoppable Services
 - Internet-based price tool (phone or paper form, upon request)

Health Plan Price Transparency | CMS

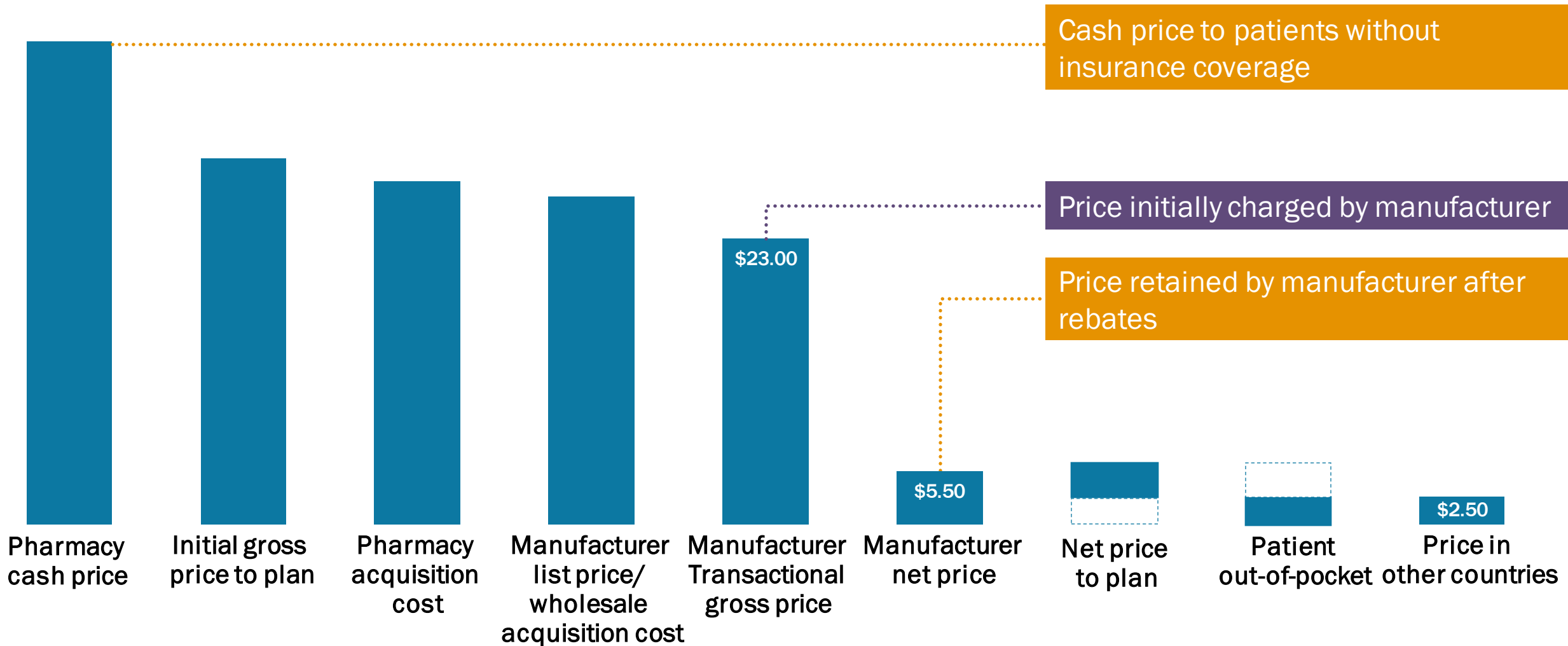
Consolidated Appropriations Act, 2021

Section 201. Prohibition on Gag Clauses on Price and Quality Information in Service Provider Agreements

- Effective for contracts and/or amendments after December 21, 2021
- Dept of Labor, Public Health Services Act, and IRS Code
- Plan or Issuer can not be restricted from provider-specific cost or quality data; electronic access for de-identified claims data
- 2/23/2023 – FAQ and Attestation Form issued

[FAQS ABOUT AFFORDABLE CARE ACT AND CONSOLIDATED APPROPRIATIONS ACT, 2021 IMPLEMENTATION PART 57 \(dol.gov\)](#)

Which drug price(s) are we talking about?



Note: Illustrative example only (unless otherwise cited) using a hypothetical insulin product and prices per 100IUs as an example. Insulin manufacturer gross price from Mulcahy, Schwam, and Edenfield (2021), "Comparing Insulin Prices in the United States to Other Countries." See Mulcahy et al. (JAMA 2021) for details on the insulin manufacturer gross-to-net ratio and international prices.