

National Association of
Insurance Commissioners
Health Innovations Working Group
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*Health Plan Price Transparency Files Are a
Mess: States Can Make Them Better*

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Nationally recognized team of private insurance experts

- Part of McCourt School of Public Policy
- Legal & policy analysis
 - Federal and state regulation
 - Market trends
- Published reports, studies, blog posts
- Technical assistance

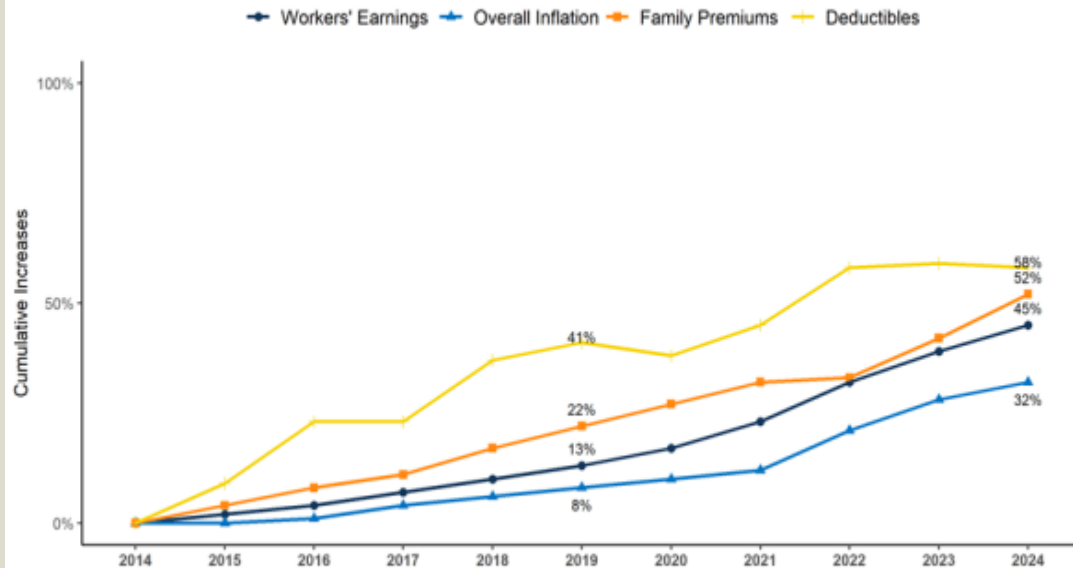
Why Price Transparency?

Identifying Costs, Targeting Solutions

- Health insurance premiums are rising faster than inflation and earnings
- Average family premiums over **\$25,000** in 2023
 - An increase of **7%** over last year
- Average annual deductible has grown from \$303 in 2006 to \$1787 in 2024
- What's driving this cost growth?

Figure 4

Cumulative Increases in Family Coverage Premiums, General Annual Deductibles, Inflation, and Workers' Earnings, 2014-2024



NOTE: Average general annual deductibles are for single coverage and are among all covered workers. Workers in plans without a general annual deductible for in-network services are assigned a value of zero.

SOURCE: KFF Employer Health Benefits Survey, 2018-2024; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014-2017. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation, 2014-2024; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 2014-2024.

KFF 4

Prices—Not Consumption—Drive Up Costs

Health Affairs & RAND Studies ([2003](#), [2019](#), [2022](#))

RESEARCH ARTICLE

HEALTH AFFAIRS > VOL. 22, NO. 3

It's The Prices, Stupid: Why The United States Is So Different From Other Countries

Gerard F. Anderson, Uwe E. Reinhardt, Peter S. Hussey, and Varduhi Petrosyan

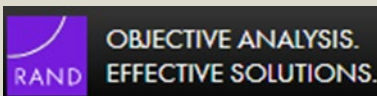
RESEARCH ARTICLE

COSTS & SPENDING

HEALTH AFFAIRS > VOL. 38, NO. 1: SUBSTANCE USE, PAYMENT & MORE

It's Still The Prices, Stupid: Why The US Spends So Much On Health Care, And A Tribute To Uwe Reinhardt

Gerard F. Anderson, Peter Hussey, and Varduhi Petrosyan



Private Health Plans Paid Hospitals 254 Percent of What Medicare Would Pay.

Continuum of Policy Options to Promote Affordability



Price Regulation

Anti-trust
Oversight/Enforcement

Transparency

Moderate to large
price reductions

Small price
reductions

Very small price
reductions

Congressional Budget Office

Nonpartisan Analysis for the U.S. Congress



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Price Transparency: Federal Rules

- **Hospital Price Transparency**
 - Hospitals must publish gross charges, discounted cash prices, negotiated charges, and minimum/maximum negotiated amounts via machine-readable digital files
 - In effect January 2021
- **Transparency in Coverage (TiC)**
 - Group plans/issuers must publish in-network rates, OON allowed amounts available via machine-readable files, for all covered items & services
 - In effect July 2022

TiC requirements apply to self-funded, fully insured, and non-federal government health plans



Potential State-level Uses of TiC Data

- **Market scans**
 - Identify price outliers, cost drivers
- **Anti-trust enforcement**
 - Monitor compliance with anti-trust actions, settlements
- **Cost containment initiatives**
 - Implementation/oversight of cost-growth benchmarks, public option, reference pricing
- **Purchasing alliances**
 - Support employer purchasing efforts
- **Surprise billing**
 - Independent source of data on median in-network rates
- **Rate review**



Multiple Problems With Current TiC Data

- **Difficult to find**
 - No single repository or standard way to post
- **Duplicative/irrelevant data**
- **Files too large**
 - Requires massive computing capacity
- **Lack of standardization**
- **No summary or guideposts**
 - "Like trying to find a single word in a very large dictionary that isn't in alphabetical order"
- **Questionable data quality**

Health plans and issuers spent an estimated \$3 billion to implement TiC requirements

TiC Enforcement: A Federal-State Partnership

Oversight/Enforcement

Issuers

Self-funded ESI

State DOI

CMS

Department of Labor

45 states responded to this question in 2020
48 states responded to this question in 2022



State-level Options to Improve TiC Data

- **Require issuers to**
 - Attest to completeness/accuracy of TiC files
 - Provide a data directory or library index to enable users to identify TiC file contents
 - Submit extracts to enable an assessment of data quality
 - Publicly share data summaries, such as negotiated prices for the top-10 most utilized services
- **Prohibit redacting information that could be acquired from TiC data**
- **Host a centralized website with links to all issuer TiC files**
- **Require greater standardization**
- **Use TiC data to inform public-facing reports about health system cost drivers**
- **Hold issuers accountable for poor data quality**

Questions?

CHIR Publications

www.chir.georgetown.edu

CHIRBlog

www.chirblog.org

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