

*Virtual Meeting
(in lieu of meeting at 2020 Fall National Meeting)*

HEALTH INNOVATIONS (B) WORKING GROUP

Monday, November 9, 2020

1:00 – 2:30 p.m. ET / 12:00 – 1:30 p.m. CT / 11:00 a.m. – 12:30 p.m. MT / 10:00 – 11:30 a.m. PT

Summary Report

The Health Innovations (B) Working Group met Nov. 9, 2020. During this meeting, the Working Group:

1. Approved its July 30 minutes.
2. Heard a presentation on hospital prices. A researcher with RAND Corporation presented data from the third round of the organization’s study on the prices paid by large private plans to hospitals. Since the last round, the study has been expanded to 49 states and cover both facility and professional fees. The presentation showed that commercial prices relative to Medicare have risen steadily, and they vary widely across states, within states, and within health systems. It showed that payer mix has little relation to prices, indicating that hospitals do not shift costs between Medicare and private payers.
3. Heard a presentation on a new hospital cost tool. A fellow with the National Academy for State Health Policy (NASHP) explained a resource that allows purchasers, policymakers, and state insurance regulators to better understand hospital costs and the expenses that hospitals must cover with revenue from insurers and other sources. The presentation showed the profit or loss that different types of hospitals generate from different payers. The tool allows for the comparison of hospital prices to their breakeven levels. It can be used for any hospitals that report certain data to Medicare.
4. Heard a presentation on prices for coronavirus tests. An expert with the Kaiser Family Foundation (KFF) presented on private insurance coverage of COVID-19 tests. She shared data on the prices that some hospitals post on their websites, gave examples of prices from other providers, and suggested questions for state insurance regulators to consider related to price transparency and requirements for insurers to cover tests.
5. Heard presentations from consumer representatives. A consumer representative with Consumer Checkbook outlined why current price transparency efforts are not working for consumers and suggested a number of steps that state insurance regulators can take to improve consumer understanding. A consumer representative with the National Association of State and Territorial AIDS Directors (NASTAD) explained how public health could be improved by using more appropriate definitions of “diagnostic” and “surveillance” testing for COVID-19. A third consumer representative shared a law review article he authored on opportunistic pricing in health care and suggestions for state insurance regulators in reducing costs.

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