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Health Innovations (B) Working Group
Virtual Meeting (*in lieu of meeting at the 2021 Summer National Meeting*)
July 27, 2021

The Health Innovations (B) Working Group of the Health Insurance and Managed Care (B) Committee met July 27, 2021. The following Working Group members participated: Andrew R. Stolfi, Chair, and TK Keen (OR); Laura Arp, Co-Vice Chair (NE); Nathan Houdek and Jennifer Stegall, Co-Vice Chairs, Barbara Belling, Diane Dambach, Darcy Paskey, Jody Ullman, and Richard Wicka (WI); Andria Seip and Cynthia Banks Radke (IA); Stephen Chamblee, Meghann Leaird, and Alex Peck (IN); Craig Van Aalst, Julie Holmes, Vicki Schmidt, and Tate Flott (KS); Sherry Ingalls, Joanne Rawlings-Sekunda, and Mary Hooper (ME); Karen Dennis, and Sarah Wohlford (MI); Galen Benshoof (MN); Carrie Couch, Chlora Lindley-Myers, and Amy Hoyt (MO); Chrystal Bartuska, John Arnold, Angie Voegele and Karri Volk (ND); Lisa Cota-Robles, Michelle Heaton and Maureen Belanger (NH); Philip Gennace (NJ); Paige Duhamel and Viara Ianakieva (NM); Jessica K. Altman and Sandra L. Ykema (PA); Rachel Bowden, Valerie Brown, Blake Davenport, R. Michael Markham, Dylan MacInerney, Monica Pinon, and Barbara Snyder (TX); Heidi Clausen, Shelley Wiseman, Tanji J. Northrup, and Jaakob Sundberg (UT); Jane Beyer and Jennifer Kreitler (WA); and Joylynn Fix (WV).

1. Adopted March 26 Minutes

The Working Group met March 26 and took the following action: 1) heard presentations on telehealth policy changes during the COVID-19 pandemic; and 2) discussed changes to state insurance department business practices during the pandemic. Commissioner Altman made a motion, seconded by Commissioner Schmidt, to adopt the Working Group's March 26 minutes (*see NAIC Proceedings – Spring 2021, Health Insurance and Managed Care (B) Committee, Attachment Two*). The motion passed unanimously.

2. Discussed New Charges from the Special (EX) Committee on Race and Insurance

Commissioner Stolfi brought up charges for the Working Group recently approved by the Special (EX) Committee on Race and Insurance. He said they focus on two methods that could be used to reduce disparities, including telehealth and alternative payment models. He said they also ask the Working Group to evaluate programs to reduce racial disparities. Commissioner Stolfi said a potential way is to gather information on two questions: 1) Does telehealth reduce disparities by improving access to care?; and 2) Do alternative payment models reduce disparities by improving access to care? He said after evaluating the questions, the Working Group could make recommendations to the Health Insurance and Managed (B) Committee and ultimately the Special (EX) Committee on Race and Insurance.

Commissioner Stolfi asked for input on this approach. Commissioner Altman said the plan makes sense. She said that telehealth could possibly exacerbate disparities but also has the potential to reduce them. Commissioner Stolfi said another part of the charge centers on programs to improve access to historically underserved communities. He asked Working Group members and interested parties to send ideas and programs that should be addressed under this part of the charge.

3. Heard Presentations on Price Transparency

Commissioner Stolfi said price transparency ideally would be beneficial to consumers and that it could change dynamics between payers and providers and reduce costs.

Dr. Terri Postma (federal Centers for Medicare and Medicaid Services—CMS Center for Medicare) provided an overview of the hospital price transparency requirements. She said the rule is a first step and must be viewed in context with other transparency rules. She said prior rules required chargemaster prices to be posted online. She said that due to concerns with this rule, the CMS updated the rules to require hospitals to post their standard charges in two ways. She said they must display charges for "shoppable" services in consumer-friendly formats and all charges in machine-readable format. She outlined key definitions in the rule, including which hospitals must comply, how items and services are identified, and what "standard charges" means. She noted the monitoring and enforcement authorities of the CMS.

Matthew Lynch (federal Center for Consumer Information and Insurance Oversight—CCIIO). Mr. Lynch said a recent executive order on transparency shows the administration's commitment to the issue. He reviewed the transparency in coverage

requirements applicable to insurers. Mr. Lynch identified the two key provisions as: 1) a requirement for a self-service price comparison tool for consumers to determine their out-of-pocket costs in advance of a service; and 2) a requirement to post prices for 500 shoppable services by January 2023. He said insurers must disclose the remainder of services by January 2024. He said the rule also requires posting of machine-readable files with in-network negotiated rates and historical out-of-network payments. He said states have primary enforcement authority, so the CMS would enforce only if a state does not substantially enforce, with the exception of federal Employee Retirement Income Security Act (ERISA) plans. He provided the email for questions about the insurer transparency rules, *PriceTransparencyinCoverage@cms.hhs.gov*.

Commissioner Stolfi asked what level of compliance the CMS has seen with the rules. Dr. Postma said the CMS has conducted proactive audits since January and also received complaints. She said her impression is most issues are with the comprehensive machine-readable file requirement. She said the CMS plans an open-door forum to clarify the requirement. She said some hospitals offer price estimator tools that give a range of prices, not a consumer-specific amount that takes their insurance coverage into consideration.

Dr. Postma discussed billing codes, clarifying the different types of codes used to classify prices. Mr. Lynch said the CCIIO would use similar codes.

Commissioner Stolfi asked about the shoppable services. Dr. Postma said her team worked with the CCIIO to analyze Exchange data and other research to identify commonly used services. Mr. Lynch said the CCIIO looked at both commonly used services and services that have wide cost differences in the same geography.

Mr. Sundberg asked whether price transparency could lead hospitals to raise prices and how prices could be tracked over time to determine if prices do increase. Dr. Postma said the CMS concluded that the benefits of transparency greatly outweigh the risk of higher prices. She said machine-readable files must include date information. Mr. Lynch said the long-term goal is lowering prices, but in the short-term, there could be an effect of reduced dispersion in prices, which would include raising the lowest prices and lowering the highest.

Robin Gelburd (FAIR Health) outlined FAIR Health's work as a private claims repository. She said FAIR Health works with federal agencies and state governments to provide trusted, independent data. She discussed the tools FAIR Health makes available for consumers to research medical costs, including both in-network and out-of-network prices. She said integrating price transparency into clinical decision aids can improve shared decision making between patients and providers. She mentioned FAIR Health's research and resources, including reports on COVID-19 and a monthly telehealth tracker.

Eric Ellsworth (Consumers' Checkbook) presented on how greater data would be more useful for consumers. He said consumers shop not only on cost, but also on value, so health care shopping should evolve in that direction. He said price transparency is a big step forward, but consumers still lack key information to aid their shopping. He said that consumers do not order medical services for themselves and that insurers determine payment amounts. He pointed out that consumers often hold the risk for unexpected costs and bad outcomes and that they may never know the full cost of their care. He said consumer needs include individual provider-level quality information, better information on network status, cost information organized around consumer decisions rather than billing codes, detailed estimates of costs with contingency information, and better protection from claim denials. He described requirements for advance explanations of benefits (EOBs) as a game changer, but he said machine-to-machine data flows need to be improved. He said patient-reported outcomes are the biggest gap in quality reporting.

Commissioner Stolfi asked about the use of data from All Payer Claims Databases (APCDs). Ms. Gelburd said that FAIR Health conducted a pilot with New York to make APCD data available to consumers.

Having no further business, the Health Innovations (B) Working Group adjourned.

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