The Shifting Health Care Landscape | Day 1
The Consumer Experience and State Policy Responses

June 11, 2020
12:00 – 1:30 PM

Support for this two-day series is provided by the Endowment for Health
UNH Institute for Health Policy and Practice

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<td>You can access <strong>chat</strong> by clicking the icon on the control bar. Use for comments <strong>to the host, panelists, and attendees</strong>.</td>
<td>Click the <strong>Raise Hand icon</strong> to indicate that you need something from the host. This should be used during the discussion session at the end of the webinar if you have a question and would like to speak.</td>
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Today’s Agenda

• Introduction to 2-day event and Polls
• National Consumer Perspective, Lynn Quincy
• State Policy Perspective, Trish Riley
• Q&A from Audience
• Wrap Up and Poll
Housekeeping

- Please type your name and organization into the chat box.

- We will have 15 minutes for discussion from the audience. You can ask your question two different ways:
  - Use the Q&A option to submit your question in writing. You can choose to submit a question anonymously or submit your question with your name. We will read these questions out loud for our panelists to answer.
  - **Raise Your Hand** if you want to be unmuted and ask your question directly. Let’s practice raising hands!
Objectives

• Learn what consumers of health care services are experiencing

• Identify key pain points in our healthcare delivery system

• Discuss the opportunities for responding to these challenges from a policy perspective in New Hampshire
And now, a few polls for the audience!
Welcome Lynn Quincy

Director of Healthcare Value Hub at Altarum
Lynn Quincy is Director of the Healthcare Value Hub at Altarum, a company that creates and implements solutions to advance health among vulnerable and publicly insured populations. At Altarum, the Healthcare Value Hub monitors and synthesizes evidence to help consumer advocates work on health care cost, quality and equity issues. Via their free resources, in-person trainings and webinars, the Healthcare Value Hub provides a comprehensive view of the health care system, and deploys evidence and the power of consumer voices to achieve a health system that is equitable, patient-centered, allocates resources wisely and delivers uniformly high health outcomes.

More generally, Ms. Quincy works at the federal and state levels on a wide variety of health policy issues, with a particular focus on health care costs, transparency, consumer protections, and consumers’ health insurance literacy. Ms. Quincy serves as a policy and consumer expert in myriad ways, including speaking professionally, policy development, as a reviewer, consumer testing and more.

Prior to joining Altarum, Ms. Quincy held senior positions with Consumers Union, the policy and advocacy arm of Consumer Reports; Mathematica Policy Research, Inc.; the Institute for Health Policy Solutions and Watson Wyatt Worldwide (now Willis Towers Watson). She holds a master’s degree in economics from the University of Maryland.
National Consumer Perspective
Lynn Quincy
Let’s Nail This Down: What Patients Really Want

Lynn Quincy, June 11, 2020

@HealthValueHub @LynnQuincy
A 450-employee, nonprofit health services research organization that creates and implements solutions to advance health among vulnerable and publicly insured populations.
The Hub got its start at Consumer Reports
What IS the Healthcare Value Hub?

*With support from the Robert Wood Johnson Foundation:*

- We review evidence to identify the policies and practices that work best to reduce healthcare spending, improve affordability for consumers, improve outcomes and reduce disparities.

- We create FREE resources--accessible for a wide variety of audiences--to help YOU work on these healthcare value issues.

- We support and connect consumer advocates across the U.S., providing comprehensive, fact-based information to help them advocate for change, and connect them to researchers and other resources.

Sign up to be notified about upcoming events, new publications, state news or Research Roundup at: [www.healthcarevaluehub.org/contact/stay-connected/](http://www.healthcarevaluehub.org/contact/stay-connected/)
What do patients truly want?

... what we knew pre-COVID
The way people experience healthcare is broader than just the clinical setting.
We know a LOT about patient preferences and values

..but we rarely cater to these preferences and values
One-size fits all

-Not!
Humanizing healthcare means tailoring our approaches to different types of patients

▲ Approaches to self-care are often **culturally based**

▲ **Recently arrived immigrants** are often used to health systems that are differently organized and administrated than the U.S. health care system

▲ Compared to men, **women** use more health services, are more likely to take prescription medication, and are more likely to experience problems paying medical bills or forgoing needed health care because of the cost

▲ **Trust** of the health system varies by population
TRUST
is critical
Role of Trust

▲ Patients highly value being able to trust their healthcare providers

▲ Healthcare Outcomes:

▪ Trust influences a patient’s decision to seek care
▪ Patients who trust their doctors are more likely to follow treatment plans
▪ Trust influences whether an enrollee stays with their insurer and whether they would recommend that insurer
▪ Trust in public health institutions influences whether or not recommendations are followed
People’s trust depends fundamentally on three questions:

▶ Do you know what you’re doing?
▶ Will you tell me what you’re doing?
▶ Are you doing it to help me or help yourself?

For more: Do You Trust the Medical Profession?, New York Times Upshot, Jan 24, 2018
Trust varies based on socio-economic status, race, and level of interaction with the healthcare system

- Young vs. old
- Low-income (“bad” insurance) vs. high-income (“good” insurance)
- Spanish speakers
- Black Americans are much less likely to report trust in their physicians and hospitals

Sources: To Improve Health Care, How Do We Build Trust And Respect For Patients?, HealthAffairs Blog, September 26, 2017; Overcoming Lower-Income Patients’ Concerns About Trust And Respect From Providers, HealthAffairs Blog, August 11, 2016
Patients who feel disrespected by doctors are far less likely to trust doctors overall and are less likely to take their prescription medications as directed.

*Overcoming Lower-Income Patients’ Concerns About Trust And Respect From Providers*, HealthAffairs Blog, August 11, 2016
Choosing and Using a Health Plan
2011 Consumer Testing New Insurance Disclosures Revealed...

...consumers HATE health insurance shopping.
To put this into perspective...

...consumers would prefer to:

▪ go to the gym or
▪ pay their taxes

....rather than shop for health insurance.

Cost-sharing is the hardest thing
Consumer Confidence > Skills

Source: Loewenstein et al., JHE, 32(5):850-862, 2013
2018 Focus Group: Overarching Views on the Health System

- **High Costs:** the dominant concern “expensive,” “skyrocketing,” “astronomical,” and “out of control”
- **Complexity:** the challenge of navigating health care frustrated nearly all participants
- **Fairness:** dismayed by systemic inequities and disparities regarding access to quality care
Changes Wrought By COVID

▲ Concerns about the **safety** of healthcare settings:
  ▪ Driving more interest in telemedicine, such as virtual visits and remote health monitoring
  ▪ Many are postponing healthcare
  ▪ Perception of safety is a function of trust.
  ▪ *Exception:* Forty-nine percent feel “very comfortable” picking up a prescription from their pharmacists.

▲ Fear of **losing coverage**

▲ Among those with one or more chronic conditions, just one in 10 respondents was very confident that the federal government could prevent a nationwide outbreak.

What Health System Changes Are Needed?
Make Health Insurance Less Complex (Pre-COVID)

▲ NO surprises v/v uncovered services;
  ▪ Surprise Medical Bill protections
  ▪ Discourage plans that don’t cover essential health benefits (like STLD plans)
  ▪ Comprehensive approach to network adequacy

▲ Require adherence to Standard Benefit Designs:
  ▪ Use copays instead of deductibles and co-insurance;
  ▪ Remove cost-barriers (and other barriers) to high-value care

▲ No under-insurance

▲ Make it easy to enroll/no wrong door
COVID opened these doors:

▲ Eliminate copays and deductibles while also guaranteeing coverage for Covid-19 testing costs*

▲ Better access to the provider workforce:
  ▪ Coverage of telemedicine services
  ▪ Relaxing licensing across states
  ▪ Easing scope of practice rules

▲ Easier Medicaid and ACA enrollment (some states); no new requirements leading to Medicaid disenrollment.

▲ Surprise Medical Bill protections

▲ Perhaps COBRA subsidies...

*requirement does not apply to short-term, limited duration health plans
People want to know that someone is “minding the store” so the health system works when they need it.
Healthcare Affordability State Policy Scorecard

Polling data repeatedly shows that healthcare affordability is the number one issue that state residents, on both sides of the political aisle, want their policymakers to work on. This scorecard identifies areas where New Hampshire is doing well and areas where it can improve.

New Hampshire has relatively high healthcare spending per person, yet the percentage of residents reporting affordability problems is slightly lower than the national average. High recent spending growth suggests that policymakers need to bring a broad focus addressing affordability.

### State: New Hampshire

**Rank:** 17 out of 42 states + DC

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<th>Policy Score</th>
<th>Outcome Score</th>
<th>Recommendations</th>
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<tr>
<td><strong>Extend Coverage to All Residents</strong></td>
<td>3 out of 10 points</td>
<td>New Hampshire should consider options that help families that earn too much to qualify for Medicaid, like Basic Health Plan, reinsurance or supplementary premium subsidies. The state should also consider adding affordability criteria to its insurance rate review.</td>
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<td><strong>Make Out-of-Pocket Costs Affordable</strong></td>
<td>5 out of 10 points</td>
<td>New Hampshire should consider stronger protections against STLD health plans and strategies that lower the cost of high-value care.</td>
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<td><strong>Reduce Low-Value Care</strong></td>
<td>2 out of 10 points</td>
<td>Curtailing low- and no-value care is a key part of a comprehensive approach to affordability. New Hampshire should use claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it. New Hampshire should also stop paying for ‘never events,’ use other techniques to reduce medical harm and increase efforts to address antibiotic overprescribing.</td>
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<tr>
<td><strong>Curb Excess Prices in the System</strong></td>
<td>4 out of 10 points</td>
<td>Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. New Hampshire should consider establishing a health spending oversight entity and health spending targets.</td>
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**Out of 10 Points**

- Medicaid coverage for childless adults extends to 138% of FPL.
- NH has some protections against skimpy, confusing STLD health plans and comprehensive SMB protections.
- NH requires some forms of patient safety reporting, but performs below average for hospital antibiotic stewardship and has not measured the provision of low-value care.
- NH has an APCD, but is otherwise a middle-ranked state with a few policies to curb the rise of healthcare prices.
- In 2018, NH was in the top third of states in terms of covering the uninsured, ranking 14 out of 50 states, plus DC, for this measure.
- NH surpasses many states in reducing healthcare OOP affordability burdens, although 33% of adult residents are still burdened. NH ranked 10 out of 49 states, plus DC, for this measure.
- NH ranks 26 out of 50 states, plus DC, in terms of reducing C-sections for low-risk mothers and 16 out of 50 states, plus DC, in terms of per capita antibiotic prescribing.
- NH is among the most expensive states, with private payer prices well above the national median. The state ranks 36 out of 42 states, plus DC, for this measure.

*APCD = All-Payer Claims Database  FPL = Federal Poverty Level  EHR = Electronic Health Records  OOP = Out-of-Pocket Costs  SMB = Surprise Medical Bill  STLD = Short-Term, Limited-Duration
See state notes on page 2.

Reduce the burden of interacting with the health system

Office of the Healthcare Advocate:

- Direct assistance with insurance issues, regardless of type of coverage
- A trusted and powerful representative to guide policymaking
COVID Concerns:

▲ Loss of revenue may lead to fewer small, independent practices and a more concentrated marketplace.

▲ Delays in getting care may mean more severe illness down the road.

▲ State budget short-falls.

Federal antitrust laws are to prevent the concentration of small, independent practices and a more concentrated marketplace.

Delays in getting care may mean more severe illness down the road.

Competitive threats to healthcare, while recognizable, remain slow and challenging to address. Federal and state regulators have identified antitrust enforcement as a critical strategy to prevent future consolidation.

What are Antitrust Laws and Who Can Enforce Them?

Antitrust laws are designed to prevent the concentration of markets by prohibiting certain conduct and protecting competition. Federal antitrust enforcement is conducted by the Federal Trade Commission (FTC) and the Department of Justice (DOJ).

FTC and DOJ enforces antitrust laws to prevent mergers and acquisitions that would significantly reduce competition. Federal antitrust enforcement includes:

- \[ \text{stated antitrust enforcement} \]
- \[ \text{antitrust enforcement} \]

- Federal antitrust enforcement includes:
  - Merger and acquisition reviews
  - Investigation and enforcement of improper conduct
  - Consumer protection

- State antitrust enforcement includes:
  - Merger and acquisition reviews
  - Investigation and enforcement of improper conduct
  - Consumer protection

- State antitrust enforcement is conducted by state attorneys general.

What Happens When Mergers and Acquisitions Are Allowed to Proceed?

Studies have found that antitrust laws generally provide effective antitrust enforcement. Antitrust laws and regulations are allowed to proceed, forcing regulatory agencies to weigh the benefits of antitrust enforcement against the risks of antitrust enforcement.

Current Evidence on Healthcare Consolidation

Healthcare organizations typically argue that mergers and acquisitions are necessary to improve quality and reduce costs. However, recent studies and evidence suggest that mergers and acquisitions may reduce competition and increase prices.

End of the line: where to go next?
It’s hard to imagine robust progress on healthcare value issues without an overarching entity whose role is to look at the big picture.
Potential Duties of the Oversight Entity

- Monitor spending, in total and unwarranted variation
- Monitor quality, outcomes, patient safety, inequities
- Monitor system efficiency and capacity
- Develop recommendations
- Convene stakeholders
- Align payers and/or aggregate purchasing power
- Ensure that Public Health, Social Services and Health Systems care for the population in an integrated fashion
To truly claim the mantle of being consumer-centric, stakeholders must:

• meet consumers where they are,
• recognize the limitations and barriers consumers face, and
• actively work to reduce the consumer’s burden of interacting with the health system.

Thank you!

Contact Lynn at Lynn.Quincy@Altarum.org or any member of the Hub team with follow-up questions.

Visit us at HealthcareValueHub.org and Altarum.org

Sign up to be notified about upcoming events, new publications, state news or Research Roundup at: www.healthcarevaluehub.org/contact/stay-connected/
Welcome Trish Riley

Executive Director of the National Academy for State Health Policy (NASHP)
Trish Riley is Executive Director of the National Academy for State Health Policy and president of its corporate Board. She helped build NASHP as CEO from 1988-2003.

Previously, she was a Distinguished Fellow in State Health Policy at George Washington University and taught in the graduate program at the Muskie School of Public Service, University of Southern Maine.

From 2003-2011 she served as Director of the Governor’s Office of Health Policy and Finance, leading the effort to develop a comprehensive, coordinated health system in Maine including access to affordable health insurance. She chaired the Governor’s Steering Committee to develop a plan to implement the Affordable Care Act in Maine. Riley has also held appointive positions under five Maine governors – directing the aging office, Medicaid and state health agencies, and health planning and licensing programs.

She served as a member of the Kaiser Commission on Medicaid and the Uninsured, and serves at the Institute of Medicine’s Board on Health Care Services, the National Academy for Social Insurance where she co-chaired the Study Panel on Medicaid and the Culture of Health, Board of Directors of Maine’s Co-Op insurance plan. She was a founding member of the Medicaid and CHIP Payment and Access Commission (MACPAC), served on the Institute of Medicine’s Subcommittee on Creating an External Environment for Quality and was a member of the Board of Directors of the National Committee on Quality Assurance. Riley holds a B.S. & M.S. from the University of Maine.
State Policy Perspective

Trish Riley
The Shifting Health Care Landscape and How States Can Respond

UNH INSTITUTE FOR HEALTH POLICY AND PRACTICE

JUNE 11, 2020

TRISH RILEY - EXECUTIVE DIRECTOR
NATIONAL ACADEMY FOR STATE HEALTH POLICY

TRILEY@NASHP.ORG
Who IS Minding the Store??

- Consumers: A trusted source to assure affordability, simplicity and accountability…WHO?
- Doctors and Hospitals = most trusted but vested interests
- Employers – Incentive but not in the health care business
- Feds or States? - Public institutions dead last on “trust” but…
What Do Consumers Want?

- Affordable, simple, accountable
- High bar: “Choice is not critical” – but ONLY if the health system meets individual need and there are no bad providers
The Policy Question

❖ AT WHAT COST?

❖ Consumers want affordability but, affordability ≠ cost

❖ Affordability strategies often just shift cost

❖ Subsidies for coverage

❖ Limiting OOP

❖ Outlawing Surprise billing
Spending on deductibles and coinsurance have far outpaced wages, while copayments have fallen.

Cumulative increases in health costs, amounts paid by insurance, amounts paid for cost sharing and workers' wages, 2005-2015

Costs Drive Premiums Up; What Drives Costs?

- Prices – Hospital and Rx
- Consolidation – horizontal and vertical
- Misplaced priorities – e.g. under-investment in SDOH; primary care
- Medical education costs/provider debt (see price increase)
- Uninsured and Underinsured
Health care consolidation trends

% of markets that are highly concentrated:
65% of specialty physician markets
57% of insurer markets
39% of primary care markets

Hospital Consolidation → Higher Prices

Hospital consolidation leads to significantly higher prices in concentrated markets.

Estimated price increases: 20-40%

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<td>Dafny (2009)</td>
<td>Merging hospitals had 40% higher prices than non-merging</td>
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<tr>
<td>Haas-Wilson, Garmon (2011)</td>
<td>Post-merger, Evanston NW hospital had 20% higher prices than controls</td>
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<tr>
<td>Tenn (2011)</td>
<td>Summit/Sutter prices increased 28% - 44% compared to controls</td>
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Consolidation and Quality

• Patient outcomes are worse in more concentrated markets, where hospitals or physicians face less competition (Gaynor et al. 2013, Koch et al. 2018)

• Hospital ownership of physician practices led to higher readmission rates and no better quality measures (McWilliams et al. 2013, Neprash et al. 2015)

Against the mounting evidence that consolidation raises prices, there is a noted lack of evidence that consolidation improves quality or reliably generates cost savings through reduced utilization or improved efficiency.
States Can “Mind the store”

- States have many roles
  - Purchaser
  - Payer
  - Bully pulpit / convener / educator
  - Regulator/licensing/quality
Many Levers of State Action

❖ More facile than Federal government to respond to shifting landscape

❖ Laboratories of Experimentation – Can inform federal action
How DO States “Mind the Store”?

❖ 1970’s – Federal/State / Community Health Planning/CON Replaced by Market Solutions – managed care

❖ Growth of alternative payment models / ACOs

Policy Commissions/ Government oversight

❖ Medicaid/ Public Purchasers – Set Payment rates
First but inadequate step – Follow the money

Track hospital or system or both?

APCDs – N.H’s Health cost website

States have enacted hospital transparency laws – new model law pending from NASHP

8 states have RX pricing transparency
Broad Oversight/Accountability

Total Cost of Care/Cost Growth Benchmarks

MA, VT, RI, DE, OR, WA, CT, CO

- Builds on status quo
- Enforcement?
- Stakeholder engagement v. capture

State Health Planning?
OVERSIGHT

- MD Health Services Cost Review Commission
- VT Green Mountain Care Board – Global Hospital budgets
- MD Drug Affordability Board (stay tuned for new NASHP model law)
- Insurance rate review – RI hospital spending growth cap
- CO Office of Saving People Money in Healthcare
Consumer Protection/Affordability

- Surprise billing with reference-based fees
- Facility fees
- All or Nothing contracts
- AG and /or CON review of consolidation
- Provider licensing/scope of practice
- COPA
- Hospital community benefit
Rural Hospital Initiatives

❖ PA Rural Hospital Sustainability

❖ All payer- CMS awards $25 M

❖ Global budget

❖ Rural Health Transformation Plan – delivery reform/invest in primary care

❖ Projected Medicare savings

❖ Limits hospital cost growth
State as Purchaser

Consolidate purchasing clout

- WA. Health Care Authority (Medicaid, State employees, teachers)
- OR. Health Care Authority (Medicaid, municipalities, state employees, teachers)
  - Covers 1:3 Oregonians
  - Includes sustainable growth cap for providers

Montana State Employees – Based hospital reimbursement as % of Medicare

State Based Insurance Exchanges

Public Option
State Actions to Improve QHP Affordability/ Choice

- **Reinsurance programs** (AK, CO, DE, MD, ME, MN, MT, ND, NJ, OR, RI, WI)
- **Additional state subsidies** (CA, MA, VT)
- **State individual mandate** (CA, DC, MA, NJ, RI, VT)
- **Regulation of short-term plans** (CA, CO, CT, DC, DE, HI, IL, MA, MD, MI, MN, ND, NH, MN, NM, NV, NJ, NY, OR, SC, SD, VA, VT, WA, WY)
- **Limitation or prohibition of association health plans** (AK, CA, CT, DC, IA, IN, KS, MA, MD, MI, NY, OR, PA, RI, VA, VT, WA)
- **Extended open enrollment period** (CA, CO, CT, DC, MA, MN, NY, RI)
- **Public option** (WA)
States With Standard Plan Design in their Health Insurance Marketplaces
Simplify the Insurance Shopping Experience

❖ States have considerable flexibility in oversight of health plans
❖ Common standard plan requirements
  ❖ Standard copayments and coinsurance (e.g., lower co-pays for generic drugs)
  ❖ Deductible-exempt services (E.g., a set number of physician visits before the deductible)
  ❖ Provider tiers: Single in-network provider tier
  ❖ Drug formularies: Limited prescription tiers (generic, preferred brand, non-preferred brand and specialty tier) / Waste Free formulary
SBMs Innovate Consumer Shopping Experience

Direct to Broker or Assister Tools

❖ CA “Help on Demand”: web-based tool to connect consumers with an enrollment assister in <30 minutes

❖ CO: >7,600 consumers used the tool to make appointments with assisters during the 2020 OEP

Plan comparison tools or calculators

❖ MN: Nearly 300K ”sessions” of using plan comparison tools in 2020

❖ WA: Smart Planfinder used by >54,000 enrollees

❖ RI: Use of tools doubled after a revamp of plan comparison tools for 2020
Pain Points: The Politics of Reform

❖ One person’s cost savings is another’s income

❖ Health care a significant economic engine and powerful lobby

❖ Consumers may want lower costs, less complexity and more fairness…they also want their local hospital
Lessons:

- Weakness in system readiness
- Impact on hospitals – revenue losses and CARES Act and other Federal funding - Some health system “windfalls”

MORE CONSOLIDATION LIKELY

- Roll backs of many regulatory levers e.g. telehealth, licensing, scope of practice, new entry, grace periods
- Severe economic impact – state budgets wallop as revenues decline
Never Let a Crisis Go to Waste

❖ Opportunity for innovation and collaboration

❖ Raging incrementalism works – if you have a vision of where you want to go
Q&A Session
Concluding thoughts

Lucy Hodder
In one word, what is the biggest challenge for consumers in New Hampshire’s healthcare system post-COVID emergency?
In one word, what is the biggest challenge for the state in New Hampshire’s healthcare system post COVID emergency?