Two rules aim at transparency in health care pricing

Following an Executive Order on health care price transparency released earlier this year, on Nov. 15 the administration released two rules, one final and one proposed, aimed at increasing transparency in health care pricing. The first, a proposed rule, includes two key proposals—one aimed at providing patients with estimates of out-of-pocket costs, the other proposing to require insurers to make public payment rates negotiated with providers, as well as historic out-of-network allowable rates.

The out-of-pocket cost estimator proposal would require insurers to provide consumers with a tool that would produce estimates of expected costs for which they would be responsible for procedures covered under their health plan. It would also provide information regarding coverage of procedures, as well as information regarding any prerequisites to coverage. The administration expects this will help consumers better manage their health care expenditures as well as provide information allowing them to "shop" for medical services.

According to the administration, the second proposal, which would require public disclosure of rates negotiated with in-network providers as well as out-of-network allowable amounts, is aimed at driving down payment rates of all providers through increased transparency. However, the administration acknowledges some uncertainty about the ultimate result and the possibility for network adequacy issues and possible increases in overall prices.

The second rule released Nov. 15 finalized an earlier proposal to require disclosure of similar negotiated rate information at hospitals. Major hospital groups have voiced strong opposition to the final rule and are planning to file suit to block its implementation.

The AMA has strongly supported calls for increased transparency around health care pricing information that is meaningful to consumers, such as out-of-pocket cost information, benefit/coverage information, and patient and physician access to drug benefit and formulary information at the point of care. However, disclosure of negotiated rates raises a number of potential concerns that the AMA is reviewing carefully.
CMS seeks input to improve cost measure field testing

The Centers for Medicare & Medicaid Services (CMS) is user testing reports that provide an opportunity to preview and provide stakeholder input about potential episode-based cost measures for the Merit-based Incentive Payment System (MIPS). Measures currently in development include the first chronic condition cost measures – diabetes and asthma/chronic obstructive pulmonary disease – as well as measures of costs associated with colon resection, melanoma resection and sepsis.

The AMA has heard concerns about prior versions of these reports including that they are overly complex and is encouraging physicians and practice administrators to participate in user testing to improve the field-testing reports and, ultimately, promote transparency and stakeholder input into the development of new episode-based cost measures for MIPS. The user testing will take 60 minutes.

Participants must work for a practice that sees Medicare patients and may sign up to participate.

AMA calls for better data on violence against transgender individuals

The AMA recently wrote to the U.S. Bureau of Justice Statistics, Centers for Disease Control and Prevention, and Federal Bureau of Investigation to ask the agencies to identify and implement strategies to address the epidemic of violence against the transgender community, especially the amplified physical dangers faced by transgender people of color. The AMA has previously addressed the epidemic of transgender violence and notes that the number of victims may be even higher due to underreporting caused by a mistrust of law enforcement and the voluntary nature of many crime statistic reporting programs. Accordingly, the AMA suggested that federal law enforcement agencies should consistently collect and report data on hate crimes, including demographics identifying a victim’s birth sex and gender identity.

The AMA strongly opposes any discrimination based on an individual’s sex, sexual orientation, gender identity, or race and is deeply committed to improving the health of transgender individuals, including through addressing social risk factors like violence. This letter is the latest in a series of letters to Congress, states, and other federal administrative agencies aimed at addressing the upstream determinants of health to improve outcomes for transgender individuals.
HELP committee advances Dr. Stephen Hahn's nomination for FDA commissioner

On Dec. 3, the Senate Health, Education, Labor and Pensions (HELP) Committee, by a vote of 18 to 5, favorably report the nomination of Stephen Hahn, MD, FASTRO, to serve as the Commissioner of the Food and Drug Administration (FDA). The full Senate may hold a vote confirming his nomination before the end of the year. During the confirmation process, Dr. Hahn insisted that he will examine the data and scientific research when tackling issues such as vaping, opioid addiction, biologics patents, prescription drug pricing, drug shortages and antibiotic resistance. The AMA sent a letter in support of Dr. Hahn's nomination citing his expertise and significant leadership experience in academic medical settings. He has been widely praised for his work at MD Anderson Cancer Center, one of the nation's premier oncology providers, where he assumed the role of Chief Medical Executive after several years leading MD Anderson's radiation oncology unit. Throughout his career, Dr. Hahn has held numerous management positions and has positively navigated a number of challenges.

More articles in this issue

- Dec. 6, 2019: State Advocacy Update