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PULSE

AGENCY OF CREDIT CONTROL

Demand for Health Care Price Transparency Grows

Ninety-four percent of health care consumers agree that hospitals and other health care entities should be legally obligated to disclose actual prices online, according to recent findings.

A recent survey conducted by the Marist Poll on behalf of PatientRightsAdvocate.org found that an overwhelming 94% of health care consumers believe that transparency in health care pricing is not just a desire but a necessity.

The survey, which collected responses from 1,130 adults across the U.S. between Dec. 13 and 14, 2023, sheds light on the strong demand for clear, accessible information about health care costs.

According to the findings, the majority of respondents (94%) advocate for a legal mandate requiring health care organizations, including hospitals, doctors, and insurance companies, to disclose all of their prices online in an easily accessible location. This comprehensive approach includes discounted prices, cash prices, and insurance-negotiated rates across various hospitals and plans.

Additionally, an overwhelming 93% of respondents believe that hospitals should be required to publish their actual prices in advance of planned care, not merely estimates. Furthermore, 92% of those surveyed expressed the opinion that hospitals should honor their actual price quotes and ensure that the final bill reflects the agreed-upon prices.

The potential impact of accessible pricing information on consumer behavior is significant. If consumers could access the actual prices of services before receiving care, 91% stated that they would use this information to compare hospitals, ultimately opting for the highest quality care at the lowest price. Additionally, 88% of respondents indicated that having access to prices in advance would make them more likely to seek routine and elective health care, providing a clear link between transparency and increased health care usage.

Beyond individual decision-making, consumers see the broader implications of improved price transparency. For example, 90% of respondents believe that increased transparency could contribute to lowering health insurance costs, as it would foster competition among health care providers and health plans.

The survey also found that a

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significant portion of consumers (59%) have previously postponed medical care due to a lack of awareness about the associated costs.

Additionally, a third of respondents believe that passing a law ensuring consumers have access to transparent pricing should be a top priority for Congress. Furthermore, 90% of participants stated that they would be more likely to support an elected official who advocates for the disclosure of actual prices by hospitals and insurance companies.

Legislative initiatives are already in progress to address these concerns. The Lower Costs, More Transparency Act recently passed in the U.S. House of Representatives in December 2023, aiming to improve price transparency. Simultaneously, the Senate introduced the Health Care Prices Revealed and Information to Consumers Explained Transparency Act.

However, as of July 2023, data from PatientRightsAdvocate.org revealed that almost two-thirds of 2,000 hospitals were not complying with federal hospital price transparency requirements that took effect on Jan. 1, 2021.

Read the full survey here.

CFPB Report on FDCPA Continues to Apply Broad Strokes to Medical Debt Collection Issues

The report shows the need for more current research on the impact of credit reporting changes as the bureau works on FCRA rulemaking proposals.

The Consumer Financial Protection Bureau released an expansive report to Congress on the Fair Debt Collection Practices Act focused on medical debt collection, consumer complaints and requirements for debt collectors.

The CFPB reports there were 8,500 complaints "submitted in 2022 by servicemembers, older adults, and other consumers relating to medical debt collections," and the report provides an overview of how the bureau and states have worked to "stop the collections of medical bills that are inaccurate or not even owed at all."

It also includes updates on the debt collection market overall and an overview of activities by the CFPB and other federal agencies relating to debt collection, including the Federal Trade Commission.

However, the report mostly relies on past data that doesn't reflect recent changes in medical debt credit reporting that need to be studied. And, like previous reports, it focuses on the back end of the credit cycle and gives consumers a false impression that the debt collection industry is responsible for billing issues that occurred on the front end, contrary to the explicit goals of the No Surprises Act.

"The CFPB continues to repackage outdated information that lacks key, peer-reviewed, analysis related to medical debt credit reporting. Unfortunately, the CFPB has not studied this issue in a meaningful data-driven way that any economist has vouched for and has overlooked major questions such as how the No Surprises Act and other new regulations have changed the market in the past decade," said Leah Dempsey, shareholder at Brownstein Hyatt Farber Schreck and ACA International's lobbyist. "The CFPB is looking to score political wins first and then think about how medical care and underwriting is impacted later, or never."

As ACA and its members serving as small-entity representatives (SERs) on a Small Business Regulatory Enforcement Act (SBREFA) panel with the CFPB stressed in comments on its Fair Credit Reporting Act rulemaking proposals, sound data is needed before moving forward.

The bureau seeks to alter major parts of the credit reporting process and targets certain industries, such as medical providers, without including them in the feedback process to date.

It held panel meetings with the SERs, Jennifer Whipple, president of Collection Bureau Services Inc., and Jack Brown, president of Gulf Coast Collection Bureau, to provide their feedback on the bureau's outline of proposals (PDF) required under the SBREFA.

After the SBREFA outline (PDF) was released in September, the panel had just 10 business days to review before the meetings with representatives of the CFPB and U.S. Small Business Administration Office of Advocacy. In part due to ACA's lobbying efforts, the SERs ultimately were given an extension to 15 business days to prepare feedback on the outline, which is still a substantial reduction from the standard 60 to 90, or more, days granted for small-business representatives to provide input on in-depth and significant regulatory issues.

For example, the panel for the CFPB's debt collection rule convened on Aug. 25, 2016, and completed its review on Oct. 19, 2016, according to SBA documentation of past rulemaking panels.

NEWS & NOTES

CMS Introduces Innovative Medicaid Payment Model to Enhance Behavioral Health Integration

The Centers for Medicare and Medicaid Services (CMS) has unveiled the Innovation in Behavioral Health (IBH) Model, a new Medicaid payment initiative aiming to enhance care coordination for Medicare and Medicaid beneficiaries with moderate to severe mental health conditions and substance use disorders.

This eight-year, state-based model encourages community-based behavioral health practices to establish interprofessional care teams, combining behavioral and physical health providers with community-based supports. During the initial three years, states and participating providers will receive federal funding, including infrastructure payments. Subsequently, a Medicaid payment model will be implemented, featuring a per-beneficiary-per-month payment system and performance-based reimbursement.

The IBH Model addresses the growing demand for mental health services, aiming to break down barriers to access through its "no wrong door" approach and focusing on health equity and information technology investments. The model is set to launch in the fall, initially running in up to eight states, with a Notice of Funding Opportunity expected in spring 2024.

Read more here.

Private Equity Acquisition of Hospitals Linked to Rise in Hospital-Acquired Conditions

A recent study published by JAMA Network Open reveals that hospitals acquired by private equity firms experience a significant increase in hospital-acquired conditions, such as falls and central line-associated bloodstream infections.

Analyzing Medicare Part A claims data from 2009 to 2019, researchers found a 25.4% rise in hospital-acquired conditions per 10,000 hospitalizations at private equity-owned hospitals compared to controls. Notably, the increase was driven by a 27.3% surge in falls and a 37.7% rise in central line-associated infections.

The findings underscore concerns about the impact of private equity acquisitions on patient care, suggesting that staffing changes and a focus on financial returns may contribute to adverse events, and emphasizes the necessity for increased oversight of private equity involvement in health care.

Read more here.

CFPB Report cont. from page 3

The FCRA outline was released on Sept. 15, 2023, and four panel meetings were held Oct. 11, 12, 18 and 19.

"The CFPB appears to have a predetermined outcome that it intends to move forward with the proposal, despite concerns raised by creditors, medical providers, credit reporting agencies and the debt collection industry all providing evidence of significant disruptions in the market, as well as harm to patients and consumers and small businesses if the CFPB moves forward," said ACA CEO Scott Purcell in a statement reported in *American Banker*. "The proposal could have a sweeping impact on the health care market, insurance coverage, and the larger economy."

ACA is reviewing the CFPB's FDCPA and medical debt collections report to provide more insights for advocacy on this issue and examine the consumer complaint trends.

What's Next?

The SBREFA review panel is in its 60-day review period of the SERs' feedback to then consider issuing a rulemaking, or modifying one they may have already drafted.

ACA will not slow in its advocacy and is focused on stakeholder outreach to prepare for the notice of proposed rulemaking and official comment period.

Members of Congress have proposed legislation prohibiting medical debt credit reporting, including drafts introduced in the House (H.R. 6003) and Senate (S. 3103) in October, that helps show the CFPB doesn't have the authority to make this change.

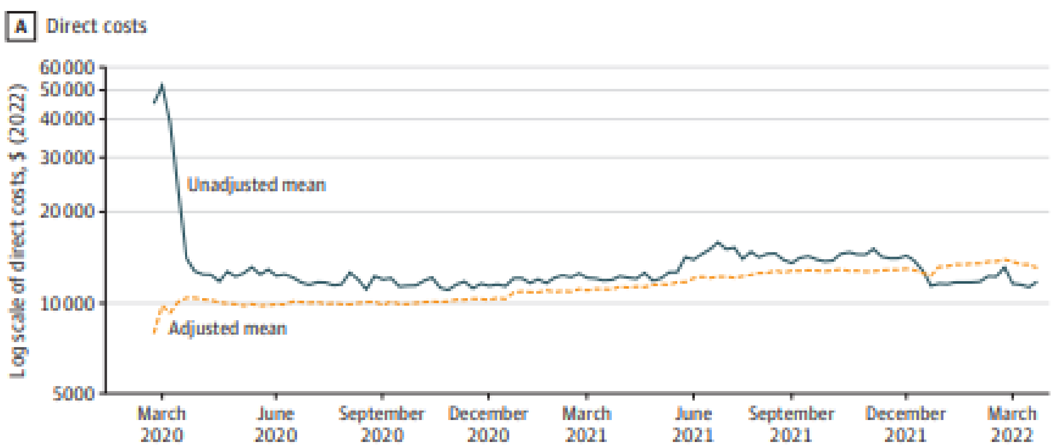
The attention from Congress to this issue also provides another opportunity for members and their provider clients to share the impacts already experienced from the three large medical debt credit reporting changes already implemented. You can read more about the legislation and ACA's advocacy here.

Inpatient COVID-19 Treatment Costs Surge in Last Two Years

A study published in JAMA Network Open reveals a 26% increase in the costs of providing inpatient COVID-19 treatment over the first two years of the pandemic. Analyzing data from over 800 U.S. hospitals between March 2020 and March 2022, researchers found that the mean hospital cost per inpatient stay rose from $10,394 to $13,072. This surge, higher than the 4.7% average increase in medical care costs, was attributed to various factors, including patient comorbidities, the use of treatments like extracorporeal membrane oxygenation (ECMO) and invasive mechanical ventilation, and challenges on the supply side.

The demand for hospital services peaked during the Omicron surge, accounting for over one-fifth of hospital admissions from November 2021 to February 2022. Patients with COVID-19 presented a range of needs, with 13% requiring invasive mechanical ventilation, 27% having an intensive care unit (ICU) stay, and 13% ultimately succumbing to the virus.

Mean COVID-19 Inpatient Direct Costs, Unadjusted and Adjusted, and Case and Death Rates Over Time



Source: *JAMA Network Open. 2024;* http://tinyurl.com/463eh5dx

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