

## **Catalyst for Payment Reform Research Study Sheds Light on Opportunities for States to Control Health Prices through Policy**

**BERKELEY, CA – September 24, 2024** – New research from [Catalyst for Payment Reform](#) (CPR) illustrates the opportunities and challenges for state policy reform to lower healthcare prices. CPR interviewed key stakeholders in Florida, Michigan, and Nevada to better understand attitudes towards a range of policies to control commercial health prices. CPR selected these states for their geographic, economic, and political diversity. [The findings show](#) that there is support for health reforms focused on price, but reforms must be tailored to each state.

Florida's healthcare landscape presents unique challenges. It has the highest uninsured rate in the U.S., some of the highest commercial hospital prices, and an average health insurance premium of \$7,500 annually for individuals. [The state specific analysis](#) sheds light on the key issues facing Florida's healthcare system and outlines three actionable policy solutions aimed at tackling these challenges.

“Policy changes are necessary to constrain health care prices, and states can play a pivotal role in bringing relief to the commercial market,” said CPR's Vice President of Policy, Andréa Caballero. “State leaders understand their unique constituencies and can customize appropriate public policy responses. By hearing from diverse perspectives of healthcare stakeholders, this new research is meant to support feasible approaches for state policy leaders to tackle health care prices.”

The research highlighted some common themes across all three states that are likely applicable to other states considering policy proposals to constrain health cost growth including:

- More than two-thirds of participants expressed interest in using state policy to lower healthcare prices.
- Stakeholders almost unanimously recognized the burden high prices place on healthcare purchasers and on patients but disagreed on the best methods to alleviate this pressure.
  - Stakeholders other than hospitals expressed the most support for policies that ban facility fees for outpatient services; prohibit anti-tiering and anti-steering clauses in network contracts; and mandate that providers or health plans notify the state attorney general prior to mergers or acquisitions.
  - Most stakeholders believe hospitals leverage the complexity of the healthcare system to overcharge patients for services and fight price-reducing policies. They view hospitals, not politicians or insurers, as the primary opponents of common-sense policies to constrain healthcare prices.
- Purchasers are enthusiastic about price-reducing health reforms that preserve their ability to choose among healthcare providers and plans, which can be partially accomplished by passing legislation to ban anti-competitive clauses from health plan and provider contracts.

The research also highlights that each state has its own unique characteristics that must shape health policy proposals. Some of these factors relate to the healthcare system in the state, and others are due to the political environment. For example, patients in Nevada frequently need to travel long distances, including travel to other states, in order to obtain necessary care. The need to preserve and improve access has implications for price control policy. In Michigan, a very strong health plan sector means that health plans will likely be at the center of any policy effort. Employers and other purchasers need to work closely with health plans and ensure they are aligned on their policy goals. Florida is a large and diverse state in which rural health access is a concern and hospitals hold considerable political power. Floridians also recognize hospitals as a key driver of prices in the health system. There is support for new policies that would limit anti-competitive contracting practices by hospitals, such as contracts that limit steering patients to higher-value providers.

CPR will present its findings and policy recommendations to the broader business community, policymakers and other vested stakeholders, in published findings and public awareness campaigns, beginning with CPR's report, [\*State of Healthcare: Policy Considerations to Constrain Commercial Prices\*](#). This endeavor is made possible through the generous support of Arnold Ventures.

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## **ABOUT CPR**

Catalyst for Payment Reform (CPR) is a national, independent, nonprofit organization with a mission to catalyze employers, public purchasers, and others to implement strategies that produce higher-value healthcare and improve the functioning of the healthcare marketplace. For over a decade, CPR has championed efforts to rebalance health care market power and hold the delivery system accountable for outcomes, patient experience and affordability. For more information visit [catalyze.org](https://catalyze.org) and follow us on LinkedIn and X.

## **About Florida Alliance for Healthcare Value**

The Florida Alliance for Healthcare Value represents nearly 80 public and private sector employer/healthcare purchasers with lives in Florida, across the United States, and abroad. Our organizational strategy relies on committed community partnerships to drive quality improvement while reducing the cost of health care. The Florida Alliance is The Leapfrog Group regional leader for Florida. For more information, please visit <https://flhealthvalue.org/>, or find the organization on Facebook or LinkedIn.