



**Arnold  
Ventures**



# Addressing Excessive Prices

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May 5, 2022

# Arnold Ventures.

**Arnold Ventures** is a philanthropy dedicated to addressing some of the most pressing problems in the United States.

**Health Care Objective** > Reduce health care spending for patients, employers, and taxpayers while maintaining access to needed, high-quality care and supporting health care delivery system reform.

Commercial  
sector prices

Drug prices/ FDA  
clinical trials

Provider payment  
incentives/  
Medicare  
sustainability

Care for complex  
populations

# Approach to Creating Change.

- > **Research** to identify and highlight the drivers of the problem and to generate evidence about what works.
- > **Policy development** to translate evidence into actionable solutions.
- > **Technical assistance and advocacy** to provide timely, on-the-ground support to policymakers and other stakeholders.
- > **Visibility and communications efforts** to amplify evidence-based policy solutions.

# Improve transparency and raise awareness about high prices.

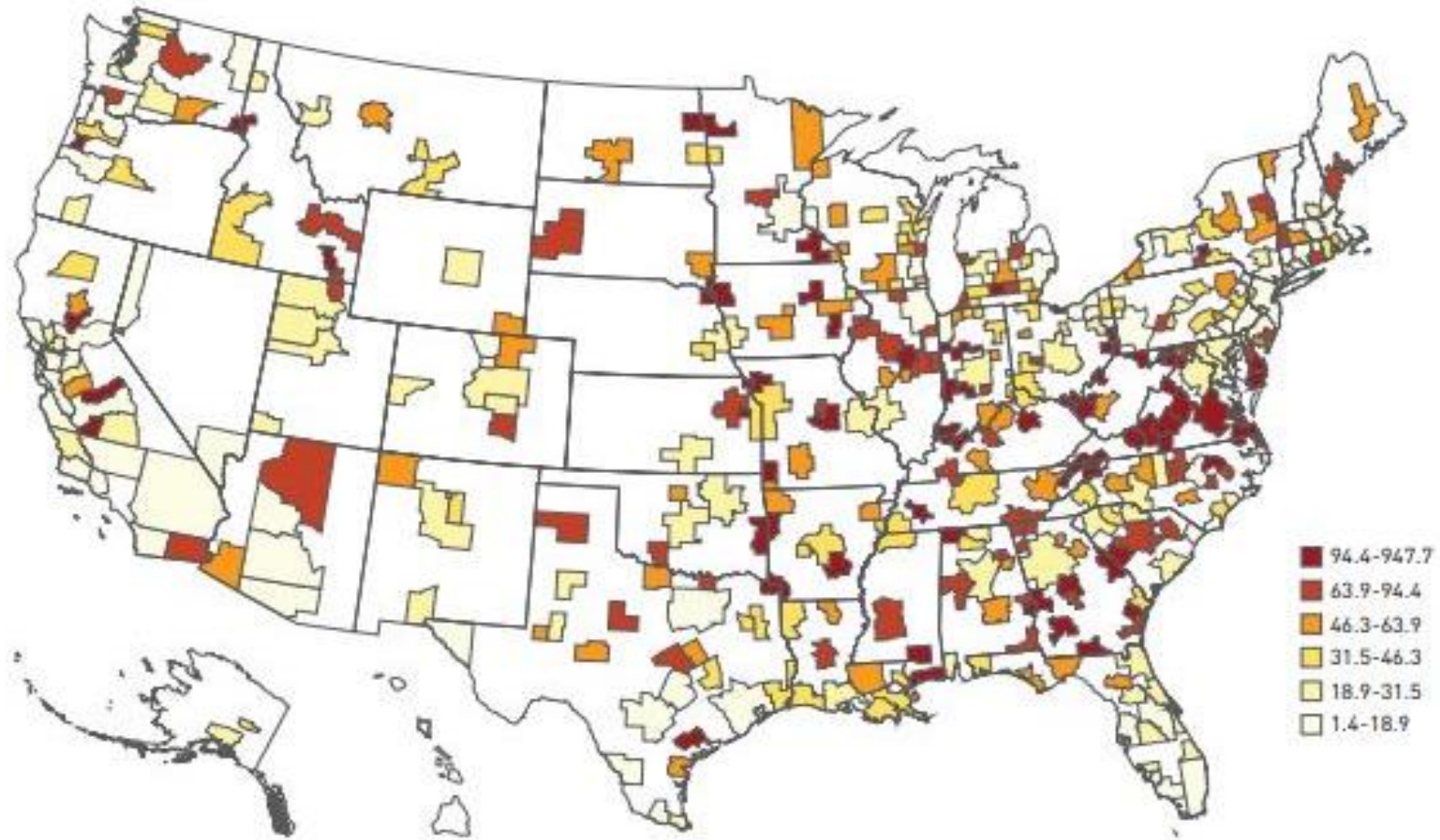
## > New tools and research to bring attention to prices

- > NASHP's hospital cost tool
- > EFI's Hospital Value Dashboard

## > State policies to promote transparency

- > All payer claims databases (APCDs)
- > Hospital system financial reporting (NASHP model law)
- > Require reporting of community benefit spending

# Distribution of Employer Market Power Across the United States, 2016



MSA, metropolitan statistical area.

\*Figure presents the geographic distribution of employer market power. Employer market power is defined as the weighted average within an MSA of the county-level sum of squared firm-level market shares. Employer market power was constructed using the 2016 County Business Pattern data from the US Census Bureau. The color of MSAs in the figure is according to sextiles of the distribution employer market power. N=360 MSAs. White space represents areas not incorporated in MSAs [ie, rural or micropolitan areas].

# Mitigate consolidation and improve market competition.

- > Prohibit anticompetitive contracting practices (NASHP model law)
- > Enhance state merger review policies (NASHP model law)
- > Correct distortions in the market, such as:
  - > Surprise billing
  - > Site-neutral payments and facility fees (NASHP model law)

# Regulating high prices.

- > Enact and enforce cost growth benchmarks
- > Enhance state insurance rate review (NASHP model law)
- > Interject competition in the insurance market by establishing a public option or regulated plan
- > Directly limit excessive prices





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# Resources.

- Arnold Ventures: <https://www.arnoldventures.org/work/commercial-sector-prices>
- NASHP: <https://www.nashp.org/policy/health-system-costs/>
- The Source on Healthcare Price and Competition: <https://sourceonhealthcare.org/>
- HCCI Annual Cost & Utilization Report: <https://healthcostinstitute.org/health-care-cost-and-utilization-report/annual-reports>
- Committee for Responsible Federal Budget: <https://www.crfb.org/papers/capping-hospital-prices>
- Center for American Progress: <https://www.americanprogress.org/article/high-price-hospital-care/>
- KFF: <https://www.kff.org/private-insurance/issue-brief/half-of-admissions-in-the-large-group-market-are-paid-above-150-of-medicare-rates-excluding-maternity-admissions/>



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