Inspiring Innovative Health Solutions
Health Care Price Transparency
June 28, 2023

Moderator:
First and Last Name; credentials

Presenters:
Charles Miller;
First and Last Name; credentials
First and Last Name; credentials
Active participation in the Society of Actuaries is an important aspect of membership. While the positive contributions of professional societies and associations are well-recognized and encouraged, association activities are vulnerable to close antitrust scrutiny. By their very nature, associations bring together industry competitors and other market participants. The United States antitrust laws aim to protect consumers by preserving the free economy and prohibiting anti-competitive business practices; they promote competition. There are both state and federal antitrust laws, although state antitrust laws closely follow federal law. The Sherman Act, is the primary U.S. antitrust law pertaining to association activities. The Sherman Act prohibits every contract, combination or conspiracy that places an unreasonable restraint on trade. There are, however, some activities that are illegal under all circumstances, such as price fixing, market allocation and collusive bidding.

There is no safe harbor under the antitrust law for professional association activities. Therefore, association meeting participants should refrain from discussing any activity that could potentially be construed as having an anti-competitive effect. Discussions relating to product or service pricing, market allocations, membership restrictions, product standardization or other conditions on trade could arguably be perceived as a restraint on trade and may expose the SOA and its members to antitrust enforcement procedures.

While participating in all SOA in person meetings, webinars, teleconferences or side discussions, you should avoid discussing competitively sensitive information with competitors and follow these guidelines:

- **Do not** discuss prices for services or products or anything else that might affect prices
- **Do not** discuss what you or other entities plan to do in a particular geographic or product markets or with particular customers.
- **Do not** speak on behalf of the SOA or any of its committees unless specifically authorized to do so.
- **Do leave** a meeting where any anticompetitive pricing or market allocation discussion occurs.
- **Do alert** SOA staff and/or legal counsel to any concerning discussions
- **Do consult** with legal counsel before raising any matter or making a statement that may involve competitively sensitive information.

Adherence to these guidelines involves not only avoidance of antitrust violations, but avoidance of behavior which might be so construed. These guidelines only provide an overview of prohibited activities. SOA legal counsel reviews meeting agenda and materials as deemed appropriate and any discussion that departs from the formal agenda should be scrutinized carefully. Antitrust compliance is everyone’s responsibility; however, please seek legal counsel if you have any questions or concerns.
Presentation Disclaimer

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Health Care Price Transparency
Charles Miller, Senior Policy Advisor
What Flavors of Price Transparency And Who Benefits?

- Hospital Prices
- Insurer Rules
- APCD
- Large Employers Benefit Design
- Consumers
- Researchers & Policymakers

All Payer Claims Database

- Hospital Prices
- Large Employers
- Researchers & Policymakers
- Consumers
- Insurer Rules
Comparison Shopping is Generational

<table>
<thead>
<tr>
<th>Generations*</th>
<th>All</th>
<th>Gen Z</th>
<th>Millennials</th>
<th>Gen X</th>
<th>Baby Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of Patients Conducting Some Form of Research on Healthcare Costs</td>
<td>75%</td>
<td>85%</td>
<td>84%</td>
<td>73%</td>
<td>65%</td>
</tr>
<tr>
<td>Percent of Patients That Said Having Clear Information on Out-of-Pocket Costs Would Impact their Decision to Use a Healthcare Provider</td>
<td>49%</td>
<td>65%</td>
<td>60%</td>
<td>44%</td>
<td>34%</td>
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</tbody>
</table>


# Health Care Price Transparency

## Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/21</td>
<td>Federal Price Transparency Rules Took Effect</td>
<td>Federal</td>
</tr>
<tr>
<td>7/19/21</td>
<td>CMS Proposed Increased Penalties for Non-Compliance</td>
<td>Federal</td>
</tr>
<tr>
<td>9/1/21</td>
<td>Texas Law (SB 1137) Took Effect</td>
<td>Texas</td>
</tr>
<tr>
<td>1/1/22</td>
<td>CMS Rules with Increased Penalty for Non-Compliance Take Effect</td>
<td>Federal</td>
</tr>
<tr>
<td>2/26/23</td>
<td>Texas Rules Clarifying the Enhanced Penalties in Texas Statute</td>
<td>Texas</td>
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</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/21</td>
<td>Federal Rules &amp; Texas Law (HB 2090) for Machine-Readable Files Take Effect</td>
<td>Federal &amp; Texas</td>
</tr>
<tr>
<td>7/1/22</td>
<td>Federal Rules for Machine-Readable Files delayed enforcement date</td>
<td>Federal</td>
</tr>
<tr>
<td>1/1/23</td>
<td>Federal Rules for Consumer Comparison Tool for 500 Services Take Effect</td>
<td>Federal</td>
</tr>
<tr>
<td>1/1/24</td>
<td>Federal Rules and Texas Law for All Services Takes Effect</td>
<td>Federal &amp; Texas</td>
</tr>
</tbody>
</table>
Hospital Compliance-TX

COMPLIANCE IN TEXAS

Select Area Type
Texas

Select Area

% of hospitals by compliance status

- No website
- Chargemaster only
- No data
- Some insurer prices, but incomplete
- Data not downloadable
- Mostly compliant

Most recent data
Compliance over time

https://texas2036.shinyapps.io/hospital-pricing/
What Have We Learned?
Price Variation – ER Visit Central TX

https://texas2036.shinyapps.io/hospital-pricing/
Regional Price Variation – Office Visit

https://texas2036.shinyapps.io/hospital-pricing/
Lessons Learned

a. Price Variation
b. Cash Prices are Sometimes Lower
c. Files Not Useful for Shopping (yet)
d. Health care Pricing is Complex
Questions?
Contact Charles:

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@CharlesTXPolicy
Fill Out the Evaluation