



Health Reform Weekly

A weekly compilation from Aetna of health care-related developments in Washington, D.C. and state legislatures across the country.

Week of June 24, 2013

A [Government Accounting Office](#) (GAO) report has found what many already suspected – that the smooth launch of federally facilitated health insurance exchanges by October 1, 2013 is no sure thing. The report notes that much has been accomplished so far, but whether this progress and contingency planning are enough to assure smooth and timely implementation of exchanges cannot yet be determined.

A couple of other reports released last week had more promising implications for the Affordable Care Act (ACA). A [Robert Wood Johnson analysis](#) found that the number of insurers offering individual coverage to consumers on exchanges this fall will be greater than “normal.” Also, a Kaiser Family Foundation [tracking poll](#) found that the vast majority of Americans believe it is important to have health insurance – even young people (more than 70 percent) value health insurance. The findings could be significant since many critics question whether young people will purchase coverage because of anticipated high costs and light penalties for failure to comply.

Federal

The Senate Finance Committee held a hearing last week on health care costs and price transparency that featured testimony from Steven Brill, the author of a widely circulated *TIME* magazine story on exploding health care costs titled, “The Bitter Pill: Why Medical Bills Are Killing Us.” Brill said he discovered that health care prices are not based on a “functioning marketplace” -- reflecting the cost of producing the product and the laws of supply and demand. He expressed particular concern about the impact of tax-exempt, non-profit hospitals that are the most profitable businesses in many communities across the nation. Brill added that the ACA “does nothing” to address high health care costs. Looking forward, Brill said that price transparency is an important first step to a solution but that other steps are needed.

The hearing also included testimony from three other witnesses, including Suzanne Delbanco, executive director of Catalyst for Payment Reform, who testified regarding barriers to transparency. She suggested that the federal government should share charge, payment, and quality information for a much broader range of Medicare providers and services; 2) require price transparency from qualified health plans participating in federally facilitated exchanges;

and 3) ensure that employers and consumers have access to their own claims data. Paul Ginsburg, president of the Center for Studying Health System Change, suggested that purchasers and health plans, rather than reporting prices to enrollees, should analyze data on costs and quality to develop benefit designs that provide incentives for enrollees to choose high-value providers.