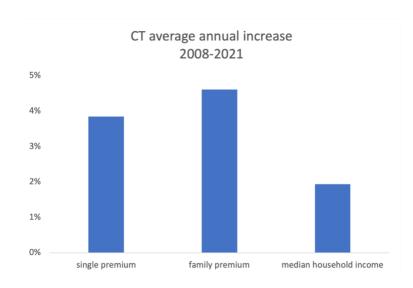
## **CT Health Policy Minutes Digest**

Emailed to CT Health Notes newsletter membership of 2,546 Every Sunday from July 16 through August 27, 2023



# July 9 — Healthcare Costs A Sunday CT Health Policy Minute — from CT Healthcare Explained

Why does healthcare cost so much?



- Health insurance premiums are rising far faster than household incomes, in Connecticut as in the rest of the country.
- Healthcare costs are rising more quickly than incomes, in Connecticut and for all Americans. Per person costs in Connecticut are higher than the US average but are comparable to similar states and our costs are growing less quickly.
- Despite spending more than other Americans, the quality of care in Connecticut is just average, and it's not improving.
- Hospital spending is the largest part of and the largest contributor to the increase Connecticut's per person healthcare costs.
- Implementation of the Affordable Care Act had little impact on per person costs across all Connecticut residents. However, after the ACA became effective, private plan costs grew faster while Medicaid, Medicare, and consumer out-of-pocket cost growth slowed.

For more on CT health care costs from <u>CT Healthcare Explained</u>
Video – <u>Why does healthcare cost so much?</u>
Deeper Dive into CT healthcare costs

### July 16 - Health Equity

A Sunday CT Health Policy Minute - from CT Healthcare Explained

Is our healthcare fair?

In 2019, Black infants in Connecticut were two and a half times more likely to die than white infants.

- Health outcomes are not equal across Connecticut populations. State residents of color, women, people who identify as LGBTQ+, and people with disabilities face greater challenges getting healthy.
- Researchers estimate that only 16% of health outcomes are related to clinical care, while socioeconomic factors and health behaviors are the largest contributors.
- Social determinants of health such as economic stability/poverty, food insecurity, safe housing, and education have an enormous role.
- Unfortunately, Connecticut's healthcare workforce is not as diverse as the state population.
- But there are evidence-based solutions to address disparities and improve the health of every Connecticut resident.

It's estimated that disparities cause an extra \$384 million in hospital costs for Black state residents and another \$121 million for Connecticut Hispanics.

For more on CT healthcare equity from <u>CT Healthcare Explained</u>

Video – <u>Is our healthcare fair?</u>
Deeper Dive into CT health equity

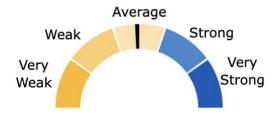
#### July 23 – Healthcare Quality

A Sunday CT Health Policy Minute -- from CT Healthcare Explained

CT's healthcare quality needs work

#### Connecticut

#### **Most Recent Data Year**



Source: <u>National Healthcare Quality and Disparities Report</u>, Agency for Healthcare Research and Quality, Accessed 4/29/2023

- Despite our high costs, the quality of healthcare in Connecticut is average, and it's not improving.
- There is little connection between high prices and better quality in healthcare.
- Good quality measurement is critical to lowering costs, avoiding unnecessary care, improving healthcare value, and overall population health.
- Quality is complicated to measure, but very good, evidence-based metrics are available.
- Quality measurement is constantly improving to focus on improving health outcomes, promoting health equity, and to support patients in healing.

For more on CT healthcare quality from <u>CT Healthcare Explained</u> Deeper Dive into CT healthcare quality

## July 30 – Drug Costs

A Sunday CT Health Policy Minute -- from CT Healthcare Explained

Why do drugs cost so much?

Prescription drug prices in the US average 2.56 times the prices paid for the same drugs in 32 other countries.

- Connecticut residents spend more on prescription drugs than other Americans. Soaring
  prices for drugs are making care unaffordable for many and forcing sacrifices for families
  and taxpayers.
- Drug companies and middlemen very profitable.
- Unlike other countries, US insurers negotiate drug prices with companies, but the companies can demand higher prices, through patent protections and other strategies that create monopolies.
- Drug companies spend more on advertising than they do developing new drugs.
- There is substantial evidence that drug prices are far higher than needed to recover research costs and drug development is heavily subsidized by government.
- Drug companies make substantial donations to influential federal and state lawmakers.
   They spend even more donating to non-profit groups that should be representing the interests of the patients who pay the high prices.
- Recent legislation allows Medicare to begin negotiating prices for some drugs with pharmaceutical companies. Negotiated prices will begin in 2026 with the number of negotiated drugs rising over time.

From 2000 to 2018, thirty-five large drug companies' profits averaged 13.8% of revenue. Over the same years, profits for 357 large, non-pharma companies were 7.7%.

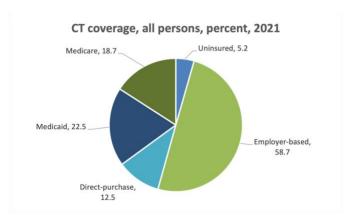
For more on CT healthcare quality from CT Healthcare Explained Video on Why do drugs cost so much?

Deeper Dive into CT prescription drug costs

## August 6 -- Coverage

A Sunday CT Health Policy Minute -- from CT Healthcare Explained

How are people in CT covered for healthcare?



Source: Health Insurance Coverage in the United States: 2021, US Census, September 13, 2022

- Insurance coverage does not guarantee access to care. Having coverage, and the
  adequacy of that coverage, is critical to staying healthy and being able to access care
  when needed.
- Most state residents are covered by private insurance through employment. The number
  of state residents with employer coverage is slowly declining, while the number on
  public programs Medicare and Medicaid is increasing.
- At of the start of 2023, Medicaid covers about a million state residents. One in five Connecticut residents are covered by Medicare - that number is growing as our population ages.
- The ACA had little impact on employer-sponsored coverage, which has been slowly
  declining for decades. But the ACA did increase Medicaid enrollment and lower the
  uninsured rate.
- One in twenty Connecticut residents has no coverage at all, but that number has been dropping.
- While the Affordable Care Act increased Medicaid enrollment, the recession of 2008 increased enrollment more as workers lost jobs and incomes dropped.
- Undocumented immigrants are four times more likely to be uninsured.

Connecticut Medicaid/HUSKY now covers children to age 12 regardless of immigration status. In July 2024 that age will rise to 15.

For more on CT healthcare quality from <u>CT Healthcare Explained</u> Video on <u>How are people covered?</u>
Deeper Dive into <u>Healthcare Coverage</u>

## **August 13 -- Healthcare Market Consolidation**

A Sunday CT Health Policy Minute -- from CT Healthcare Explained

What is the impact of big health systems?

In 2022, a class action lawsuit was filed against Hartford Healthcare for anti-competitive practices, claiming that the system used its monopoly market power in some areas of the state to force insurers to include them in their networks, even in areas where there are less costly, higher-quality options for care.

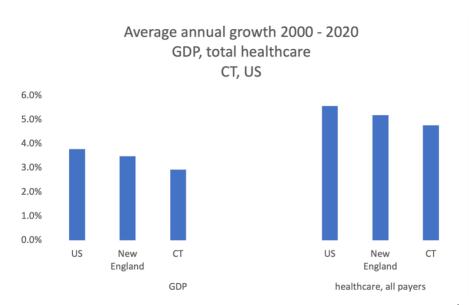
- Like the rest of the country, Connecticut's healthcare market has consolidated into a few large health systems. While this consolidation started years ago, the financial and administrative pressures of COVID accelerated the trend.
- As large health systems become monopolies in areas of the state, they can squeeze out competition and demand higher prices, without providing improved quality or access to care.

- This has led to higher insurance premiums, closing services such as maternity and delivery care, increased burdens on over-stressed hospital staff, and increased consumer out-of-pocket costs.
- In 2023, Connecticut passed legislation to promote competitive markets in insurance contracts.

For more on CT healthcare consolidation from <u>CT Healthcare Explained</u> Deeper Dive into Healthcare Market Consolidation

## August 20 -- Reform A Sunday CT Health Policy Minute -- from CT Healthcare Explained

#### What is being tried to reform healthcare?



Source: Health Expenditures by State of Provider, CMS, accessed 10/13/2022

- There is a strong consensus that our healthcare system is broken and needs reform.
- Much effort is going into reforming Connecticut's and the US health systems to improve quality and control costs. Efforts are focused on improving the delivery of healthcare to be more effective and patient-centered, and payment reforms to control rising costs.
- But despite much effort, few reforms have demonstrated success in either controlling costs or improving quality.
- Payment reforms also carry significant risks of unintended consequences such as lowering patient access to care, creating monopoly health systems, opportunities for "gaming" the system, and increasing the prices of care.

- Challenges to reform include the cost of investments, inertia, provider resistance, and inadequate data and analytic capacity.
- Barriers to universal healthcare reforms are very strong in the US.

For more on CT healthcare reform from <u>CT Healthcare Explained</u> Video – <u>What's being tried to fix healthcare?</u> Deeper Dive into <u>Healthcare Reform</u>

#### **August 27 -- Long Term Solutions**

A Sunday CT Health Policy Minute -- from CT Healthcare Explained

How do we solve this for the future?

Researchers estimate that only 16% of health outcomes are related to clinical care, while socioeconomic factors and health behaviors have the most impact on our health.

- There is growing understanding that the best way to improve the health of Connecticut residents and lower healthcare costs is by working upstream to prevent problems and support healthy behaviors and environments.
- Socioeconomic factors that significantly influence health include economic stability/poverty, food insecurity, safe housing, and education.
- Unfortunately, healthcare savings from public health and community services go back into the medical care system. They are rarely reinvested in community health.
- Public health and community services are critical to that upstream work, but they are badly underfunded, in Connecticut and across the nation.
- There are evidence-based community and public health solutions to address problems upstream and improve the health of every Connecticut resident.

California found that each dollar invested in public health returned \$3.12 in savings to their state's Medicaid programs.

For more on long term solutions from CT Healthcare Explained

Video – What's being tried to fix healthcare?

Deeper Dive into Healthcare Reform

Deeper Dive into **Public Health** 

Deeper Dive into Health equity and social determinants of health