



Strategies to Address High Healthcare Unit Prices

STRATEGY		IMPLEMENTOR		EFFECTIVE WHEN PROVIDER/ PRODUCT COMPETITION IS SCARCE?
		STATES	PRIVATE PAYERS	
Lowering unit prices	Peer comparisons	X <i>(e.g., Virginia Center for Health Innovation)</i>	X	Rarely
	Reference pricing	X <i>(e.g., California Public Employees' Retirement System)</i>	X	Rarely
	Tie provider payments to Medicare rates	X <i>(e.g., Montana's Employee and Retiree Benefit System)</i>		Yes, if payer is powerful
	Hospital/physician rate setting	X <i>(e.g., Maryland's all-payer rate-setting system)</i>		Yes, if payer is powerful
	Anti-price gouging legislation	X		Yes
Capping the price of a bundle of services	Global budget	X <i>(e.g., Maryland's all-payer rate-setting system)</i>	X <i>(e.g., Blue Cross Blue Shield of Massachusetts' Alternative Cost and Quality Contract)</i>	Yes
Capping price growth	Caps on price growth as a condition of healthcare mergers	X <i>(e.g., State Attorney General's Office)</i>		Yes
	Impose price controls on contracts between commercial insurers and providers	X <i>(e.g., Rhode Island's Office of the Insurance Commissioner)</i>		Yes
	Establish a healthcare cost growth benchmark	X <i>(e.g., Massachusetts' health care cost growth benchmark)</i>		Yes

More on this topic at: www.healthcarevaluehub.com/High-Unit-Prices