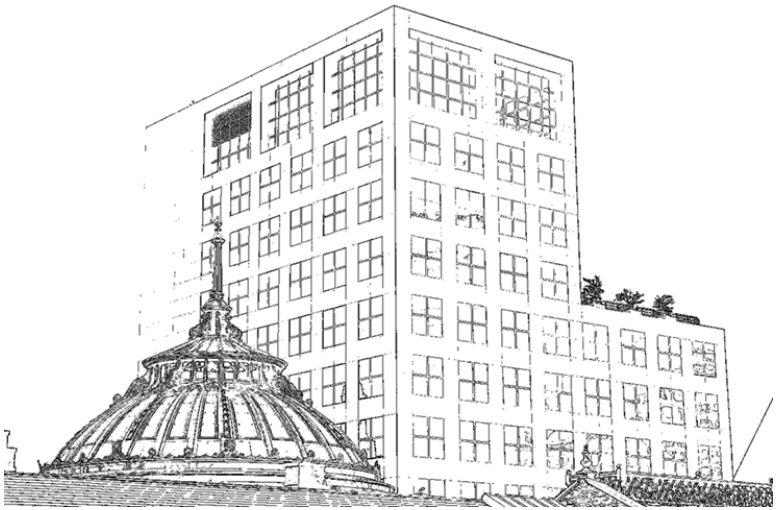
School of Public Health
BROWN UNIVERSITY

CAHPR CENTER FOR ADVANCING HEALTH POLICY THROUGH RESEARCH



RESEARCH HIGHLIGHT OF THE QUARTER

Price gaps aren't due to differences in quality or cost, but mostly reflect negotiation power

Four recent studies highlight the striking variation in what commercial insurers pay for routine health services—and point to insurer-provider bargaining power as a key driver.

A *Health Affairs Scholar* study analyzing over 2.1 million prices from 2024 for common imaging tests found prices ranging from $29 to $1,505 for the same service—with some services costing five times more depending on the provider or insurer. In *Annals of Emergency Medicine*, an analysis of 1.3 million prices for emergency department (ED) visits showed that the price of the same high-complexity ED visit ranged from $196 (Aetna) to $531 (UnitedHealthcare).

In *JAMA Ophthalmology*, a study of common ophthalmology procedures like cataract surgeries and eye injections found that facility prices varied more than fourfold depending on insurer and geography, with Cigna paying the least and Aetna often paying above average.

And in *JAMA Network Open*, a study of more than 2.5 million prices for general surgery and endoscopy procedures—found facility fees were up to nine times higher than professional fees — with Aetna and UnitedHealthcare paying the most.

All four studies underscore that wide price gaps in commercial insurance are not explained by care

quality or complexity, but by opaque negotiations and market dynamics—suggesting that while price transparency is a critical step, it must be paired with structural reforms to effectively contain healthcare costs.

MEDICARE ADVANTAGE

New Tool shows how Medicare Advantage plans could be driving $30 billion in excess payments next year alone

Led by Dr. David Meyers, MediCode is a newly launched interactive tool that exposes how coding practices in Medicare Advantage are driving billions in excess payments— costing the federal government an estimated $30 billion in 2025 alone.

This user-friendly tool is designed for policymakers and researchers to provide transparent metrics in coding intensity across insurers and states and simulate policy reforms to guide Medicare payment oversight.

Go to the tool >>

Estimating the Budgetary Impact of Reforms to the Medicare Advantage Quality Bonus Program

A paper published in *JAMA* uses Medicare Advantage data to estimate the 2026 budgetary impact of proposed reforms to the Medicare Advantage Quality Bonus Program (QBP). The study models four reform scenarios—including elimination of the QBP, conversion to budget neutrality, and removal of "double bonuses"—and finds potential federal savings ranging from $2.6 billion to $14.1 billion. The financial impact varied by insurer and contract demographics, with plans serving more dually eligible or racially diverse beneficiaries projected to lose more under certain reforms.

Delays and Denials in Medicare Advantage: Fixing the Systemic Conflict of Interest

This viewpoint, published in *JAMA*, examines how Medicare Advantage insurers profit from systematically delaying and denying care—issuing over 50 million prior authorization requests and 56 million claim denials—often using AI to override clinical judgment. The authors argue that this financial conflict of interest harms patients and clinicians, and propose replacing insurer-led decisions with independent Medicare Administrative Contractors to ensure neutral, standardized, and transparent adjudication.

STATE POLICIES

Rhode Island's Affordability Standards Led To Hospital Price Reductions And Lower Insurance Premiums

This *Health Affairs* study uses national data from 2006–2022 to assess the long-term effects of Rhode Island's Affordability Standards, which have capped hospital price growth in the state's fully insured commercial insurance market since 2010. The authors find that the policy reduced hospital prices by 9.1% and led to over $1,000 in annual premium savings per fully insured member by 2022. The Affordability Standards, which applied only to fully insured plans, led to hospital price reductions across both the fully insured and the self-insured markets—had limited effects on self-insured premiums. The policy was also associated with reductions in commercial revenue for hospitals. The findings demonstrate that strong state-level regulation can meaningfully curb healthcare costs and improve affordability for consumers.

State Health Care Cost Commissions: Their Priorities and How States' Political Leanings, Commercial Hospital Prices, and Medicaid Spending Predict Their Establishment

This study, published in *The Milbank Quarterly*, examines why and where U.S. states have established Health Care Cost Commissions

(HCCCs) to control rising health care spending. Analyzing political and economic data through August 2024, the authors find that 17 states—mostly Democratic-leaning and those facing higher commercial hospital prices or greater Medicaid spending—have created HCCCs to set spending growth targets, enhance transparency, and recommend cost-containment strategies. The study also shows that many of these states have enacted complementary competition-related laws, such as enhanced merger review and bans on anticompetitive contract clauses, though most HCCCs still lack strong enforcement powers

HEALTH CARE MARKETS

Private Equity Acquisition of Gastroenterology Practices and Colonoscopy Price and Quality

A study in *JAMA Health Forum* found that private equity acquisition of gastroenterology practices increased colonoscopy prices, physician spending, and procedure volume—but did not improve care quality. Prices rose 4.5% on average, with greater hikes in consolidated markets, yet quality measures remained statistically unchanged compared to independent practices.

How Should We Stop Private Equity Firms From Exploiting Public Health Insurance?

This article, published in the *AMA Journal of Ethics*, examines how private equity ownership of physician practices may undermine patient care and professional ethics by prioritizing short-term profits. It highlights concerns such as increased billing intensity, reduced clinician autonomy, and exploitative practices like surprise billing. The author calls for stronger regulatory oversight—through transparency mandates, stricter fraud enforcement, revised antitrust scrutiny, and limits on non-compete clauses—to safeguard public health interests.

The impact of hospital and physician integration

This article preprint in *The Journal of Human Resources* examines how vertical integration between hospitals and physician practices affects physician behavior and healthcare spending. The authors find that integration leads to a 4–5% increase in total episode spending, driven by shifting care to more expensive outpatient settings and increased service intensity, even as the total number of services and claims declines. Hospitals also gain greater control over referral patterns, redirecting patients to in-system providers, with little to no observed improvements in quality of care.

Site-Neutral Payment And Biosimilars Competition Are Complementary Purchaser Strategies For Cancer Biologics

This *Health Affairs* study evaluates two complementary strategies to reduce insurer spending on infused cancer biologics: biosimilars competition and site-neutral payment. Using claims data from 43,643 commercially insured patients (2020–22), the authors found that biosimilars had lower prices than branded biologics, while hospitals charged significantly more than physician practices for the same drugs. If fully implemented, site-neutral payment could have saved nearly $1 billion—over twice the $465 million in potential savings from biosimilar use alone.

HEALTH SYSTEMS AND COVID-19

Health Care Workforce Recovery After the End of the COVID-19 Emergency

This study published in *JAMA* analyzes U.S. health care employment trends from 2016 to 2024 using national data to compare actual versus predicted employment levels post-COVID-19. While overall health care employment recovered to near pre-pandemic projections by 2024, significant variation existed across sectors—physician offices and office-based behavioral health grew, while

hospitals, skilled nursing facilities, and intensive behavioral health settings lagged. The findings highlight the need for targeted workforce strategies in under-recovered sectors and further research into the drivers of differential recovery.

Back to School: The Effect of School Visits During COVID-19 on COVID-19 Outcomes

This study, published in the *Journal of Health Economics*, examined the effect of school reopenings during COVID-19 on household infection and hospitalization rates, using mobility data from 131,000 schools and medical claims from 7 million individuals. The authors find that increased school visits led to modest rises in COVID-19 cases, especially in lower-income and high-prevalence counties. The authors suggest that reopening decisions should consider local COVID-19 prevalence, and that low-cost mitigation strategies can help manage transmission risks—especially in disadvantaged communities—while preserving the educational and social benefits of in-person schooling.

TESTIMONIES & POLICY BREIFS

Testimonies

> **Health Care Resources & Market Oversight; Pharmaceutical Access, Cost & Transparency** - Testimony by Roslyn C. Murray, PhD before the

Massachusetts Legislature's Joint Committee on Health Care Financing.

Strategies to Address Corporate Consolidation in Health Care: Transaction Oversight and Transparency of Ownership and Control - Testimony by Erin C. Fuse Brown, JD, MPH submitted to the Joint Health Coverage, Insurance and Financial Services Committee of the Maine Legislature

Policy Briefs

2025 State Legislative End-of-Session Recap State Legislative Actions Related to Health Care Markets

Policy Brief on the Menu of Policy Options for State-Based Universal Health System Reform

POLICY COMMENTARIES

State Efforts to Rein in Corporate Medicine - The Law and Political Economy (LPE) Project

The Same Script: Value-Based Payment, Managed Care, and Neoliberalism - The Law and Political Economy (LPE) Project

How Massachusetts's New Health Care Reform Takes Aim at Private Equity - Health

Affairs Forefront

Rethinking How Medicare Pays Nurse Practitioners And Physician Assistants - Health Affairs Forefront

The loophole that could allow another private equity debacle in Mass. health care - The Boston Globe

MEDIA MENTIONS

How states can mitigate Trump's Medicaid cuts – and set their health care systems on a better path - STAT News

'Coding Intensity' Pays Off Big for These Medicare Advantage Plans - Health Payer Specialist

The Failure of Neoliberalism in Health Care - Health Justice Monitor

Private Equity in Healthcare: Colonoscopy Prices Soar While Care Remains the Same - Managed Healthcare Executive

Private equity groups significantly raise colonoscopy prices at practices they acquire - Healio

Senators reveal how much Lilly, Pfizer paid telehealth companies - STAT News

> **Experts InSight Podcast** - American Academy of Ophthalmology
>
> **Doctors and nurses at Madison primary care center want a union. It's a sign of health care changes** - Wisconsin Public Radio
>
> **Lawmakers Seek to Close VA Loophole That Funnels Billions to Private Medicare Insurers** - The Wall Street Journal
>
> **FTC study supports scrutiny of physician mergers, economists say - Global Competition Review** - Global Competition Review
>
> **States push hospital price caps to rein in spending** - Modern Healthcare
>
> **Community Focus: Brown University's Andrew Ryan** - WPRI
>
> **Market Power -** Brown University
>
> **Hospital price growth cap helped lower insurance premiums, Brown study shows** - Rhode Island Current

PODCASTS

> **Can Corporatization Lower Healthcare Costs Without Sacrificing Quality?** - A Moment in Health with Dr. Ashish Jha

A Revolutionary Approach to Health Care Pricing - Humans in Public Health

How Oregon Is Ending Corporate-Run Healthcare - Organized Money

EP474: Private Equity in Healthcare—The Big Data Points You Really Need to Know, All Together in One Episode, With Yashaswini Singh, PhD - Relentless Health Value

Part 4, The Fall of Crozer Health: "If You Think It's Bad Now" | Erin Fuse Brown - 43cc

"Locusts"?: A Lawyer Talks Private Equity in Healthcare | Erin Fuse Brown - 43cc

Research Unplugged: Listen to all of CAHPR's Research Podcasts

ANNOUNCEMENTS

Congratulations to Prof. Yashaswini Singh on being named a 2025 Aspen Ideas Health Fellow

Nominated by Arnold Ventures, she joined over 100 global fellows in Colorado in June 2025 to explore how market forces are reshaping health

care at this year's "Payoff: Investing in Health" conference by the Aspen Institute.

CAHPR is an evidence-based, nonpartisan research and policy center that aims to make fundamental contributions toward understanding and developing policies that will lower spending growth, improve patient outcomes, and drive structural change in healthcare delivery in the US. Learn more about us at https://cahpr.sph.brown.edu/.

If you have questions about our research, would like to request briefs and reports, or engage with the center's investigators, please contact Jared Perkins, Director of Health Policy Strategy, at jared_perkins@brown.edu.