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**CHIP Title:** Affordability Accelerator: Developing a road map to improve Patient Out-of-Pocket Costs and trustworthiness in healthcare

### **Project Description:**

Healthcare prices are hard to understand and navigate for patients and healthcare teams. Health care affordability (out-of-pocket patient costs) is a leading health care concern for Americans and a key voting issue. More than half of Americans worry about the availability and affordability of health care, and more than a quarter have delayed care because of high costs. I am passionate about this work after having a friend lose her life savings due to healthcare costs and my own family has faced large medical bills without guidance to navigate our healthcare system.

As a nation and in California, we have missed the target to reduce out-of-pocket costs to patients, likely because there has been no clear roadmap of how to approach solutions, and key partners have traditionally worked in silos. 70% of patients across the country and 66% of patients in California hold employer-based, non-group, or Medicare insurance coverage. Thus far, among these insurance types, efforts to increase healthcare value have remained focused on reducing the total costs of care with payers and health systems benefiting, with little attention to rising out-of-pocket costs with nearly no accountability or protections for patients.

So I brought together patients, navigators, social workers, care teams, health system leaders, payers from across the country to develop solutions through an Affordability Accelerator. My CHIP aimed to create a roadmap to provide a path to reach these goals from a perspective of building infrastructure to support health system interventions. My team acknowledged that other payer reforms and patient protection legislation will be required to create large improvements. While the new No Surprises Act and Inflation Reduction Act take important steps toward Medicare price caps, price transparency, and balance billing for out-of-network care, efforts to improve affordability must be guided by care teams and supported by health systems to achieve consequential change. Participants identified strategies to better understand and align clinical and financial decisions throughout a patient's experience prior to, during, and after care is rendered to develop new care pathways. The participants identified key financial friction points for patients and nine key improvement opportunities.

### **Key Findings and Lessons Learned:**

- Funding secured for Affordability Accelerator convenings in June 2021.
- Successful convenings of key partners nationally to identify potential opportunities to reduce patient out-of-pocket costs (among employer-based, non-group, Medicare insurance) that kicked off in September 2021.
- Collated and published findings, published in NEJM Catalyst, a key health system manager publication, in May 2022.
- Introductory meetings with national and state agencies and legislators began in summer 2022.
- Initial outreach to contacts with the State's potential Office of Affordability and CMMI currently.
- Ongoing discussion with hesitant partners such as certain payers and hospital leaders.
- Covid accelerated this work as Americans are struggling financially, recent elections brought this bipartisan issue to the forefront, and inflation is now affecting increased premiums.

### **Next Steps:**

- Create engaged relationships with state and national policy makers to share these ideas and patient insights to improve out-of-pocket costs and create more patient protections.
- Connect with the State's affordability efforts to consider incorporating this framework to build innovation models aimed to reduce patient out-of-pocket costs for Californians.
- Connect with the Center for Medicare and Medicaid Innovation to help guide innovative alternative payment models that promote reducing patient out-of-pocket costs across the country.
- Continually engage in discussion with payer reform to increase coverage of high-value services for patients and avoid cost-shifting to patients when possible.
- Explore further opportunities and alignment with Medicaid and Military-Veteran Health.