



State of Healthcare: Policy Considerations to Constrain Commercial Prices

Nevada | Executive Summary

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EXECUTIVE SUMMARY

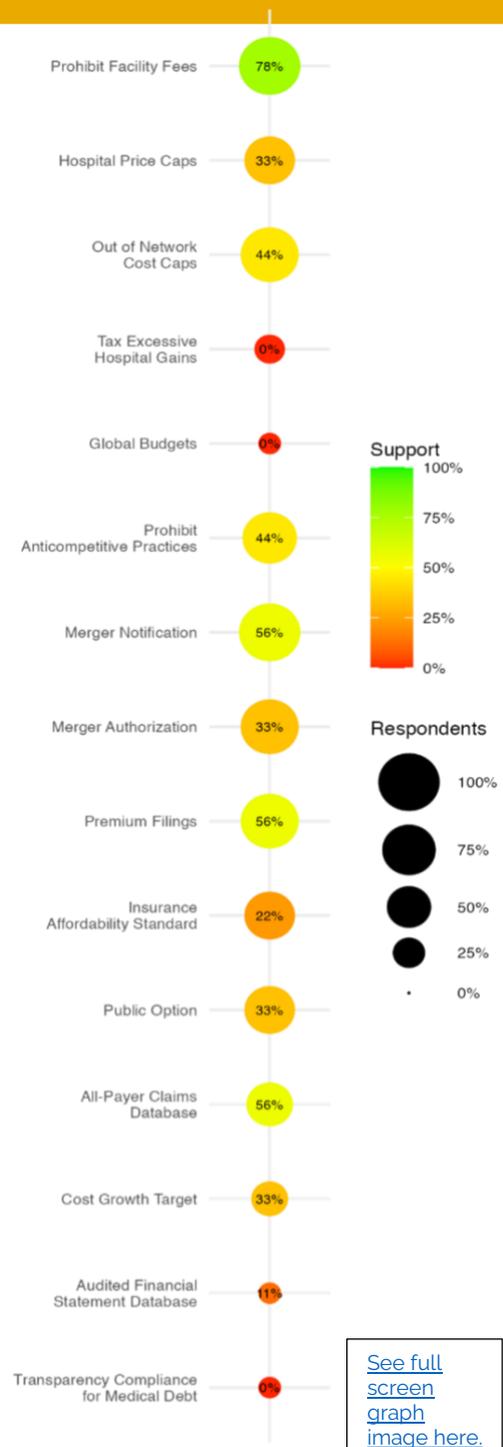
Introduction

In Nevada as elsewhere, skyrocketing healthcare spending compels state leaders to consider policy interventions to constrain prices. Each state is unique in terms of its health care market and regulatory structures, and policy solutions should be adapted to local economic, geographic, and sociopolitical factors. Healthcare in Nevada faces unique challenges. Commercial healthcare prices are low compared to other states (hospital prices average only 2.5 times that of Medicare).¹ However, the uninsured rate is a notable 13%.² The Commonwealth Fund ranks Nevada 45th in terms of healthcare access, and last for preventive services and treatment.³ These challenges have elicited a robust policy response, including a prohibition on anticompetitive healthcare contracting,⁴ a state-operated health exchange,⁵ a mandate to notify the attorney general prior to large healthcare mergers,⁶ and a public option health plan.⁷ While these policies may provide some relief, further policy intervention is necessary to control rising healthcare prices. The purpose of this interview research is to better understand the overall Nevada environment for policy action on health care prices and which specific policies are viable options in the state.

This report summarizes participants' attitudes and perceptions, evaluates support for key healthcare policies and recommends potential policy solutions.

Method

CPR conducted interviews with ten stakeholders in Nevada representing healthcare purchasers, health plans, hospital systems, and experts familiar with the industry. Participants discussed their perceptions regarding rising healthcare prices, the health policy context in Nevada, and their support for specific price-constraining policies. In addition to evaluating their support for, opposition or neutrality to policies, we conducted a thematic analysis organizing participant attitudes and perceptions into common themes.⁸



¹ Whaley, C.M., Briscoe, B., Kerber, R., O'Neill, B., & Kofner, A. (2022). Prices Paid to Hospitals by Private Health Plans: Findings from Round 4 of an Employer-Led Transparency Initiative. *RAND*. https://www.rand.org/pubs/research_reports/RR1144-1.html

² United States Census Bureau. (2024). <https://data.census.gov/>

³ Radley, D.C., Baumgartner, J.C., Collins, S.R., & Zephyrin, L.C. (2024). U.S. Healthcare Rankings by State 2023. *Commonwealth Fund*. <https://www.commonwealthfund.org/publications/scorecard/2023/jun/2023-scorecard-state-health-system-performance>

⁴ Nev. Rev. Stat. § 598A.440

⁵ Nevada Health Link. (2024). <https://www.nevadahealthlink.com/>

⁶ Nev. Rev. Stat. § 598A.370, 2024

⁷ Division of Health Care Financing & Policy. (2024). Nevada Coverage & Market Stabilization Program. Nevada Department of Health and Human Services. <https://dhcfp.nv.gov/marketstabilization/>

⁸ Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3, 77–101. 10.1191/1478088706qp0630a

Results

Participants almost unanimously recognized the burden high prices place on the healthcare system and on patients in Nevada but disagreed on the best methods to alleviate this pressure. (See Figure)⁹ However, certain policy alternatives proved more popular than others. The following themes reflect common, but not unanimous, sentiments among participants.

Everyone feels the burden of healthcare prices and most have an appetite for policy changes

Almost unanimously, across all stakeholders, participants indicated rising healthcare prices pose a burden to their organizations, their patients, or to the residents of Nevada. More than two thirds of participants expressed at least a cautious interest in using state policy to lower healthcare prices.

Participants believe rising wages are driving high prices

Participants pin rising healthcare prices to rising wages for healthcare workers. Interviewees said healthcare staff compete for better salaries, and they believe health systems make up their costs through increased unit prices for services.

Hospitals are unpopular among stakeholders, but hold substantial political power

Purchasers and health plans believe hospitals leverage the complexity of the healthcare system to overcharge patients and are the primary opponents of common-sense policies to constrain healthcare prices.

Stakeholders fear policies may inadvertently raise prices further or reduce quality

Participants expressed fears that state intervention may unintentionally result in diminished healthcare quality or a further increase in prices. However, among purchaser participants, concerns about current healthcare prices now largely exceed fears about hypothetical harms to the healthcare industry.

Nevada's geography informs prices and access

Participants feel that metropolitan Las Vegas and Reno residents have greater healthcare access and more bargaining power with insurers. In contrast, rural northern Nevada has fewer competing healthcare systems and insufficient patient bases for specialty care.

Nevadans are encouraged to leave the state in order to receive healthcare

Purchasers in Nevada often direct patients out of state to receive specialty care; however, this may expose patients to out-of-network providers and associated increased cost-sharing. The trip from northern Nevada to Utah or California could be hundreds of miles. Purchasers expressed concern that patients who are forced to travel may delay care, making their treatment more expensive when (or if) they do receive care.

Nevadans value free enterprise but are open to policies which level the playing field

Participants expressed general skepticism regarding the capacity or purpose of government intervention into private industry practices. However, they favor policies which may promote access or reverse predatory practices. Even purchasers who expressed concern about government intervention said their concerns about rising healthcare prices exceeded fears about regulation.

⁹ Green indicates generally supported policies while red reflects unpopular proposals. Larger and more opaque bubbles indicate a larger number of participants (as a percentage of all participants in that column) were asked about the policy.

Recommendations

Based on the quantitative and qualitative analysis of the interviews, the following policies received the most support among Nevada stakeholders. Nevada's current healthcare policy landscape largely resembles several menus: [Shore Up Market Against Consolidation and Rising Prices](#) and [Prevent/Punish Bad Actors](#). Based on the interviews, the two policies that have not already been enacted and are the most promising in Nevada are:

1. Prohibit facility fees for outpatient services
2. Cap out of network (OON) prices¹⁰

A third recommendation is not based on a CPR policy menu; rather CPR recommends stakeholders consider how best to inform the implementation of the public option and/or improve existing laws addressing commercial prices and anticompetitive practices.

Download the full Nevada report [HERE](#).

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¹⁰ This policy also falls under CPR's *Regulating Provider Prices* menu.