

State of Healthcare: Policy Considerations to Constrain Commercial Prices

Florida | Executive Summary

Prepared by Catalyst for Payment Reform, Fall 2024

This research was made possible by the support of Arnold Ventures.



EXECUTIVE SUMMARY

Introduction

In Florida as elsewhere, skyrocketing healthcare spending compels state leaders to consider policy interventions to constrain costs. Each state is unique in terms of its healthcare market and regulatory structures, and policy solutions should be adapted to local economic, geographic, and sociopolitical factors. The healthcare landscape in Florida is challenging: it has the highest uninsured rate,¹ the highest commercial hospital prices,² and the average individual health insurance annual premium is \$7,500.³ Policymakers feel pressure to respond. Florida has established an all-payer claims database,⁴ passed pharmacy benefits management reform,⁵ and ratified patient protections for medical debt collections.⁶ While these legislative acts may provide some relief to Floridians, further policy intervention is necessary to control rising healthcare prices. The purpose of this interview research is to better understand the overall Florida environment for policy action on healthcare prices and which specific policies are viable options in the state.

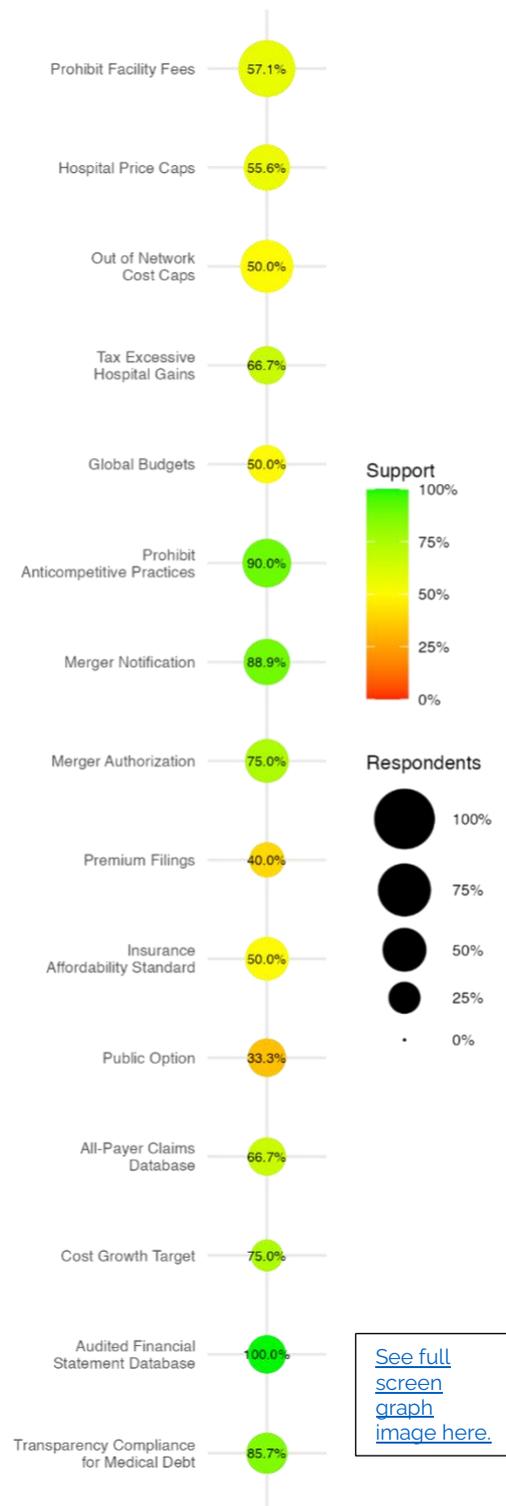
This report summarizes participants' attitudes and perceptions, evaluates support for key healthcare policies, and recommends three potential policy solutions.

Method

CPR conducted interviews with 16 stakeholders in the State of Florida representing self-funded and fully insured healthcare purchasers, health plans, hospital systems, and other allied organizations. Participants discussed their perceptions regarding rising healthcare prices, the health policy context in Florida, 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.⁷

Results

Participants almost unanimously recognized the burden high prices pose to their organizations, and/or to the residents in Florida. No participant felt unaffected by or content with current healthcare prices. However, some policy alternatives



¹ United States Census Bureau. (2024). <https://data.census.gov/>

² Whaley, Christopher M., Rose Kerber, Daniel Wang, Aaron Kofner, and Brian Briscoe. Prices Paid to Hospitals by Private Health Plans: Findings from Round 5 of an Employer-Led Transparency Initiative. Santa Monica, CA: RAND Corporation, 2024. https://www.rand.org/pubs/research_reports/RRA1144-2.html.

³ KFF. (2024). State Health Facts. <https://www.kff.org/statedata/>

⁴ Florida Agency for Health Care Administration. (2022). Florida Health Price Finder. <https://price.healthfinder.fl.gov/>

⁵ Florida Senate Health Policy Committee. (2023). SB 1550. <https://www.flsenate.gov/Committees/billssummaries/2023/html/3210>

⁶ Florida Senate Banking & Insurance Committee. (2024). HB 7089. <https://www.flsenate.gov/Committees/billssummaries/2024/html/3504>

⁷ Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3, 77-101. 10.1191/1478088706qp0630a

proved more popular than others. The following themes reflect common, but not unanimous, sentiments among participants.

Everyone feels the burden of healthcare costs 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, and/or to the residents of Florida.

Hospitals are unpopular among stakeholders, but hold substantial political power

Purchasers and plans made substantial criticisms regarding hospitals, their business practices, and their motivations. These stakeholders believe hospitals leverage the complexity of the healthcare system to overcharge patients for services and oppose cost or price-reducing policies.

Stakeholders fear limiting their healthcare choices

Participants frequently questioned the impact of new policies on their ability to choose between networks, discriminate among healthcare of varying quality, and design cost-sharing structures which fit their needs.

Most stakeholders acknowledge having limited familiarity with specific healthcare policy proposals

Health plans and providers demonstrated greater general knowledge of state policy interventions than employers. This is not surprising, given that health policy is not a full-time focus for employers as it is for health plan and provider advocates. Politically active participants suggested policymakers also have limited subject matter expertise on health reforms.

Floridians are concerned about rural healthcare access

Participants indicated rural residents have particular difficulty accessing care, and these challenges have been exacerbated by increasing rates of consolidation among hospitals.

Floridians are enthusiastic about free enterprise

Many participants endorsed some degree of free market ideology, reflecting the degree to which stakeholders hold these values.

Florida policymaking requires gubernatorial support

Participants described Governor DeSantis with particular agency which exceeds the level of influence of a typical governor. Any change in Florida policy would likely require the active support of the Governor.

Healthcare relationships are strong among Florida stakeholders

Despite the size of the state, participants implied that relationships among purchasers, providers, and policymakers are enmeshed, leading to competing interests and dynamics.

Recommendations

Based on the quantitative and qualitative analysis of the interviews, the following policies received the most support among Florida participants. These policies closely reflect two of CPR policy most closely: [*Shore Up Market Against Consolidation and Rising Prices*](#), and [*Low Hanging Fruit*](#). Based on the interviews, the three policies that are the most promising in Florida are:

1. Require merger notification
2. Prohibit facility fees for outpatient services
3. Prohibit anti-tiering and anti-steering clauses in network contracts

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

Acknowledgements



This research was made possible by the support of Arnold Ventures.

CPR would like to acknowledge Andréa Caballero, Vice President of Policy, Kevin Han, Project Manager, Guy D'Andrea, Executive Director, and Torie Nugent-Peterson, Marketing and Operations Manager for their contributions to this research. CPR would also like to recognize Shane Reader, MPH, PhD, independent consultant, for his contributions to this body of work.