

Investigation Into Medicare’s Price Transparency Law: Influence Of Hospital Factors On Peripheral Nerve Procedure Costs And Price Variation Among These Procedures

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Introduction

- 2021 Center for Medicare and Medicaid Services (CMS) mandated price transparency health care services¹ to allow for:
 - Promotion of competitive pricing
 - Facilitation of informed financial decision making
- Current literature suggests only moderate compliance with this new policy^{2,3}
- Historically, there was a limited ability to characterize price variation prior to mandate – now, we can leverage this data to better inform consumers and policy

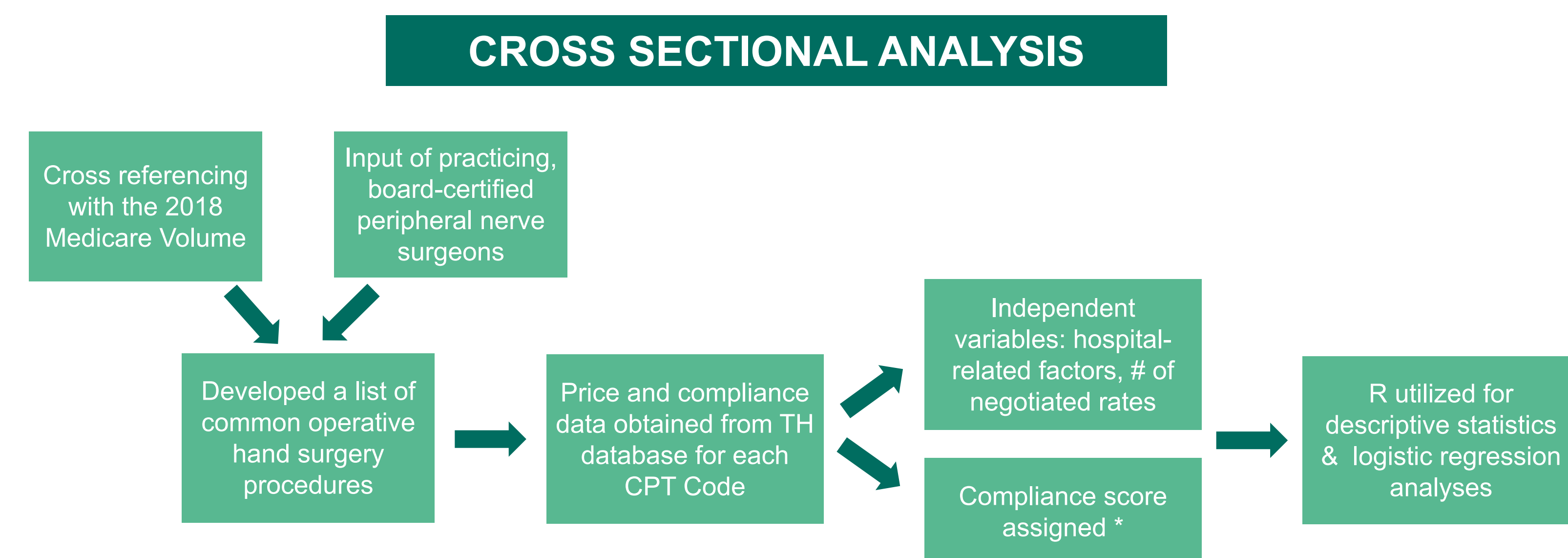
Objectives

Amongst common peripheral nerve surgery procedures performed in hospitals in the United States:

- Evaluate compliance with price transparency
- Assess factors that may influence the price of procedure

Methods

- Conducted a cross-sectional analysis of 2023 data using the Turquoise Health (TH) Price Transparency Research Dataset
- Developed a representative list of thirteen common operative peripheral nerve procedures using Current Procedural Terminology (CPT) codes
- Obtained price and compliance data from the database for each CPT code
- Independent variables: hospital-related factors, # of negotiated rates
- Dependent variables: price, compliance rates
- Analysis: descriptive statistics and logistic regression



* Compliance score: algorithm assessing completeness of a hospital's machine-readable file

Results

Table 1. # of unique rates and hospitals examined per CPT code

Code	Procedure	N (Rates)	N (Hospitals)
64831	Suture digital nerve hand/foot 1 nerve	31,570	1,421
64832	Suture digital nerve hand/foot each additional digital nerve	14,169	793
64834	Suture 1 nerve hand/foot common sensory nerve	16,735	981
64835	Suture 1 nerve median motor thenar	15,015	920
64836	Suture 1 nerve ulnar motor	17,221	962
64837	Suture each additional nerve hand/foot	10,785	681
64856	Suture peripheral nerve arm/leg except sciatic w/ transposition	14,215	892
64857	Suture peripheral nerve arm/leg except sciatic w/o transposition	16,665	936
64859	Suture each additional peripheral nerve	8,925	647
64861	Suture brachial plexus	12,211	869
64872	Suture nerve req secondary/delayed suture	8,205	615
64874	Suture nerve req extensive mobile/transpose nerve	8,493	628
64876	Suture nerve req shortening bone extremity	7,138	563

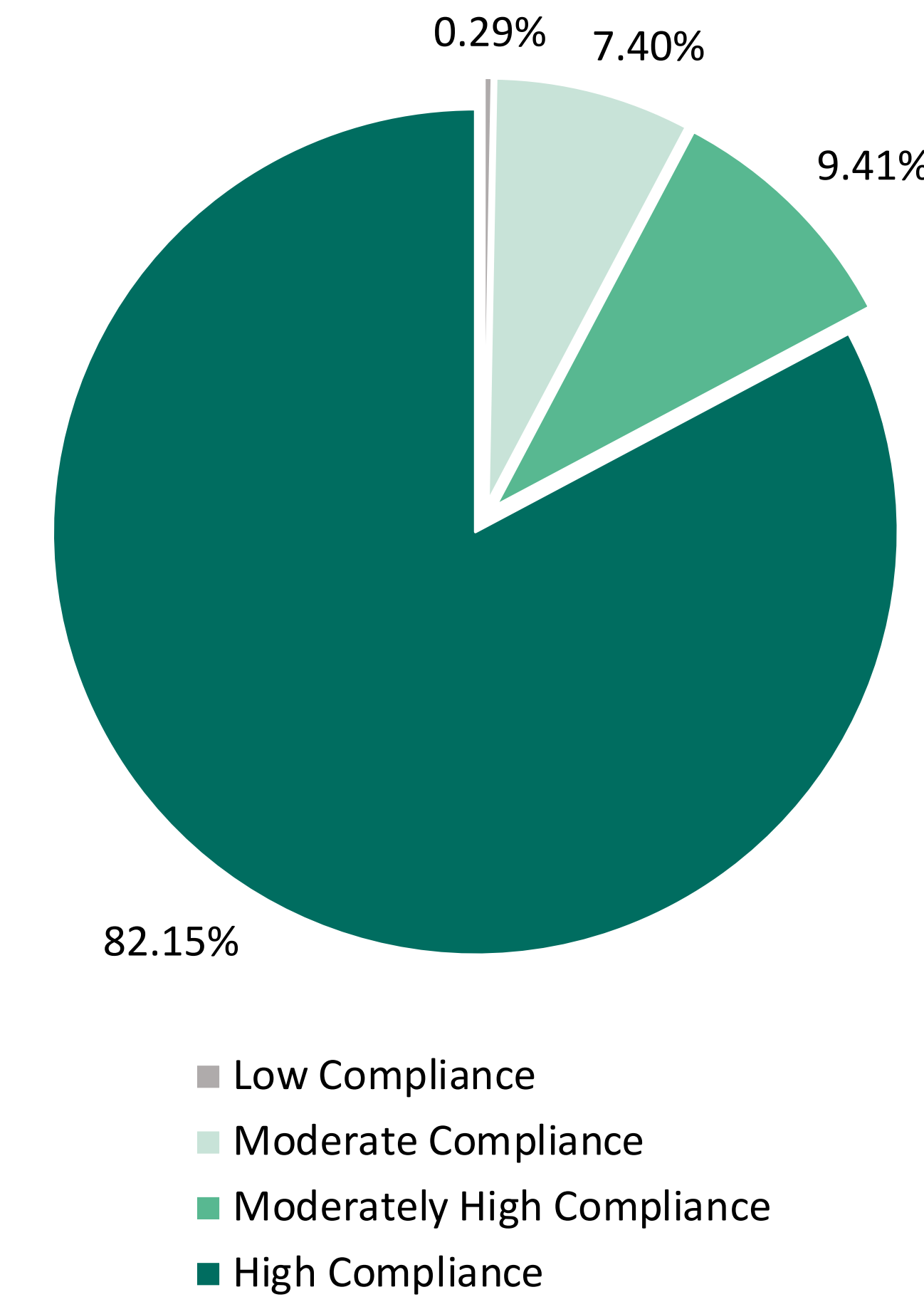


Figure 1: Compliance Breakdown

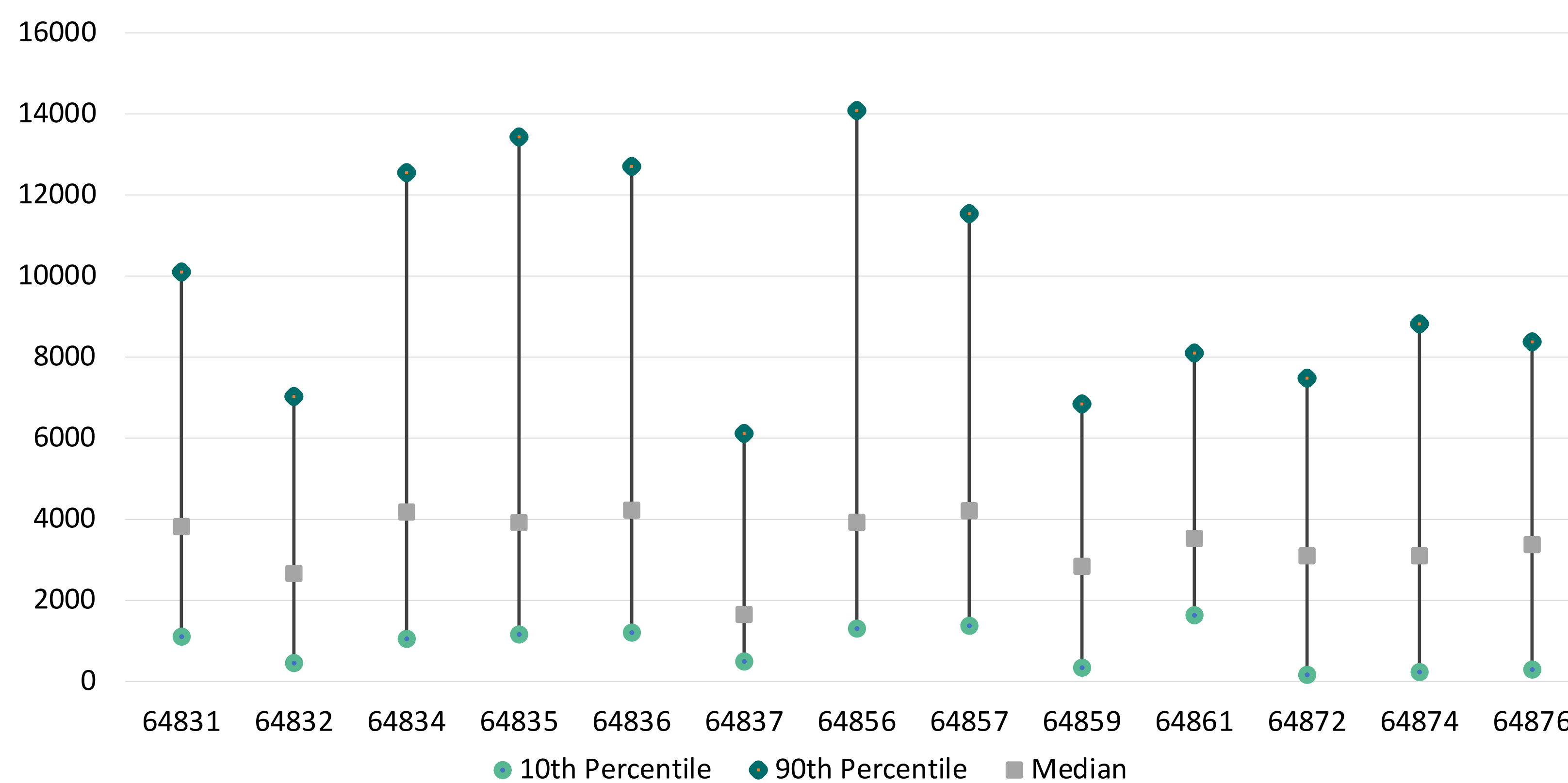


Figure 2. Price variation, median price, and percentiles among peripheral nerve procedures

Multivariate logistic regression analysis found:

- Peripheral nerve procedure price was greatest in:
 - Western Hospitals, compared to hospitals in the Midwest, South, or Northeast
 - Nonacademic hospitals, compared to academic hospitals, except for codes 64831, 64831, 64834, and 64857
 - Hospitals with a compliance score of 3, as compared to 2, 4 or 5
- Safety net hospitals were significantly associated with lower price across all CPT codes
- Overall, hospital ownership did not significantly impact price

Conclusions

- ~ 82% of United States hospitals are compliant with price transparency mandates with respect to peripheral nerve procedures
- Despite CMS efforts to increase price transparency, hospitals continue to charge widely variable rates for certain peripheral nerve procedures.
- Understanding factors influencing price variation and reporting can help us overcome barriers to improve transparency and promote competitive pricing.
- Without price transparency, hospitals prohibit patients from considering cost when making healthcare decisions, particularly when soliciting a physician or hospital system for elective surgeries.

Acknowledgements

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