

The federal government closes in on healthcare pricing transparency—here's what digital health players are doing about it

Article

The news: The Biden administration is doubling down on drug pricing transparency with a new plan to lower drug prices.

- This will allow the CMS to negotiate drug prices, limit price increases, promote industry competition, and support medical innovations that can combat high healthcare costs.
- The [29-page plan](#) also includes initiatives for capping **Medicare** members' out-of-pocket costs, shortening drug manufacturers' exclusivity periods, and reducing regulatory barriers for lower-priced generic medications.

Behind the decision: Back in January, the federal government rolled out its hospital price transparency rule that requires hospitals to fully disclose the prices they negotiate with payers and the cost of a medical service before a patient receives it.

Why now? Drug prices have reached an all-time high.

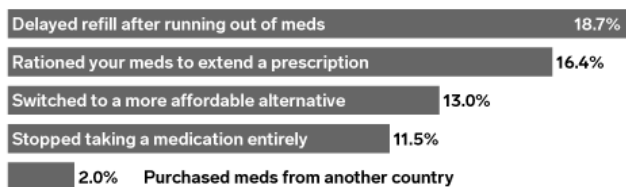
- At the beginning of this year, pharma giants like **Bristol Myers Squibb, Pfizer, and Abbvie** raised the US list prices of more than 500 drugs, [according to](#) an analysis by healthcare research firm 46brooklyn.
- Retail prices for the most common prescription drugs are increasing twice as quickly as inflation, [according to](#) AARP's 2021 Rx Price Watch report.
- The price hikes came as pharma companies are reeling from lower demand for some drugs due to the pandemic-induced drop in doctor visits.

Why it matters: Drug unaffordability and lack of pricing transparency are top contributors of low medication adherence.

- 18.7% of US adults said they delayed a refill, and 16.4% said they rationed medication to extend a prescription because of drug costs, [per](#) GoodRx's 2021 Medication Debt Survey.

Changes in Medication Adherence Due to Prescription Drug Cost According to US Adults*, Feb 2021

% of respondents



Note: n=1,029 ages 18+; in the past year; 38.8% of respondents have made at least one of the changes; *among those who take a prescription medication for an ongoing condition such as diabetes or high blood pressure
Source: GoodRx, "Medication Debt Survey" conducted by Google Surveys as cited in company blog, March 22, 2021

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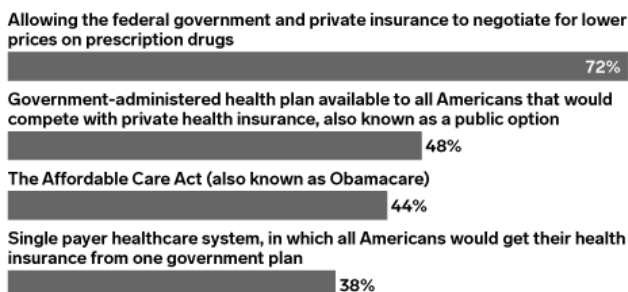
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The opportunity: Digital health players are already one step ahead of the game.

- At the same time, **Athenahealth's** digital provider support company **Epocrates** is **expanding** its partnership with patient access solutions company **ConnectiveRx**. deliver point-of-care messages to patients regarding drug cost-savings options
- And it's not the first digital health player to start chipping away at healthcare pricing transparency.
- For example, **GoodRx** recently partnered with e-prescription company **Surescripts** to give its users access to discount price information. And healthcare price transparency startup **Turquoise Health** has been building out its platform to let consumers compare costs of care and insurance rates for the most affordable healthcare products and services in their area.

US Adults Who Favor Select Healthcare Laws and Proposals, June 2021

% of respondents



Note: n=1,071 ages 18+
Source: The University of Chicago Harris School of Public Policy and The Associated Press-NORC Center for Public Affairs Research, Aug 10, 2021

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