

# Commercial rates for breast reconstruction vary significantly

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There is large nationwide variation in commercial rates for breast

reconstruction, according to a study published online Dec. 14 in *JAMA Surgery*.

Danielle H. Rochlin, M.D., from Stanford University Medical Center in Palo Alto, California, and colleagues evaluated the extent of commercial price variation for [breast reconstruction](#) using data from Turquoise Health, a platform that aggregates price disclosures from [hospital](#) websites. The analysis included 69,834 unique commercial rates extracted from 978 facilities across 335 [metropolitan areas](#).

The researchers found that commercial rates increased as health care markets became less competitive (coefficient, \$4,037.52 for Herfindahl-Hirschman Index [HHI] 1,501 to 2,500; coefficient, \$3,290.21 for HHI >2,500; both compared with HHI ≤1,500). There were economically insignificant associations observed between commercial rates and Medicare and Medicaid rates (Medicare coefficient, -\$0.05; Medicaid coefficient, \$0.14). Lower commercial rates were seen at safety-net and nonprofit hospitals. Compared with smaller hospitals, extra-large hospitals (400+ beds) reported higher commercial rates.

"Commercial insurance rates did not increase in relation to lower public payer rates, suggesting that facilities do not offset lower Medicaid and Medicare rates with higher negotiated commercial rates. Instead, it appears facilities maximize commercial rates regardless of public payer rates," the authors write. "Future studies should continue to investigate drivers of commercial prices in surgery, with the ultimate objective of facilitating cost-based competition and reducing the cost of health care."

**More information:** Danielle H. Rochlin et al, Commercial Price Variation for Breast Reconstruction in the Era of Price Transparency, *JAMA Surgery* (2022). [DOI: 10.1001/jamasurg.2022.6402](https://doi.org/10.1001/jamasurg.2022.6402)

Ronnie L. Shammass et al, Using Data Price Transparency to Evaluate

Autologous and Alloplastic Breast Reconstruction—Does It Tell the Whole (S)tory?, *JAMA Surgery* (2022). [DOI: 10.1001/jamasurg.2022.6525](https://doi.org/10.1001/jamasurg.2022.6525)

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