Hospital and drug costs, including GLP-1s, drove increases in healthcare spending

CRANSTON – Hospital and drug costs, including for GLP-1s, were the primary drivers of the 7.8% increase in statewide healthcare spending in 2023, leading the state to exceed its 6% cost growth target, according to a new report released recently by the Office of the Health Insurance Commissioner (OHIC). Rhode Island's spending growth is consistent with growth experienced in Connecticut (7.9%) and less than growth experienced in Massachusetts (8.6%).

OHIC's annual report analyzes healthcare spending, quality, and equity performance, and includes updated recommendations to improve system oversight and affordability. The healthcare cost growth target, set by the state's Cost Trends Steering Committee, is tied to Rhode Island's projected economic and household income growth. While the benchmark was nearly doubled in 2023 – from 3.2 to 6% – to account for the effect of the highest inflation in over 40 years, spending still exceeded the target due to fast-rising prices, increased use of medical services, and the expanded use of expensive weight-loss drugs.

The report found that healthcare spending rose across all major insurance markets. Spending per person reached $6,735 in the commercial market (up 6.9% from 2022), $14,400 in Medicare (up 8.7%), and $7,678 in Medicaid (up 6.7%).

"This report confirms what Rhode Islanders already know and experience firsthand," said Health Insurance Commissioner **CORY KING**. "It's more urgent than ever to shift our focus – and our dollars – toward solutions that improve health and bring costs down. That starts with investing in primary care."

Key findings related to hospitals:

- Per-person hospital spending rose sharply. In total in 2023, inpatient and outpatient hospital care made up more than 40% of all healthcare spending in Rhode Island. Outpatient hospital costs in the commercial market increased 11.3%, from $1,618 to $1,801 per person, driven by increasing prices and utilization. Spending on emergency department services increased 12.5%, while spending on imaging and radiology services increased 11% and outpatient surgery costs increased 8.5%. Inpatient hospital costs in the commercial market increased 10.5%, from $1,112 to $1,229 per person, driven mostly by rising prices. Utilization remained flat, but the average price for procedures like spinal fusions rose by up to 39%, and the number of high-cost neurological procedures – like craniotomies – also increased.
- Hospital settings continue to drive higher costs for the same services. In 2023, a standard lab test cost four times more when performed in a hospital compared to a non-hospital setting ($36 vs. $9). Imaging and endoscopic procedures were reimbursed at nearly three times the non-hospital rate. Drug administration showed even greater disparities: hospitals were paid three to seven times more for administering injections and chemotherapy, and nearly six times more for intravenous infusions and hydration services.

Key findings related to pharmaceuticals:

- Retail pharmacy spending rose 7.4% in 2023, driven in part by a sharp increase in GLP-1 drug use – including Ozempic, Wegovy, and Mounjaro. Between 2021 and 2023, commercial spending on GLP-1s totaled over $121.4 million. In 2023 alone, these medications accounted for more than half of all spending on diabetes and weight-loss drugs, despite comprising just 20% of prescriptions in that category. Spending on GLP-1s nearly tripled from 2021 to 2023.
- The commercialization of COVID-19 vaccines in 2023 – following the end of federal subsidies – led to a sharp rise in prices. Manufacturers began selling the COVID vaccines under their brand names, Comirnaty and Spikevax, and negotiated directly with insurers. As a result, the average cost per dose more than tripled, from about $46 in 2022 to over $150 in 2023.

OHIC actions and recommendations to reduce costs

Primary care is proven to improve health outcomes and reduce long-term costs. In response to rising healthcare costs – and building on recommendations from previous OHIC reports – new regulations finalized by the McKee Administration in February 2025 require commercial insurers to increase investment in primary care and reduce barriers that burden providers and delay care.

Under the new regulations:

- Insurers must raise the share of medical spending that goes to primary care each year, with a target of at least 10% by 2029. OHIC projects that per-person spending on primary care will nearly double compared to 2022 levels.
- Health Equity: In 2023, OHIC established six statewide health equity measures with improvement goals. This year's report presents baseline data for each – marking a key step toward greater accountability and more equitable outcomes across the healthcare system.

To learn more or access the full report and data resources, visit: https://ohic.ri.gov/policy-reform/health-spending-accountability-and-transparency-program ❖

ACOG Statement on HHS Recommendations Regarding the COVID Vaccine During Pregnancy

The following is a statement from *Steven J. Fleischman, MD, FACOG*, president of the American College of Obstetricians and Gynecologists (ACOG):

WASHINGTON, DC — "ACOG is concerned about and extremely disappointed by the announcement that HHS will no longer recommend COVID-19 vaccination during pregnancy. As Ob-Gyns who treat patients every day, we have seen firsthand how dangerous COVID-19 infection can be during pregnancy and for newborns who depend on maternal antibodies from the vaccine for protection. We also understand that despite the change in recommendations from HHS, the science has not changed. It is very clear that COVID-19 infection during pregnancy can be catastrophic and lead to major disability, and it can cause devastating consequences for families. The COVID-19 vaccine is safe during pregnancy, and vaccination can protect our patients and their infants after birth.

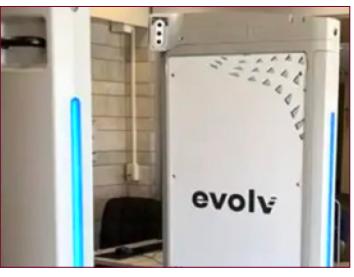
"In fact, growing evidence shows just how much vaccination during pregnancy protects the infant after birth, with the vast majority of hospitalized infants less than six months of age – those who are not yet eligible for vaccination – born to unvaccinated mothers.

"Following this announcement, we are worried about our patients in the future, who may be less likely to choose vaccination during pregnancy despite the clear and definitive evidence demonstrating its benefit. We are concerned about access implications and what this recommendation will mean for insurance coverage of the COVID-19 vaccine for those who do choose to get vaccinated during pregnancy. And as ob-gyns, we are very concerned about the potential deterioration of vaccine confidence in the future." ❖

CharterCARE's hospitals implement new safety and security system

PROVIDENCE — CharterCARE's hospitals have implemented a new safety and security system to protect patients, visitors, and our employees.

This new system, called Evolv Express, uses advanced sensor technology and artificial intelligence (AI) at its entrances to detect any metal, to distinguish between metal and weapons, and to provide an immediate alert to Security Department personnel. This enhances security by reliably detecting threats and enables an immediate directed search, resulting in a more dignified and respectful screening process that empowers security professionals and enhances the visitor experience. This same system is used at thousands of healthcare facilities and other venues including Gillette Stadium, Boston Garden, and all Disney locations.

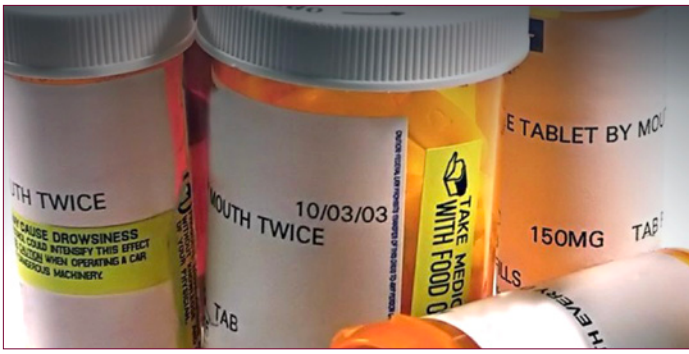


According to a statement from CharterCARE, "As we all know, alarming changes in today's society make advanced security capability essential, as evidenced by national events. While we believe our facilities are safe and secure, ensuring the safety of our patients and the public is a top priority. Using a $200,000 Federal grant we recently received, we have taken an important step toward meeting this obligation." ❖

Reed & Whitehouse offer prescription to lower Rx drug prices

RI's Sens. join colleagues in re-introducing SMART Prices Act to boost Medicare prescription drug price negotiation power

WASHINGTON, DC — In an effort to help more seniors afford their lifesaving prescription medications, U.S. Senators **JACK REED** (D-RI) and **SHELDON WHITEHOUSE** (D-RI) introduced legislation recently with **AMY KLOBUCHAR** (D-MN) and a group of Senators to boost Medicare negotiations of drug prices to lower the cost of prescription drugs for consumers.



The Strengthening Medicare and Reducing Taxpayer (SMART) Prices Act would give the U.S. Department of Health and Human Services (HHS) enhanced authority to negotiate for Medicare Part D.

The legislation builds on a provision in the Inflation Reduction Act that allowed Medicare to negotiate prescription drugs for the first time. The SMART Prices Act would also lower Medicare Part B drug prices through negotiation two years earlier than they would under the current law and would increase the overall number of drugs that HHS can negotiate starting in 2026.

"One of the biggest expenses for seniors on fixed incomes is prescription drug costs. I helped include provisions in the Inflation Reduction Act to lower the prices seniors pay at the pharmacy counter. The SMART Prices Act builds on this progress by strengthening Medicare's ability to use bulk purchasing power to negotiate lower prices," said Senator Reed.

"As Republicans move to cut health care, Democrats are working to lower health care and prescription drug costs for our nation's seniors," said Senator Whitehouse. "Our SMART Prices Act will build on progress made in our Inflation Reduction Act and strengthen Medicare's ability to negotiate drug prices, providing welcome relief to seniors living on fixed incomes." ❖

FDA clears first blood test used in diagnosing Alzheimer's Disease

SILVER SPRING, MD — The U.S. Food and Drug Administration has cleared for marketing the first in vitro diagnostic device that tests blood to aid in diagnosing Alzheimer's disease. The Lumipulse G pTau217/ß-Amyloid 1-42 Plasma Ratio is for the early detection of amyloid plaques associated with Alzheimer's disease in adult patients, aged 55 years and older, exhibiting signs and symptoms of the disease.

"Alzheimer's disease impacts too many people, more than breast cancer and prostate cancer combined," said FDA Commissioner **MARTIN A. MAKARY, MD, MPH**. "Knowing that 10% of people aged 65 and older have Alzheimer›s, and that by 2050 that number is expected to double, I am hopeful that new medical products such as this one will help patients."

The Lumipulse G pTau217/ß-Amyloid 1-42 Plasma Ratio measures two proteins, pTau217 and ß-amyloid 1-42, found in human plasma, a component of blood, and calculates the numerical ratio of the levels of the two proteins. This ratio is correlated to the presence or absence of amyloid plaques in the patient's brain, reducing the need for a PET scan. Similar FDA-authorized/cleared tests, one from the same company as this new test, are used with cerebrospinal fluid (CSF) samples, which are collected through an invasive lumbar puncture, also called a spinal tap. This new Lumipulse test only requires a simple blood draw, making it less invasive and much easier for patients to access.

"Nearly 7 million Americans are living with Alzheimer's disease and this number is projected to rise to nearly 13 million," said Center for Devices and Radiological Health Director **MICHELLE TARVER, MD, PhD**. "Today's clearance is an important step for Alzheimer's disease diagnosis, making it easier and potentially more accessible for U.S. patients earlier in the disease."

During review of the Lumipulse G pTau217/ß-Amyloid 1-42 Plasma Ratio, the FDA evaluated data from a multi-center clinical study of 499 individual plasma samples from adults who were cognitively impaired. The samples were tested by the Lumipulse G pTau217/ß-Amyloid 1-42 Plasma Ratio and compared with amyloid PET scan or CSF test results.

In this clinical study, 91.7% of individuals with Lumipulse G pTau217/ß-Amyloid 1-42 Plasma Ratio positive results had the presence of amyloid plaques by PET scan or CSF test result, and 97.3 % of individuals with negative results had a negative amyloid PET scan or CSF test result. Less than 20% of the 499 patients tested received an indeterminate Lumipulse G pTau217/ß-Amyloid 1-42 Plasma Ratio result.

These findings indicate that the new blood test can reliably predict the presence or absence of amyloid pathology associated with Alzheimer's disease at the time of the test in patients who are cognitively impaired. The test is intended for patients presenting at a specialized care setting with signs and symptoms of cognitive decline. The results must be interpreted in conjunction with other patient clinical information.

The risks associated with the Lumipulse G pTau217/ß-Amyloid 1-42 Plasma Ratio are mainly the possibility of false positive and false negative test results.

False positive results, in conjunction with other clinical information, could lead to an inappropriate diagnosis of, and unnecessary treatment for, Alzheimer's disease. This could lead to psychological distress, delay in receiving a correct diagnosis as well as expense and the risk for side effects from unnecessary treatment.

False negative results could result in additional unnecessary diagnostic tests and potential delay in effective treatment. Importantly, the Lumipulse G pTau217/ß-Amyloid 1-42 Plasma Ratio is not intended as a screening or stand-alone diagnostic test and other clinical evaluations or additional tests should be used for determining treatment options.

The FDA reviewed the Lumipulse G pTau217/ß-Amyloid 1-42 Plasma Ratio through the 510(k) premarket notification pathway. A 510(k) notification is a premarket submission made to the FDA to demonstrate that a new device is substantially equivalent to a legally marketed predicate device. The FDA found that the Lumipulse G pTau217/ß-Amyloid 1-42 Plasma Ratio is substantially equivalent to the Lumipulse G ß-amyloid Ratio (1-42/1-40), which is the previously authorized test that uses CSF samples.

The Lumipulse G pTau217/ß-Amyloid 1-42 Plasma Ratio was granted Breakthrough Device designation, a process designed to expedite the development and review of devices that provide for more effective treatment or diagnosis of life-threatening or irreversibly debilitating diseases or conditions.

The FDA issued clearance of the Lumipulse G pTau217/ß-Amyloid 1-42 Plasma Ratio to Fujirebio Diagnostics, Inc. ❖