MHA Michigan Health & Hospital Association | Leading Healthcare

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U.S. Senate Healthcare Transparency Workgroup:

On behalf of its member hospitals, the Michigan Health & Hospital Association (MHA) appreciates this opportunity to provide comments to the U.S. Senate workgroup's request for improving healthcare transparency. In response to the growing cost of healthcare, employers and health plans have begun developing plans that shift a greater proportion of healthcare costs to employees. As consumers become more engaged in the healthcare purchasing process, they are demanding greater healthcare quality and price transparency to make appropriate decisions about their healthcare.

Continuing our efforts on transparency of healthcare quality, the MHA embarked on a process to examine ways to improve its website that contained information on hospital quality and price for Michigan healthcare consumers. This initiative resulted in a revamped transparency website, www.verifymicare.org, that contains information on infections, quality and safety measures for most Michigan hospitals. Additional efforts are in-process for improving price transparency for patients.

Overarching Themes

- Healthcare transparency is comprised of both price and quality information.
- This initiative should produce outcomes that meet the needs of patients to make informed healthcare purchasing decisions, while not adding unnecessary burden and cost to stakeholders.
- Total cost of care should be measured to demonstrate performance beyond individual encounters or specific services.

Below are our responses to your questions.

What information is currently available to consumers on prices, out-of-pocket costs and quality?
Many organizations provide procedure-specific charges on website tools; however, this information does not represent the patient out-of-pocket responsibility, the actual amount a patient will pay for services, that patients desire.

The Centers for Medicare and Medicaid Services (CMS) publishes historical hospital-specific infection and other quality information on its Hospital Compare website. It also publishes similar information for physicians, nursing homes and hospice. This should serve as the principal source for healthcare quality information.

The MHA provides hospital-specific information on infections, safety and other quality measures on its recently overhauled transparency website, www.verifymicare.org, based on more recent data than Hospital Compare. This information allows patients to have informed conversations with their doctors and make better healthcare decisions. This should serve as the principal source for hospital quality information for Michigan consumers.

What information is not currently available, but should be made available to empower consumers, reduce costs, increase quality, and improve the system?
Patient-specific out-of-pocket responsibility, the actual amount a patient will pay, is what is most useful and desired by patients to make informed healthcare purchasing decisions. Providers should work with health plans and others on transparency efforts to ensure patients have the information they need.

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The CMS healthcare provider compare tools are the most widely available sources of safety and quality information. However, there are limitations to these tools and improvements should be made. For example, Hospital Compare lacks robust outpatient hospital quality data and should be updated to include relevant outpatient information. The CMS provider compare tools should also be expanded to include quality information for other provider types such as ambulatory surgical centers, laboratories, and radiology centers, as this information is generally not available for many non-hospital providers. It is important that where quality information is available, it includes information for all patients, including commercial, traditional Medicare (fee-for-service), Medicare Advantage (managed care), and Medicaid. Many of the current measure are based on traditional Medicare patients only.

Most information on healthcare price focuses on the cost for individual services. We recommend an expanded view that includes the total cost of care (facility, physician, post-acute, etc.) will allow consumers to understand their healthcare cost beyond an individual service.

What role should cash price play in greater price transparency?
The cash price, the amount a patient will pay for services, is what patients desire. When paired with quality information, the cash price allows consumers to make informed purchasing decisions. This information should be made available to patients.

What are the pros and cons of these different state approaches? What is the best quality and price information to collect for consumers and businesses?
Healthcare price transparency efforts in the four states identified all focus on displaying provider charges or payment amounts for all or a subset of inpatient and outpatient services. However, charges and average payment amounts do not reflect what individual consumers will pay for services. Insured patients are responsible for copayment, coinsurance, and deductible amounts, while uninsured patients may pay charges, but may pay less than charges if they qualify for charity care or other discounts based on their income status. In either situation, charges or average payment amounts in most cases do not reflect an individual consumer's payment amount and may add confusion when a consumer is evaluating their options. Patient-specific out-of-pocket responsibility, paired with quality information, is needed to allow the consumer to make an informed healthcare purchasing decision.

Who should be responsible for providing price information and who should share the information with consumers?
Providers are responsible for working together with health plans and others on healthcare transparency to improve information available to patients.

Health plans, Medicare and Medicaid should serve as the principal source of price information for their members' out-of-pocket responsibility as they have the most accurate information regarding cost sharing structures and deductible balances. They also have payment rate information to calculate the patient's share of approved amount for in-network providers with coinsurance and high deductible health plans where this information is important. Multiple Michigan-based health plans have developed robust cost estimator tools that provide pricing information based on member-specific benefit and cost sharing structures for various procedures and providers.

Providers should serve as the principal source of price information for patients who are uninsured or out-of-network as they have the most accurate price information for these patients reflective of charity care or other discount policies.

It is important that patients are educated to understand what is included in their price estimate and the limitations of the estimate. An episode of care may include multiple services from multiple providers. Patients should understand the services included in a price estimate. It is possible for a patient to receive a separate bill from a hospital, physician, nursing facility, rehabilitation provider or other provider for a single episode of care. Patients should also know which providers will send a healthcare bill.

Insurance plans generally require a higher cost sharing requirement for services out-of-network than in-network. Patients should know if a provider is in their health plan's network.

Finally, consumers should understand the limitations of their price estimate. For example, the actual price a patient pays may be higher than the estimate if complications or other circumstances arise during treatment. Patients should be aware of these or similar limitations.

What role should all-payer claims databases play in increasing price and quality transparency? What barriers currently exist to utilizing these tools?
All-payer claims databases should not play a role in increasing healthcare transparency. These databases generally make provider charges or payment amounts available, but do not provide patient-specific cost sharing amounts and deductible balances for insured patients, nor do they provide the actual payment amount for uninsured or out-of-network patients. As previously noted, out-of-pocket responsibility is needed to allow the patient to make an informed healthcare purchasing decision.

How do we advance greater awareness and usage of quality information paired with appropriate pricing information?
Consumers should understand that healthcare transparency is comprised of both quality and price information. Price and quality information should be used together to allow the consumer to make an informed decision. For example, utilizing a low-cost provider may not be the best decision for the consumer if the provider is also low-quality. Health plan, provider and governmental websites should include easy-to-locate information about healthcare transparency, including how to obtain quality and price information.

Consumers should also have information about total cost of care across the full continuum (facility, physician, post-acute, etc.) to allow for a greater understanding of healthcare cost beyond an individual service.

How do we ensure that in making information available we do not place unnecessary or additional burdens on healthcare stakeholders? What current regulatory barriers exist with the healthcare system that should be eliminated in order to make it less burdensome and more cost-efficient for stakeholders to provide high-quality care to patients?
To avoid unnecessary burden, the organizations that can provide the most accurate information to consumers should serve as the principal source of healthcare quality and price information. The healthcare sector is subject to many legislative and regulatory mandates. These existing requirements should be reviewed for their utility, and eliminated if they do not add value. For example, the Affordable Care Act includes a provision that requires hospitals to make their charge data available to consumers. As discussed in this letter, this information is not reflective of what most patients will pay for services and will add confusion to the purchasing process. In addition, providers are responsible for reporting on numerous quality measures. Many of these are not consistent across payers (commercial, Medicare, and Medicaid). Standardizing measures, definitions and specifications across the healthcare sector will reduce the burden and cost to the healthcare system while also adding consistency and clarity for consumers. We recommend convening a workgroup of healthcare stakeholders to identify existing regulatory barriers that should be eliminated to make it less burdensome and more cost efficient to provide quality care to patients.

How can our healthcare system better utilize big data, including information from the Medicare, Medicaid and other public health programs, to drive better quality outcomes at lower costs?
Data from public healthcare programs can be used to identify practice patterns, including clinical variation, to develop benchmarks and practice guidelines aimed at reducing variation. Reduction in variation, and unnecessary and low-value care can reduce overall healthcare costs. However, it is important that analytical models developed to analyze data adequately account for the risk and socioeconomic status of providers' patient populations to understand appropriateness of variation. Total cost of care should be measured to demonstrate performance beyond individual encounters or specific services.

What other common-sense policies should be considered in order to empower patients and lower healthcare costs?
The needs of the patient should drive healthcare transparency efforts, while not adding burden and cost to stakeholders or the overall healthcare system. Providing consumers with relevant healthcare quality and price information will allow informed healthcare purchases.

Reducing unnecessary or low-value services would reduce the overall cost of care. This requires the use of evidence-based clinical best practices and an engaged patient who understands their treatment options and the impact of services on their health status. *Choosing Wisely* is an initiative of the American Board of Internal Medicine that focuses on avoiding unnecessary medical tests, treatments and procedures by promoting dialogue between providers and patients. Condition-specific educational brochures are available for patients on their website. This initiative that aims to reduce unnecessary or low-value services should be promoted to patients.

Increasing the interoperability of healthcare information would also reduce the overall cost of care and improve patients' healthcare experience. The following are examples of how interoperability can be improved. Electronic health records (EHR) technology can be enhanced to create medical records that follow the patient; knowing the results of the services a patient has already received through review of the EHR would reduce duplicate services. Standardizing quality measures, definitions and measurement specifications across the nation would bring consistency, reduce cost and add clarity for patients. Quality measurement varies across the healthcare sector (commercial, Medicare, and Medicaid), adding cost to the system and confusion to patients.

In addition, clinical best practices should be broadly shared among physicians and other providers.

SUMMARY

The MHA appreciates this opportunity to provide comments to the U.S. Senate Healthcare Transparency Workgroup. We believe our feedback will improve healthcare transparency for patients, improve quality and lower costs. If you have questions on this comment letter, please contact Jason Jorkasky at (517) 703-8649 or jjorkasky@mha.org.

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cc: Senator Debbie Stabenow
Senator Gary Peters