

Transparency in Health Care



Friday, October 19, 2007

1:00 pm EDT

This audioconference is sponsored by a generous grant from the Robert Wood Johnson Foundation, through the Forum for State Health Policy Leadership

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Transparency in Health Care

Nancy J. Wilson, MD MPH

October 19, 2007



The Paradox of American Healthcare

- Highly trained practitioners
- State-of-the-art technology
- Unparalleled biomedical research
- Excellent care for some individuals, yet

- Care fragmented and difficult to access
- Many not assured access
- Uncertain value of expenditures
- Serious and systemic quality and patient safety problems



International Comparison

| Country Rankings | |
|------------------|---------|
| | 10-266 |
| | 267-433 |
| | 434-60 |

| | AUS. | CAN. | GER. | N.ZLD. | U.K. | U.S. |
|---|----------|---------|----------|---------|---------|---------|
| OVERALL RANKING (2007) | 3.5 | 5 | 2 | 3.5 | 1 | 6 |
| Quality Care | 4 | 6 | 2.5 | 2.5 | 1 | 5 |
| Right Care | 5 | 6 | 3 | 4 | 2 | 1 |
| Safe Care | 4 | 5 | 1 | 3 | 2 | 6 |
| Coordinated Care | 3 | 6 | 4 | 2 | 1 | 5 |
| Patient-Centered Care | 3 | 6 | 2 | 1 | 4 | 5 |
| Access | 3 | 5 | 1 | 2 | 4 | 6 |
| Efficiency | 4 | 5 | 3 | 2 | 1 | 6 |
| Equity | 2 | 5 | 4 | 3 | 1 | 6 |
| Long, Healthy, and Productive Lives | 1 | 3 | 2 | 4.5 | 4.5 | 6 |
| Health Expenditures per Capita, 2004 | \$2,876* | \$3,165 | \$3,005* | \$2,083 | \$2,546 | \$6,102 |

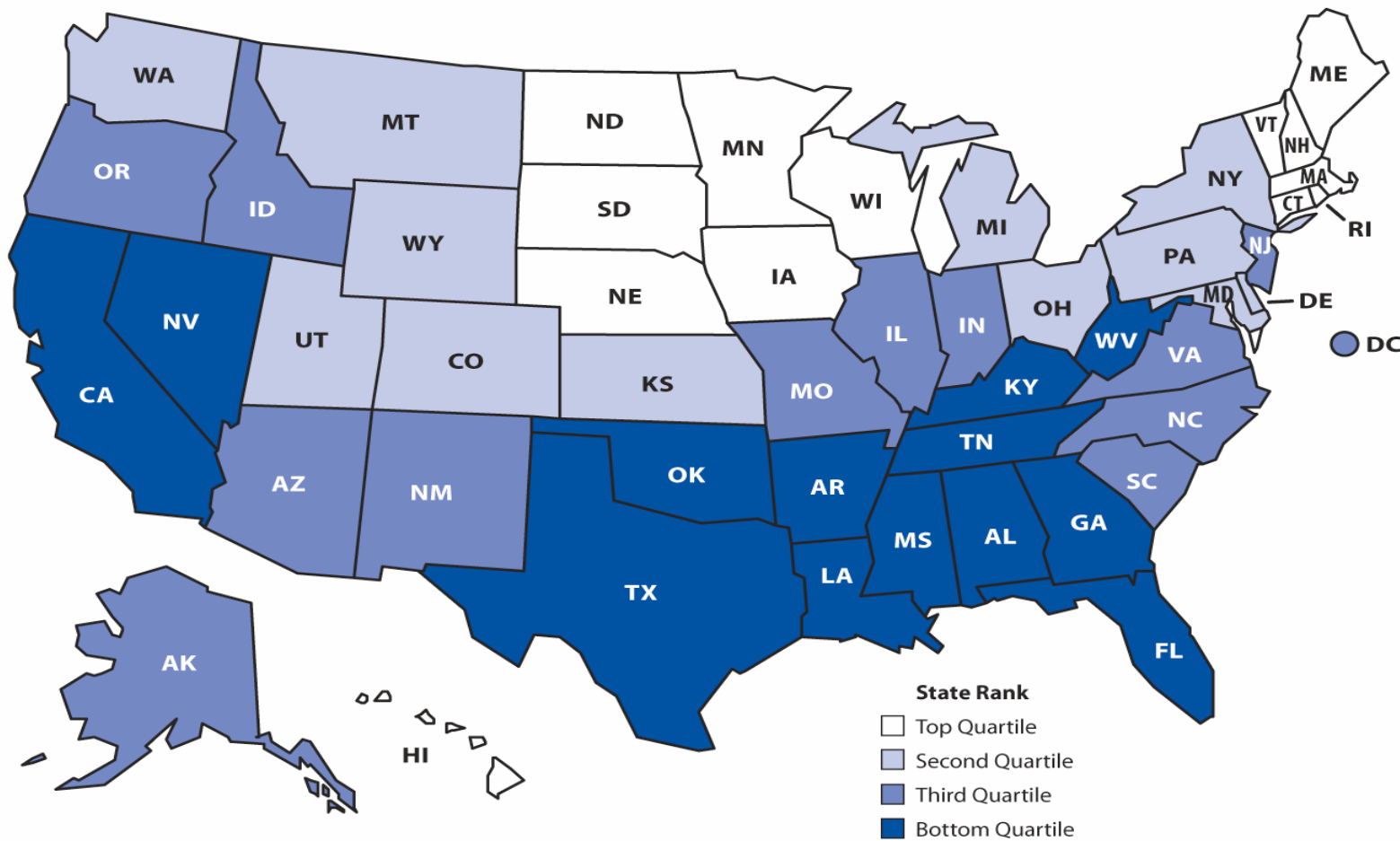


Three Year Comparison

| Country Rankings | |
|------------------|-----------|
| | 1.0-2.66 |
| | 2.67-4.33 |
| | 4.34-6.0 |

| | AUS. | CAN. | GER. | N.ZLD. | U.K. | U.S. |
|---|----------|---------|---------|---------|---------|---------|
| OVERALL RANKING (2007 Edition) | 3.5 | 5 | 2 | 3.5 | 1 | 6 |
| OVERALL RANKING (2006 Edition) | 4 | 5 | 1 | 2 | 3 | 6 |
| OVERALL RANKING (2004 Edition) | 2 | 4 | n/a | 1 | 3 | 6 |
| Health Expenditures per Capita, 2004 | \$2,876* | \$3,165 | \$3,005 | \$2,083 | \$2,546 | \$6,102 |

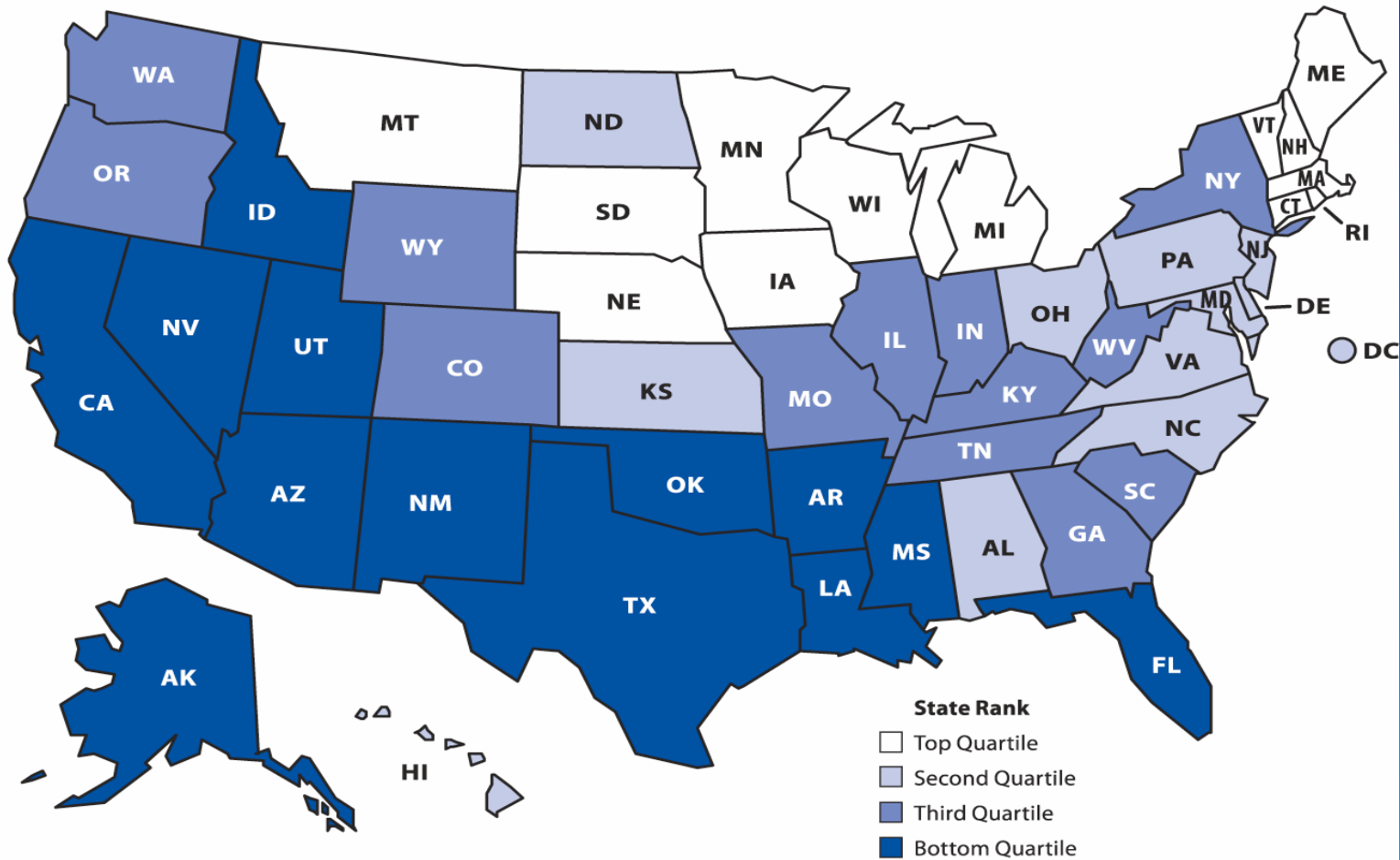
State Ranking on Overall Health System Performance



SOURCE: Commonwealth Fund State Scorecard on Health System Performance, 2007

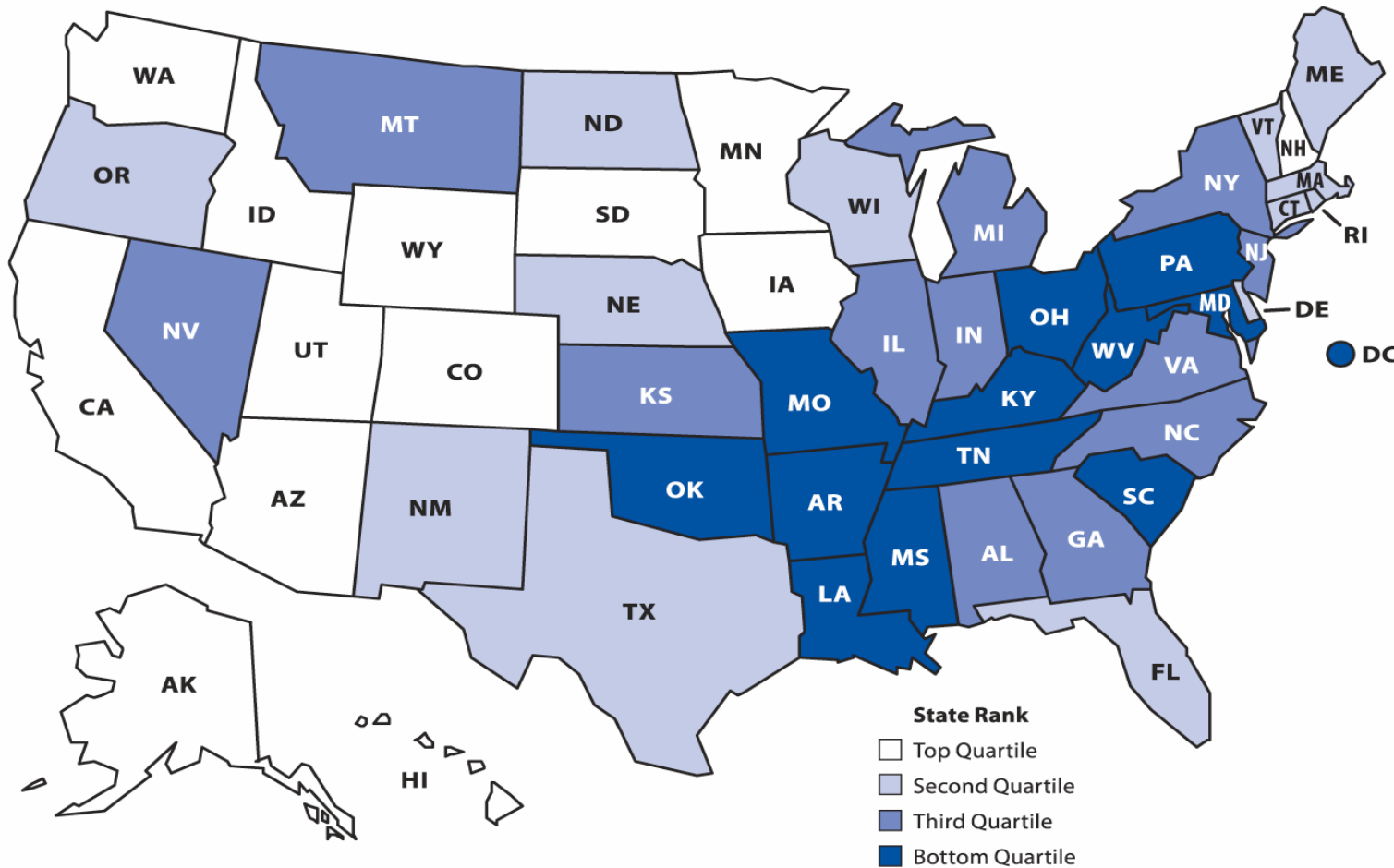
QUALITY

State Ranking on Quality Dimension



HEALTHY LIVES

State Ranking on Healthy Lives Dimension



SOURCE: Commonwealth Fund State Scorecard on Health System Performance, 2007



Hospital Concerns:

- Decreasing reimbursements
- Workforce shortages
- Increasing indigent/uninsured care
- Emergency departments at or over capacity
- Increasing demands for public reporting
- Increasing pressure to invest in electronic health records



Physician Stressors:

- Government regulations
- Demands from insurance companies
- Increased paperwork
- Malpractice/defensive medicine
- Loss of control over practice
- Decreased income
- Lack of time with family and friends



Purchaser Perspective

- Concerned about the value received for their investment in healthcare
- Surprised by lack of systematic quality control and interoperability
- Skeptical about paying more for providers to improve quality



Consumer Attitudes

- Increasing dissatisfaction with overall healthcare costs and quality
- Confusion about biggest drivers of spending
- Desire for major reform



Principles

- All healthcare is local
- Purchasers, health plans, providers and consumers all need to work together
- Broad access to accurate, meaningful information will improve the value of healthcare services by----



Principles

- Making standard performance information accessible for
 - Provider improvement
 - Consumer decision-making about provider and treatment selection
 - Public policies and payment policies that reward or foster better provider performance and consumer behavior

National Coordination, Local Control

- National public private consensus building for principles, standards, and measures
- Local implementation



Public Private Collaboration

- National Healthcare Alliances as consensus building entities
 - American Health Information Community
 - Hospital Quality Alliance (HQA)
 - AQA Alliance
 - AQA/HQA Quality Alliance Steering Committee (QASC)
 - Numerous workgroups of all of the above



AQA Alliance

- Started by AHRQ, AAFP, AHIP, and ACP
- Developed principles and parameters for measure implementation and public reporting
- Agreed to implement increasing number of primary care and specialty measures
- Defined functions of public/private data stewardship entity
- Recommended public private data aggregation project



Hospital Quality Alliance

- Collaboration of CMS, AHA, FAH, AAMC
- Participation includes AHRQ, NQF, JACHO, AMA, ANA, AFL-CIO, AARP, others
- Goal is to identify a robust set of standardized and easy to understand hospital quality measures
- Hospital Compare debuted April 2005
- HCAHPs public posting December 2007



Workgroups

- (Quality) measure harmonization
- Measuring episodes of care
- Price/cost transparency
- Defining the role of community coalitions
- Identifying infrastructure needed to support community coalitions



HHS: Value-driven Healthcare Cornerstones

Promote the availability and use of:

- **Transparent, nationally endorsed, consensus-derived quality measures**
- **Transparent, nationally endorsed, consensus-derived measures of price/cost**
- **Provider and consumer incentives for quality and efficiency**
- **Health information interoperability standards for exchanging price and quality healthcare data**

The Future

Surgical Care Consumer Guide

Search Results: **Hip Replacement**

[What's included in the cost?](#)

Summary

Average Cost in Network Facility: \$11,249 - \$15,895

Out of Network Facility: \$18,889 - \$23,460

Results sorted by: Distance

Sort by:

GO

Key

Quality: ★★★★★ Highest | ★ Lowest **Cost:** \$ Least Expensive | \$\$\$\$ Most Expensive **Patient Assessment:** ★★★★★ Highest | ★ Lowest

| Distance (Miles) | Facility Name | Patients per year | Quality | Cost Estimate | Insurer Pays | Patient Pays | Patient Assessment of Care |
|------------------|---|-------------------|---------|--------------------|-------------------|------------------|----------------------------|
| 6.2 | Clearwater General 14280 Bay Drive Clearwater, FL 22131 | 400 | ★★★ | \$\$ \$15,895 | 85% (\$13,511) | 15% (\$2,384) | ★★ |
| 13.2 | All Saints Medical Center 123800 All Saints Drive Tampa, FL 22122 | 86 | ★★★★★ | \$\$\$ \$20,700 | 80% (\$16,560) | 20% (\$4,140) | ★★★ |
| 25.6 | Good Samaritan Hospital 11111 E. Samaritan Drive Tampa, FL 22222 | 232 | ★★★★★ | \$\$ \$15,895 | 90% (\$14,306) | 10% (\$1,590) | ★★★★★ |
| 26.3 | Tampa Hip Hospital 1400 East Tampa Boulevard Tampa, FL 22211 | 170 | ★★★ | \$\$\$ \$20,700 | 75% (\$15,525) | 25% (\$5,175) | ★★★ |
| 27.3 | Orthopedic Clinical Hospital 1444 Goodie Drive St. Petersburg, FL 22113 | 432 | ★ | \$ \$11,600 | 70% (\$8,700) | 30% (\$2,900) | ★ |
| 33.2 | Valley General Hospital 1400 Tampa Bay Way Tampa Bay, FL 22031 | 310 | ★★★ | \$\$ \$16,230 | 85% (\$13,796) | 15% (\$2,434) | ★★★ |



Federal Government Actions

- Executive Order for federal govt to support cornerstones

- CMS
 - Physician Quality Reporting Initiative
 - Hospital Quality and Price Reporting
 - Pilot project combining Medicare with plan data
 - Medicaid Transformation Grants
 - Medicare Care Management Demonstration
 - QIOs engaged through 8th and 9th Scopes of Work



Federal Government Actions

■ AHRQ

- Facilitating consensus building alliances
- Recognizing local community coalitions as Community Leaders and Value Exchanges
- Establishing and maintaining nation-wide Learning Network for community coalitions
- Promoting the ongoing migration of measure calculation from claims only to claims plus electronic clinical data



Value Exchanges

- Local community coalitions/collaboratives who have come together to work on value-driven healthcare cornerstones
 - purchasers, health plans, consumers, and providers
 - health information exchanges, quality improvement organizations, state data organizations
 - other stakeholders



Value Exchange Functions

- Maintain stakeholder engagement and serve as coordinating hub
- Obtain or generate standard performance information to:
 - Engage providers in improvement
 - Facilitate consumer decision making through public/consumer reporting
 - Promote effective public policies, payment policies, and consumer incentives that reward or foster better provider performance



Value Exchange Functions

- Engage providers in improvement
- Facilitate consumer decision-making
- Promote policies and incentives that reward better performance
- Promote health information technology and health information exchange

- Conduct all of the above transparently
- Continuously improve efforts



Community Leaders

- Community-based entities aspiring to become Value Exchanges who have yet to engage representatives from all four stakeholders
- Designation available by signing a certification statement available online at www.hhs/valuedriven.gov

Value-Driven Health Care Initiative Community Leaders





Learning Network

- Provides opportunities for peer to peer learning through facilitated meetings, both face to face and virtual
- Provides tools, access to experts, and ongoing private web-based knowledge management system



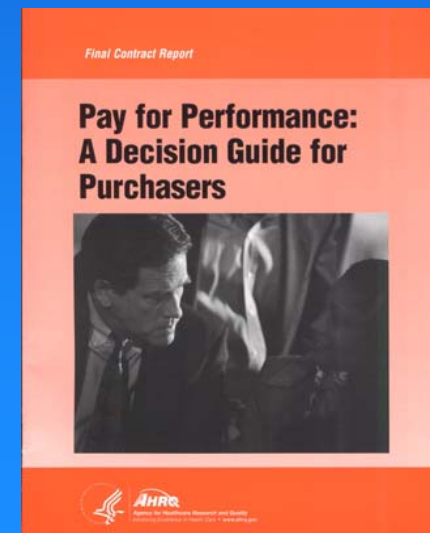
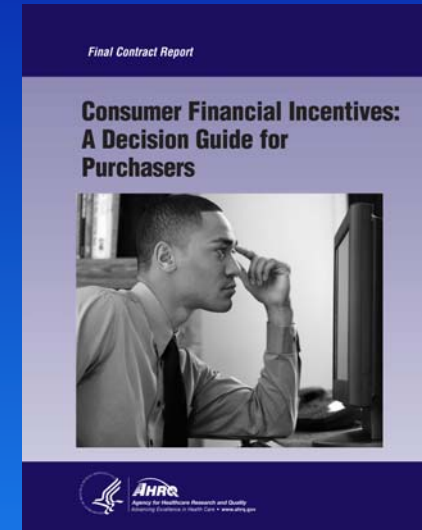
Learning Network

- Share experiences
- Identify promising practices
- Identify gaps where innovation needed
- Raise issues to be addressed by national consensus-building organizations
- Provide on-the-ground perspective to inform and participate in setting national priorities for quality improvement

Examples of AHRQ Resources

- AHRQ commissioned:
 - *Consumer Financial Incentives: A Decision Guide for Purchasers*
- AHRQ commissioned:
 - *Pay for Performance: A Decision Guide for Purchasers*

A panel of 10-15 purchasers and consumers identified series of questions which became outline for each Guide





GOAL

Community Stakeholders using
Consensus measure results
based upon *all-payer* data

Improved quality
of care

Restrained
spending

Engaged
Consumers,
Providers, Payers



What You Can Do

- Become a Community Leader
- Partner with other stakeholders to become a Value Exchange
- Facilitate collaboration and alignment among initiatives already occurring within your state
- Engage in the national initiatives



For Additional Information:

nancy.wilson@ahrq.hhs.gov

www.talkingquality.gov/

www.qualitytools.ahrq.gov

www.hhs.gov/valuedriven

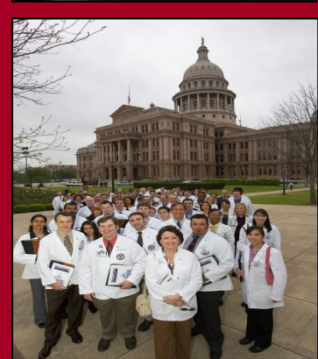
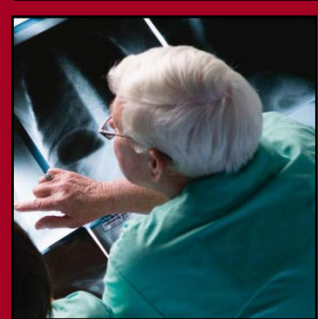
Senate Bill 1731

Transparency
and
the 80th Texas Legislature:

Can We See Clearly Now That
the Bill Has Passed?



Physicians Caring for Texans



Numbers from the 80th Texas Legislature



- **3,454**
Senate bills filed
- **7,536**
House bills filed
- **1672**
Bills became law

Managed Care Legislation

- **Transparency in Healthcare**
- **Physician Ranking by Health Plans**
- **Fair Contracting**
- **Regulation of Rental Networks and TPAs (aka Silent PPOs)**
- **Repeal of Uniform Policy Provision Law**

Looking Back

2005 Transparency in Healthcare

- **As introduced back in 2005:**
 - primarily driven by the insurance industry and the Texas Association of Business lobby
 - not necessarily consumer friendly
 - defined “consumer” to include insurers allowing them the same rights as a consumer
 - required publication of hospital chargemasters on a public website
 - allowed health plans to complain about hospital charges
 - prohibited balance billing by non-network facility-based physicians (i.e. radiologists, anesthesiologists, pathologists and ER physicians)

Looking Back

2005 Transparency in Healthcare

- **Fate of the 2005 Transparency Legislation:**
 - heard in the Senate on the last day a senate bill could be heard and still have time to make it through the House
 - was still undergoing negotiations amongst the physicians, hospitals and health plans
 - came pretty close to being an “agreed to” bill
 - died in the Calendars committee in the last days of the session, never made it to the House floor

2006 Interim Reprieve

Senate State Affairs Committee Interim Charges looked at:

- 1. the reimbursement methodology of health care plans for out of-network claims**
- 2. the adequacy of health plan networks to provide appropriate coverage**
- 3. the impact of out-of-network balance billing by physicians and health care providers**
- 4. the accurate disclosure of patients' out-of-pocket costs**
- 5. the discounting and/or waiving of co-pays, deductibles and co-insurance by physicians and health care providers and the impact to private and public health plans and to acute, multi-service hospitals, including safety net hospitals**
- 6. health care cost transparency by health care providers and access to that information by the public**

2006 Interim Reprieve

In addition the Committee was directed to:

- 1. Review data reported to the Texas Department of Insurance by health care plans**
- 2. investigate possible expansion of health plans' reportable data, including, but not limited to, administrative costs**
- 3. Determine what, if any, is the appropriate release and publication of that information**

2006 Interim Activity

- The Texas Hospital Association forms an internal workgroup
- Re-assesses and resuscitates dead transparency bill as starting point for possible 2007 legislation
- Determines who the “users” of pricing transparency and disclosure will be:
 - employers,
 - insured
 - uninsured
- Formulates bill language based on “users” and their needs, problems identified in the market
- Expands collection of data to include outpatient
- Looks at what HMOs/PPOs report and make publicly available in other states: adds HMO/PPO data transparency to the mix
- Looks at what hospitals in other states made available to the public (Wisconsin Hospital Association)

2007 Transparency in Healthcare

THA Launches Texas Pricepoint Website in 2007

| <u>Month</u> | <u># of Hits</u> |
|--------------|------------------|
| • March | 4,596 |
| • April | 7,051 |
| • May | 2,832 |
| • June | 2,401 |
| • July | 2,168 |
| • Aug | 2,076 |
| • Sept | 1,582 |

www.txpricepoint.org

Texas PricePoint provides:

- Charge data on the most common inpatient services;
- Links to quality data; and
- General and contact information for Texas hospitals.

2007 Transparency in Healthcare

- **Legislation introduced that continued the Network Adequacy/Balance Billing fight from 2005 Legislature**
- **3 House bills filed that would have prohibited balance billing unless patient notified of facility-based physicians non-network status**
- **All three heard, but left pending in House Insurance Committee**

2007 Transparency in Healthcare

Senate Bill 1731--

**authored by Sen. Robert Duncan/Rep. Carl Isett
(both Republican and from same district)**

- **THA draft bill became the template for the primary transparency bill of the session**
- **Provides for disclosure to consumers by:**
 - hospitals**
 - physicians**
 - health plans**

SB 1731 Requirements

SB 1731:

- **Creates “Consumer Guides to Healthcare” by:**
 - Texas Medical Board
 - Texas Dept. State Health Services (DSHS)
- **Website must contain links to quality data sites (CMS, Joint Commission, etc.)**
- **Requires the Texas Dept. of Insurance**
 - to study network adequacy & health plans’ efforts to contract with facility-based physicians
 - to collect from health plans the costs of health care services in regions around the state
- **Requires DSHS to begin collecting outpatient data-**
 - may prioritize the collection of outpatient data from hospitals, ASCs and free-standing imaging centers

SB 1731 Requirements

SB 1731 requires physicians, hospitals, ASCs & birthing centers to:

- **develop and implement billing policies for healthcare services to include:**
 - discounts for uninsured patients**
 - discounts for indigent patients who qualify for sliding scale fees or meet the requirements for charity care**
- **provide estimate of the cost of services when patients request**
- **provide an itemized statement**
- **state whether late payments will incur interest and, if so, the interest rate**
- **procedures for handling patient complaints related to such charges**
- **notice must be posted in the waiting rooms, registration areas & inform patients they may request a copy of the billing policies**
- **to refund any overpayment to a patient within 30 days once aware of the overpayment**

SB 1731 Requirements

Additional disclosure requirements for hospitals-ASCs:

- **Patients admitted to a hospital or ER will receive written notice that:**
 - The hospital is in the patient's health plan network**
 - Possible that all physicians in the hospital are not in the patient's network**
 - These physicians may bill the patient directly and balance bill for their services**

Additional disclosure requirements for facility-based physicians:

- **Primarily radiologists, anesthesiologists, pathologists, emergency physicians, and neonatologists**
- **Focuses on billing insured patient for out-of-network services**

SB 1731 Requirements

Facility- based physician billing statements must:

- **State in plain language that the physician is not in the patient's health plan network**
- **Itemize services and supplies provided and the date of service**
- **Explain the health plan has paid a rate below the physician's billed amount for the service**
- **Include a telephone number to call to discuss payment issues**
- **Include a notice that a complaint may be filed with Texas Medical Board**

For amounts owed greater than \$200 over co-payment or deductible:

- **Physician will not furnish adverse information to consumer reporting agencies on amounts owed by the patient if the patient agrees to (and complies with) a payment plan within 45 days of receipt of first statement**
- **Patient is considered out of compliance with the payment plan if payments are not made as agreed to for a period of 90 days**
- **There is no requirement that physicians and patients agree over payments**
- **The law simply requires physicians to offer patients an opportunity to discuss payments**

SB 1731 Requirements

- **HMOs/PPOs must report to the Texas Department of Insurance the following information for public posting:**
 - **Patient satisfaction results**
 - **Quality of care results**
 - **Coverage areas**
 - **Accreditation status**
 - **Premium costs and increases**
 - **Plan costs**
 - **Range of plan benefits**
 - **Amount of patient copayments and deductibles**
 - **Accuracy and speed of claim payments**
 - **Credentials, names and numbers of network physicians**
 - **List of hospitals in the network**

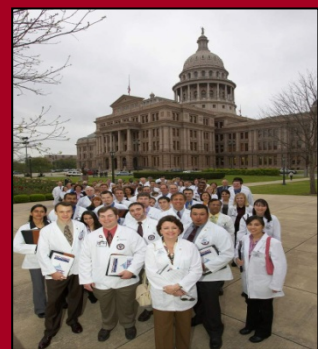
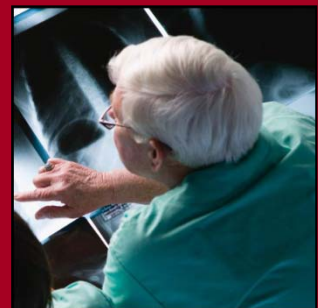
SB 1731 Requirements

- **HMOs/PPOs must provide notice to enrollees that:**
 - **a facility based MD or other healthcare practitioner may not be included in the network and may be balanced billed**
- **HMOs/PPOs must provide this disclosure in writing:**
 - **in any materials sent during the issuance or renewal of the policy or evidence of coverage**
 - **in any explanation of payment summary or document that describes the benefits under the plan**
 - **in any HMO/PPO website that an enrollee reasonably would access**

Wrap Up



- Questions?
- Comments.
- **THANK YOU!**



Physicians Caring for Texans

CONTACT INFORMATION

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Any Questions

- ◆ Among the Panelists?
- ◆ From the audience?
 - Please use the Q and A panel to submit your questions.
- ◆ After the call, email questions and suggestions for future web-conferences to:
 - health.chaps@ncsl.org

Sign up for the rest of this series Exploring Accountability in Health Care from Four Perspectives

Providers October 26th: *Provider Incentives to Improve Accountability*

This web-assisted audioconference will focus on performance measurement from a provider perspective, and will explore pay for performance programs and physician incentives. Dr. Glaseroff will focus on the challenges and triumphs of California's experience with pay for performance, and will also address what other states can do to build an accountable health system. **Register now at**

http://www.ncsl.org/public/registration/mtg_reg.htm?mtg=WC102607.

- Moderator: Representative Peablin Warren, Alabama
- Alan Glaseroff, President of the Humboldt - Del Norte Foundation for Medical Care and chief medical officer of the Humboldt-Del Norte Independent Practice Association

Addiction November 2nd: *The Outcomes of Addiction Treatment and Approaches to Measuring Performance*

This web-assisted audioconference will help legislators address issues of performance measurement and treatment efficacy in addiction treatment, including performance-based contracting and how states are increasing their return on investments. Dr. Brooks will discuss outcome and performance measures and their use in quality improvement and accountability, new ways to look at treatment effectiveness, and legislators' options for promoting accountability through performance improvement initiatives. Ms. Johnson will discuss the Maine Office of Substance Abuse's performance-based contracting with its substance abuse treatment providers. **Register now at**

http://www.ncsl.org/public/registration/mtg_reg.htm?mtg=WC110207.

- Adam Brooks, Ph.D., Scientist, Treatment Research Institute
- Kimberly Johnson, former Director, Maine Office of Substance Abuse

Access to Care November 9th: *Using Data and Performance Measures to Evaluate State Health Reforms*

This web-assisted audioconference will explore using data and performance measures to evaluate what works and what doesn't in states' expansion initiatives. This discussion will include what types of data and research that are most important to help states move forward on health reform. **Register now at**

http://www.ncsl.org/public/registration/mtg_reg.htm?mtg=WC110907.

- Scott Leitz, Assistant Commissioner, Minnesota Department of Health
- Debra Lipson, Senior Researcher, Mathematica Policy Research, Inc.

To follow up

- ◆ To register for other parts of this series exploring accountability in health care please go here
<http://www.ncsl.org/programs/health/webcast2.htm>
- ◆ Feel free to contact us for more information at
Health.chaps@ncsl.org
- ◆ For more program information and related links, and to see past programs:
<http://www.ncsl.org/programs/health/webcast2.htm>
- ◆ This program was recorded and will be made available on line.

Speakers' resources

- ◆ Talking to Consumers about Quality website
www.talkingquality.gov/
- ◆ AHRQ Quality Tools
www.qualitytools.ahrq.gov
- ◆ HHS Value Drive Health Care
www.hhs.gov/valuedriven
- ◆ Texas Medical Association
www.texmed.org

Other Resources

- ◆ **Center for Health Care Strategies (CHCS)** is a policy resource for information for improving the quality and effectiveness of health care for low income people and those with chronic illnesses and disabilities.
<http://www.chcs.org/>
- ◆ **Robert Wood Johnson Foundation** supports efforts to improve the quality of care that Americans with chronic illness receive. Their work includes supporting quality improvement strategies as well as reducing racial and ethnic disparities in care. <http://www.rwjf.org/pr/os.jsp?topicid=1053>
- ◆ **Common Wealth Fund Resources**
 - Transparency in Health Care: The Time Has Come
http://www.commonwealthfund.org/publications/publications_show.htm?doc_id=361215
 - Collaborating to Promote Transparency on Health Care Quality and Costs
http://www.commonwealthfund.org/innovations/innovations_show.htm?doc_id=468693
 - Public Reporting and Transparency
http://www.commonwealthfund.org/publications/publications_show.htm?doc_id=449503
 - Quality Matters: Public Reporting of Physician Group Quality Data
http://www.commonwealthfund.org/publications/publications_show.htm?doc_id=356761

Resources from NCSL

- ◆ Quality of Care Frequently Asked Questions
http://www.ncsl.org/print/health/forum/qoc_FAQ.pdf
- ◆ CHAP page for Chronic Care and Quality
<http://www.ncsl.org/programs/health/forum/chap/chroniccare.htm>

Other NCSL Resources

- ◆ State Health Notes articles on Quality/Chronic Conditions
<http://www.ncsl.org/programs/health/shn/quality.htm>

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State Health Notes

<http://www.ncsl.org/shn/>

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