



Transparency Is Essential to High Quality and Affordable Health Care

Issue: Access to information about the price and quality of healthcare services can help consumers make better and more informed choices about their care. However, it is surprisingly difficult for consumers to get this information – especially in a readable, digestible and standardized format that allows for meaningful comparisons across care categories. In fact, even today, the majority of patients rarely know the true cost of care let alone how much they need to pay until after they have received it.

The information void is particularly detrimental to informed choice in a market where the price—and quality—of a particular service can vary considerably by provider, geography, network and site of service, even for common procedures and even prescription drugs. What's more, it has become increasingly evident over time that higher prices for either prescription drugs or other medical services do not necessarily equate to higher quality or improved patient outcomes.

As employers increasingly offer high-deductible health plan options to employees, the demand for transparency information related to true out-of-pocket expenses and for quality and cost information has never been higher. Employees deserve answers to questions such as:

- What will my true out-of-pocket costs be?
- What are the overall costs to my plan?
- Where can I get the best care for my money?
- How do my care options compare against each other, and
- Are there alternatives of equal quality that offer a better value?

Despite the growing popularity of Internet-based tools to compare health care services and providers, Americans need enhanced access to comprehensive, real-time, price, quality and clinical effectiveness information about their medical care and prescription drugs.

Position: The National Business Group on Health, representing approximately 415 large employers who provide coverage for 55 million Americans (including 72 of the Fortune 100) believes that all health care providers and facilities should publicly disclose, in a user-friendly format, all comprehensive information about the relative price, quality, safety and efficacy of recommended treatments and prescription drugs.

Specific policy recommendations to promote transparency include:

- HHS should continue to support efforts to establish core measure sets of quality outcome metrics as well as measures of cost and efficiency – these allow consumers to make meaningful comparisons.
- CMS should continue to release to the public and make broadly available for analysis Medicare physician claims and hospital payment data as well as information on quality.
- Require outpatient facilities and physician offices to disclose whether they are billing as

providers or as facilities, and require them to disclose the differential prices (facility fees) prior to patients' receipt of services and preferably at the time they schedule appointments.

- Similarly, CMS should make publicly available transparency information on prescription drugs provided in the hospital outpatient and inpatient settings for Medicare patients.
- Specifically, with respect to making these data broadly available, CMS should broaden the category of “qualified entities” that can access and analyze Medicare claims data to include payers such as self-funded employers and their data warehouse partners.
- Make it clear in law that self-funded plan claims data are owned by the employer and TPAs should share the data with them, following the usual HIPAA privacy and security safeguards to protect PHI of employees. At the very least, employers should have the right to access de-identified claims data from their plan administrators with sufficient notice.

Transparency Helps Consumers Make More Efficient, Appropriate Care Choices and Increases Patient Satisfaction

- The Dartmouth Institute's work on variations in health care indicated that giving consumers information on the relative costs and outcomes of treatment options results in higher patient satisfaction and more efficient, appropriate health care choices. Also, [2013 research](#) by the Robert Wood Johnson Foundation on Shared Decision-Making (SDM) showed that informed patients using SDM opt for less invasive and less costly treatment options—including a 25% decrease in preference-sensitive surgical treatments.

Price Transparency Is a Fundamental Component of Consumer-Driven Care

- As more Americans pay out-of-pocket for a greater percentage of their health care, they are demanding more information about the relative prices of health care and treatment options, to make informed economic decisions about their care. Price and quality information will help consumers make decisions based on value.

Transparency Helps to Identify and Reward Performance

- Increasingly, purchasers are providing additional payments to physicians, hospitals and other health care professionals identified as providing superior quality and more efficient care. Enhanced efforts related to transparency of clinical and price information will make it easier to reward providers who provide high value and high quality care.

Transparency Will Promote Evidence-Based Medicine

- Purchasers, consumers, and providers need information comparing the relative effectiveness of alternative treatment options. Although research by the Agency for Health Care Research and Quality (AHRQ) and the Patient-Centered Outcomes Research Institute (PCORI) has begun to fill that voice, much more comparative effectiveness research is needed. More and better information about how well a health care intervention works will promote more outcomes-based adoption of innovations and disuse of existing, ineffective options.

Transparency Could Help Control Health Care Cost Increases

- Enhanced transparency would enable consumers to find high quality providers, who deliver more efficient care, which could result in significant savings nationally. Price transparency will also help people become more aware of the true cost of their health care. This knowledge may encourage consumers to be more prudent in accessing health care unnecessarily. In addition, as people begin to understand the cost implications, they will likely focus more on wellness and healthier lifestyles.

Transparency Is Critical to Increase Competition in Health Care

- Finally, transparency of information will help to create a truly competitive health care marketplace. With access to key information, purchasers and consumers can compare truly costs and quality, which can help drive improvement and competition based on excellence of care.