



Transparency in Health Care

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Overview

- **Why the focus on transparency?**
- **Private sector initiatives**
- **AdvaMed's position**



Why Transparency?

- **Disconnect between payment and quality**
 - High costs do not guarantee high quality
- **Consumer-directed health care**
 - Purchasers need information on quality and costs to determine value of care
- **Payer desire for control over costs**
 - Desire to understand actual costs over an episode of care
- **Rising health care costs**
 - Double digit increases in health insurance premiums



CMS Posts Information on Medicare Payment and Quality

- **Quality Data**
 - Hospital Compare website at Medicare.gov
 - 21 “process” measures on heart attack, heart failure, pneumonia, and surgical infection prevention
- **Medicare Payments for Procedures**
 - Administered payments and inpatient hospital charges
 - Administered prices for selected procedures in hospital outpatient departments and ambulatory surgical centers
 - Administered prices for selected physician services performed in facilities and physician offices



Private Sector Initiatives

- **Websites created by state associations, individual medical centers, insurance plans**
- **Like CMS, use “process” measures to assess quality**
 - Aspirin at arrival
 - Counseling on tobacco cessation
- **Some rating quality using system of “stars”**
- **Some provide estimates of “costs” of procedure or service**
- **Some present quality versus “cost” comparisons**



HealthScope (Pacific Business Group on Health): CA Health Care Quality Ratings for Heart Problems (www.pbgh.org)

Look for differences of at least four percentage points. Smaller differences are often not significant. A higher percentage is better.

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	Care for Getting Better	Controlling Cholesterol	Testing Cholesterol	Heart Attack Medication
California HMOs				
Aetna Health of California, Inc.	★	67%	82%	96%
Blue Cross of California - HMO	★	69%	81%	94%
Blue Shield of California	★	68%	81%	96%
CIGNA HealthCare of California	★★	71%	82%	95%
Health Net of California	★★	71%	83%	98%
Kaiser Permanente - Northern California	★★★	79%	85%	99%
Kaiser Permanente - Southern California	★★★	78%	85%	96%
PacifiCare of California	★★	71%	85%	98%
Universal Care	★	67%	79%	97%
Western Health Advantage	★	78%	80%	Too few patients in sample to report



HealthScope (Pacific Business Group on Health): CA Health Care Quality Ratings for Treating Diabetes (www.pbgh.org)

Look for differences of at least four percentage points. Smaller differences are often not significant. A higher percentage is better.

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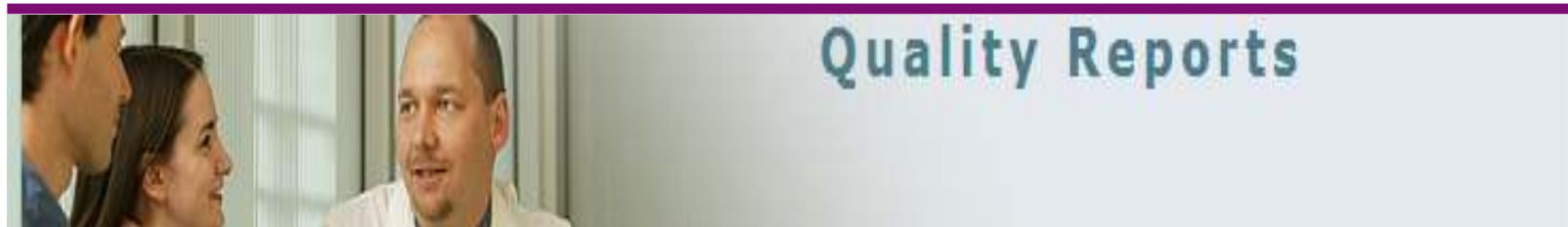
	Care for Living With Illness	Testing Blood Sugar	Controlling Blood Sugar	Testing Cholesterol for Patients with Diabetes	Controlling Cholesterol for Patients with Diabetes	Eye Exam	Testing Kidney Function
California HMOs							
Aetna Health of California, Inc.	★★	84%	65%	91%	64%	55%	56%
Blue Cross of California - HMO	★★★	85%	68%	92%	69%	55%	55%
Blue Shield of California	★★	88%	73%	94%	72%	57%	56%
CIGNA HealthCare of California	★★★	88%	71%	95%	68%	51%	59%
Health Net of California	★★★	86%	73%	94%	64%	51%	61%
Kaiser Permanente - Northern California	★★	84%	72%	94%	75%	64%	68%
Kaiser Permanente - Southern California	★★	85%	72%	91%	62%	70%	80%
PacificCare of California	★★	86%	69%	95%	65%	54%	58%
Universal Care	★★	86%	64%	94%	67%	42%	55%
Western Health Advantage	★★	83%	61%	90%	60%	38%	52%



Dartmouth-Hitchcock Medical Center

Quality Report on Treatment of Heart Attack

(www.dhmc.org)



Heart Attack Performance Results

SAFE AND EFFECTIVE CARE

Monitoring our care helps us evaluate and improve the way we deliver care. We emphasize areas where experts agree on the best treatment of a certain condition.

DHMC 2005- 2009	Top 10%	Average
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HEART ATTACK CARE

Aspirin at arrival	99%	100%	95%
Aspirin at discharge	97%	100%	96%
Beta Blockers at arrival	96%	100%	92%
Beta Blockers at discharge	99%	100%	95%
ACE Inhibitor or ARB medications at discharge for heart attack patients	88%	100%	84%
Advice for heart attack patients to quit smoking	95%	100%	92%
Overall performance for heart attack care (composite)	94%	--	91%
Time to treat with Percutaneous Coronary Intervention (PCI)	27%	88%	68%
In-hospital mortality rate	3.9%	--	8.5%



Dartmouth-Hitchcock Calculator: Hip Replacement under *Medicare* (www.dhmc.org)



Out-of-Pocket Estimator (How much will I owe?)

[Printable Version](#)

Procedure Name: Hip replacement

Hospital Charge: \$27,200

Type of Service: Inpatient

Professional Charge: \$14,200

Insurance: Medicare

This estimate is based on the insurance you selected and your responses to the questions. Please note that this is not a guarantee of coverage. For more information please call Patient Accounts Customer Service at (800) 368-4783.

Part A Deductible: \$952

Part B Deductible: \$124

Coinsurance: \$2,815

Estimate of how much you will owe: \$3,891

Please note: This estimate does NOT include supplemental insurance. For more information please call Patient Accounts Customer Service at (800) 368-4783.

[Return to the Out-of-Pocket Estimator](#)

Is payment of your medical services a concern? [Find out if you qualify for financial assistance.](#)



Dartmouth-Hitchcock Calculator: Hip Replacement if *Uninsured* (www.dhmc.org)



Out-of-Pocket Estimator (How much will I owe?)

[Printable Version](#)

Procedure Name: Hip replacement

Hospital Charge: \$27,200

Type of Service: Inpatient

Professional Charge: \$14,200

Insurance: No Insurance

This estimate is based on the insurance you selected and your responses to the questions. Please note that this is not a guarantee of coverage. For more information please call Patient Accounts Customer Service at (800) 368-4783.

Estimate of how much you will owe: \$28,980

Please note: This estimate includes a discount provided by DHMC for patients who do not have insurance. For more information please call Patient Accounts Customer Service at (800) 368-4783.

[Return to the Out-of-Pocket Estimator](#)

Is payment of your medical services a concern? [Find out if you qualify for financial assistance.](#)

Disclaimer for Estimated Patient Balance:

The estimated patient cost is based on the information entered. If you have requested an estimate for a surgical procedure, **this estimate does not include:**



Dartmouth-Hitchcock Calculator: Hip Replacement if *Insured* (www.dhmc.org)

Out-of-Pocket Estimator (How much will I owe?) [Printable Version](#)

Procedure Name: Hip replacement

Hospital Charge: \$27,200

Type of Service: Inpatient

Professional Charge: \$14,200

Insurance: All Other Insurance

This estimate is based on the insurance you selected and your responses to the questions. Please note that this is not a guarantee of coverage. For more information please call Patient Accounts Customer Service at (800) 368-4783.

Deductible: \$500

Coinsurance: \$8,180

Copay: No Copay

Estimate of how much you will owe: \$3,000

Please note: If you have met all or part of your deductible or maximum out-of-pocket expenses, the actual amount you owe may be different. In addition, many health plans have arrangements with DHMC for discounted charges, which could mean that the amount you have to pay will be less than this estimate. For more information please call Patient Accounts Customer Service at (800) 368-4783.

Assumes insurance plan with \$300 deductible, 20% coinsurance, and \$3,000 maximum out-of-pocket allowance.



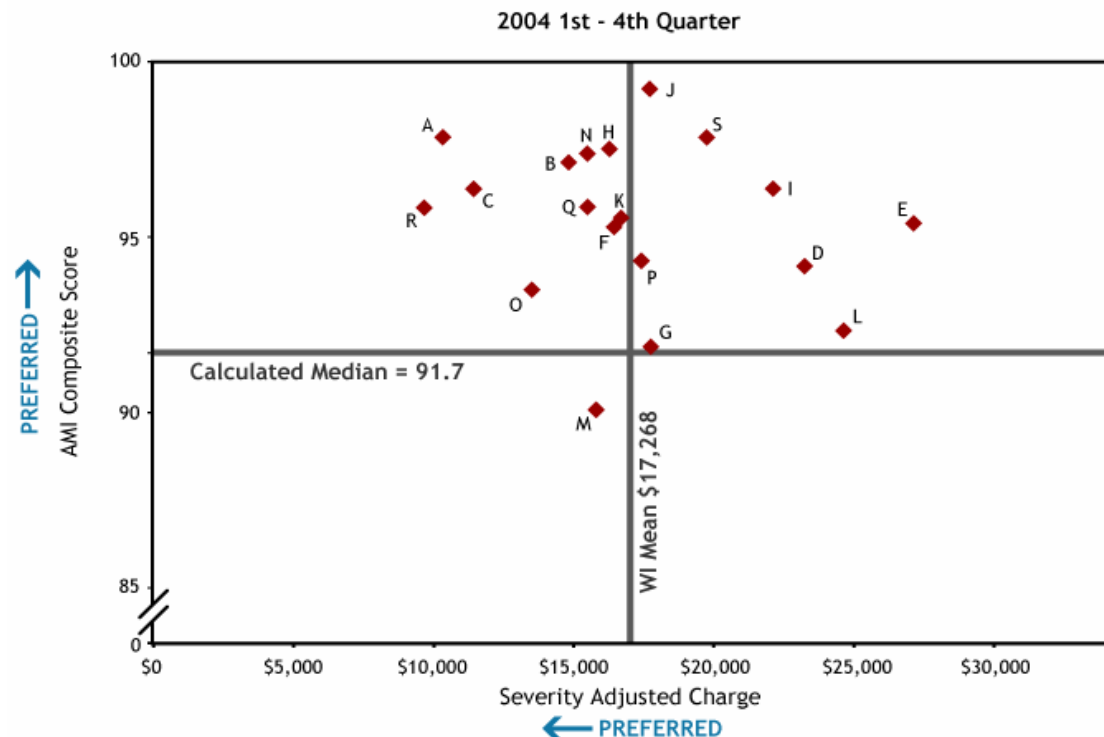
Wisconsin Collaborative for Healthcare Quality: Charges versus Quality (www.wchq.org)

Heart Attack Care Hospital Charges and Quality Comparison

This quadrant analysis represents a comparison of heart attack (also called AMI or acute myocardial infarction) quality of care and charges. The purpose of this analysis is to attempt to quantify the value each hospital provides when caring for patients with heart attacks.

The quality score is a composite number that takes into account how well a hospital performed in giving the recommended care proven to give the best results to most adults with a heart attack. The charges are risk adjusted to account for differences in patients such as severity of illness and risk of death.

Please use caution when interpreting these data and drawing conclusions from charges.





Issues to Consider

- **What is being made transparent?**
- **Over what time period?**
- **What data are available/needed?**



AdvaMed's Policy Position on Transparency

- Transparency initiatives should:
 - Recognize that value is based on both quality and cost
 - Foster continued innovation by assuring access to technology
 - Engage consumers and place minimal burden on providers
 - Satisfy certain conditions for the development and reporting of accurate, timely, robust measures that account for differences in patient risk and complexity



Recognize that Value Is Based on Both Quality and Cost

- Recognize that value is a function of both quality and costs.
- Quality and cost measures tied to well-established clinical guidelines developed by appropriate physician specialty societies.
- Quality measures reflect the clinical outcomes rather than the structure or process of care
- Cost measures based on the resources for an entire episode of care. The resources should be identified from well-established clinical guidelines.
- Episodes of care should be constructed based on clinical information specific to the condition or disease, not on artificially fixed time periods.



Engage Consumers and Place Minimal Administrative Burden on Providers

- Focus on patients' needs for information.
- Balance benefits to consumers, against reporting burdens on providers.
- Performance differences should be fairly and accurately displayed to enable informed decision-making by consumers.
- Transparency requires cost of care measures that identify both total payments for the episode of illness, and the portion that is the responsibility of the patient.
- Transparency initiatives should place minimal burden on providers and ultimately reduce administrative burden.

Assure Access to Technology and Innovation



- Greater transparency should support technological innovation as well as innovation in health care delivery.
- Transparency requirements should not discourage vigorous competition within the health care system.
- Greater transparency should ensure continued patient access to the full array of available technologies.
- Transparency requires robust risk adjusters to remove any disincentives to treat seriously ill or non-compliant patients.



Require Certain Conditions for Development and Reporting of Measures

- Quality and cost measures should be developed by collaboration among stakeholders -- providers, patients, innovators, and payers--in an open, public process.
- Transparency requires that both quality and cost measures are updated to reflect changes in best practices and advancements in technology.
- Public reporting of quality and costs should be:
 - Based on the most recent data
 - Include detailed information available regarding data and measurement methods
 - Adjusted for patient complexity.
- Improving the interoperability of advanced health information systems and providing financial incentives to invest in such systems will improve the timeliness and accuracy of both quality and cost measures.



Questions?
