Price Transparency: The State of State Laws and How New York Fares

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Today’s Agenda

- Who is CPR?
- Price Transparency: what is it and why is it needed?
- The Report Card on State Price Transparency Laws
  - New York’s Results
  - Improving New York’s Score
- Benefits, Implications, and Actions
Who We Are and What We Do

Shared Agenda

Payments designed to cut waste or reflective of performance
• 20% by 2020

Leverage purchasers and create alignment
• Model RFI, contracts and plan user groups

Implement Innovations
• Price transparency
• Reference/value pricing
• Maternity payment reform
• Enhance provider competition

Catalyst for Payment Reform (CPR) is an independent, non-profit corporation working on behalf of large employers and public health care purchasers to catalyze improvements in how we pay for health services and to promote higher-value care in the U.S.

- 3M
- Aircraft Gear Corp.
- Aon Hewitt
- Arizona Health Care Cost Containment System (Medicaid)
- AT&T
- Bloomin’ Brands
- The Boeing Company
- CalPERS
- Capital One
- Carlson
- Comcast
- Dow Chemical Company
- eBay, Inc.
- Equity Healthcare
- GE
- Group Insurance Commission, Commonwealth of MA
- The Home Depot
- Ingersoll Rand
- IBM
- Marriott International, Inc.
- Ohio Medicaid
- Ohio PERS
- Pennsylvania Employees Benefit Trust Fund
- Pitney Bowes
- Safeway, Inc.
- South Carolina Health & Human Services (Medicaid)
- TennCare (Medicaid)
- Verizon Communications, Inc.
- The Walt Disney Company
- Wal-Mart Stores, Inc.
- Wells Fargo & Company
Price transparency is “the availability of provider-specific information on the price for a specific health care service or set of services to consumers and other interested parties”

Price is “an estimate of a consumer’s complete health care cost on a health care service or set of services that (1) reflects any negotiated discounts; (2) is inclusive of all costs to the consumer associated with a service or services, including hospital, physician and lab fees; and, (3) identifies the consumer’s out-of-pocket costs (such as co-pays, co-insurance and deductibles).”
Why is Price Transparency Needed?

Purchasers facing rising healthcare expenditures are asking consumers to take on more financial responsibility, motivating them to seek more efficient, higher-quality care.

1. Purchasers believe that pressure from consumers is a powerful, underused lever for improving quality and efficiency.

2. For this strategy to succeed, unwarranted price variation needs to be exposed and consumers need price transparency to help identify high-value providers.

CPR purchasers cannot imagine a future health care system without transparency.
Report Card on State Price Transparency Laws
Overview of methodology, resources, and findings
Prepared in partnership with HCI3
Project Goal

1. To assess state laws on transparency
   - Do existing state laws provide assurance that consumers will have adequate access to health care price information?

2. To spur action
   - Private and public sector needs to step forward and provide all of the health care price information consumers need. Today’s laws are too narrow in scope.
1. Comprehensive Review of State Legislation

- 50 state review of legislation (including enacted bills, acts, and statutes) related to price transparency
- Included a previous NCSL review, state legislation websites, WestLawNext databases and other resources
- Reflects all relevant state legislation passed from 1960 – today
- Most comprehensive review to date
Grading Criteria

Establish Criteria for Evaluating Legislation

2.

Scope of Price
- Charge
  - Actual
  - Average
- Reimbursement

Scope of Services
- All services
- Only IP or OP
- Only Most Common IP or OP

Scope of Providers
- Providers
  - Hospitals
  - Physicians
  - Surgical Centers

FOUR LEVELS OF TRANSPARENCY:
- Reported to the State
- Available Upon Request
- Public Report
- Internet Website
### Resources

3. Provide Resources to Legislators & Others

#### 1. Report Card

![Report Card Image]

#### 2. Reference Table

|---------|-----------------------------------------------|-----------------|-------------------------------------------------|-----------------------------------|---------------------------------|

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The rest of the pack: 5 Bs, 7 Cs, 7 Ds, 29 Fs
Summary based on NY Public Health Law § 2816 and subsequent amendments

- Scope of data collection includes hospitals, all ambulatory facilities, emergency departments, outpatient clinics
- Reports from SPARCS data

If NY required information on both practitioners and facilities, paid amounts, and all inpatient and outpatient data, reported on a publicly available, searchable website, it would have gotten an A.
Implications and Actions

State-wide laws not cutting it, but may evolve

Information alone does not change behavior

How you can advance transparency

- Use CPR’s Health Plan sourcing, contracting and management tools to hold health plans and providers accountable – it’s up to the market
- Hold vendors to CPR’s specifications
- Reform payment methods – new methods like bundled payment will make more sense to consumers
- Design benefits to help consumers select highest-value providers
- Advocate for state to step in like in MA and NH if industry doesn’t step forward

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Contact Information and Questions

FOR MORE INFORMATION VISIT: www.catalyzepaymentreform.org

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