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

Andréa Caballero, Program Director

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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



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Who We Are and What We Do



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Who We Are

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

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



What is Price Transparency?

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?

1. Purchasers facing rising healthcare expenditures are asking consumers to take on more financial responsibility, motivating them to seek more efficient, higher-quality care
2. Purchasers believe that pressure from consumers is a powerful, underused lever for improving quality and efficiency
3. 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



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Report Card on State Price Transparency Laws

Overview of methodology, resources, and findings

Prepared in partnership with HCI3



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INCENTIVES
IMPROVEMENT INSTITUTE^{INC}



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 steps forward and provide all of the health care price information consumers need. Today's laws are too narrow in scope.



Review of State Laws

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

2.

Establish Criteria for Evaluating Legislation

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



3.

Provide Resources to Legislators & Others

1. Report Card



2. Reference Table

Arizona	STATUTE(S): Arizona Revised Statutes § 36- 125.05 ENACTED BILL(S): Added: 1983; Amended: S.B. 1201 (1988), S.B. 1486 (1988), S.B. 1086 (1990), S.B. 1352 (1994), H.B. 2048 (1996), S.B. 1142 (2005), H.B. 2150 (2010)	Added: 1983 Amended: 1988, 1990, 1994, 2005, 2010	"hospitals [except] state hospitals"		"The average charge per day [and] The average charge per confinement"
	STATUTE(S): Arizona Revised Statutes § 36- 125.05 ENACTED BILL(S): Added: 1983; Amended: S.B. 1201 (1988), S.B. 1486 (1988), S.B. 1086 (1990), S.B. 1352 (1994), H.B. 2048 (1996), S.B. 1142 (2005), H.B. 2150 (2010)	Added: 1983 Amended: 1988, 1990, 1996, 2005, 2010	"Emergency departments"		"Charges for services"



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Best Practices: Massachusetts and New Hampshire

For Physicians & Providers

For Insurers & Employers

MyHealthCareOptions™

A Health Care Resource Provided by the Commonwealth of Massachusetts Health Care Quality and Cost Council



Choose a Topic

- Patient Safety
 - Influenza Vaccination
 - Patient Safety
 - Serious Reportable Events
- Surgical Care
- Patient Experience
 - Patient Experience
- Bone and Joint Care
 - Back Procedure
 - Hip Fracture
 - Hip Replacement
 - Knee Replacement
- Cardiovascular Disease
 - Angioplasty
 - Bypass Surgery
 - Catheter Stenting Treats
 - Heart Attack
 - Heart Failure
 - Heart Valve Surgery
 - Stroke
- Digestive System
 - Gall Bladder
 - Invasive Surgery
 - Weight-loss Surgery
- Obstetrics
 - Cesarean Section
 - Normal Vaginal Birth
 - Ultrasound
 - Vaginal Delivery
- Outpatient Diagnostic

Angioplasty

Angioplasty (also called "percutaneous cardiovascular intervention" or "PCI") is a procedure that helps increase blood flow to the heart and is sometimes recommended for individuals with heart disease. This procedure helps re-open any blocked blood vessels. Angioplasty can help prevent heart attacks. (more)

Diagnostic classification: Angioplasty only (APR-DRG 174); Angioplasty with heart attack, heart failure or shock (APR-DRG 175)

	Beth Israel Deaconess Medical Center	Massachusetts General Hospital	Mount Auburn Hospital	St. Elizabeth's Medical Center
Quality of Care (more)				
Quality Rating	☆☆	☆☆☆	☆☆☆	☆☆☆
Statistical Significance	Not Different from State Average Quality	Above State Average Quality	Not Different from State Average Quality	Not Different from State Average Quality
Cost of Care (more)				
Cost Rating	\$\$\$	\$\$\$	\$	\$\$\$
Statistical Significance	Above Median State Cost	Above Median State Cost	Below Median State Cost	Above Median State Cost

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	15th Percentile	Median	80th Percentile
Cost of Care	\$15000	\$23600	\$31000
Beth Israel Deaconess Medical Center	\$14500-\$32500		
Massachusetts General Hospital	\$19500-\$35500		
Mount Auburn Hospital	\$13000-\$21000		
St. Elizabeth's Medical Center	\$17500-\$34000		

Price of Health Care Services
A Better Explanation

Health Costs for Insured Patients
Deductible and Coinsurance Amount: \$500.00 / 0%

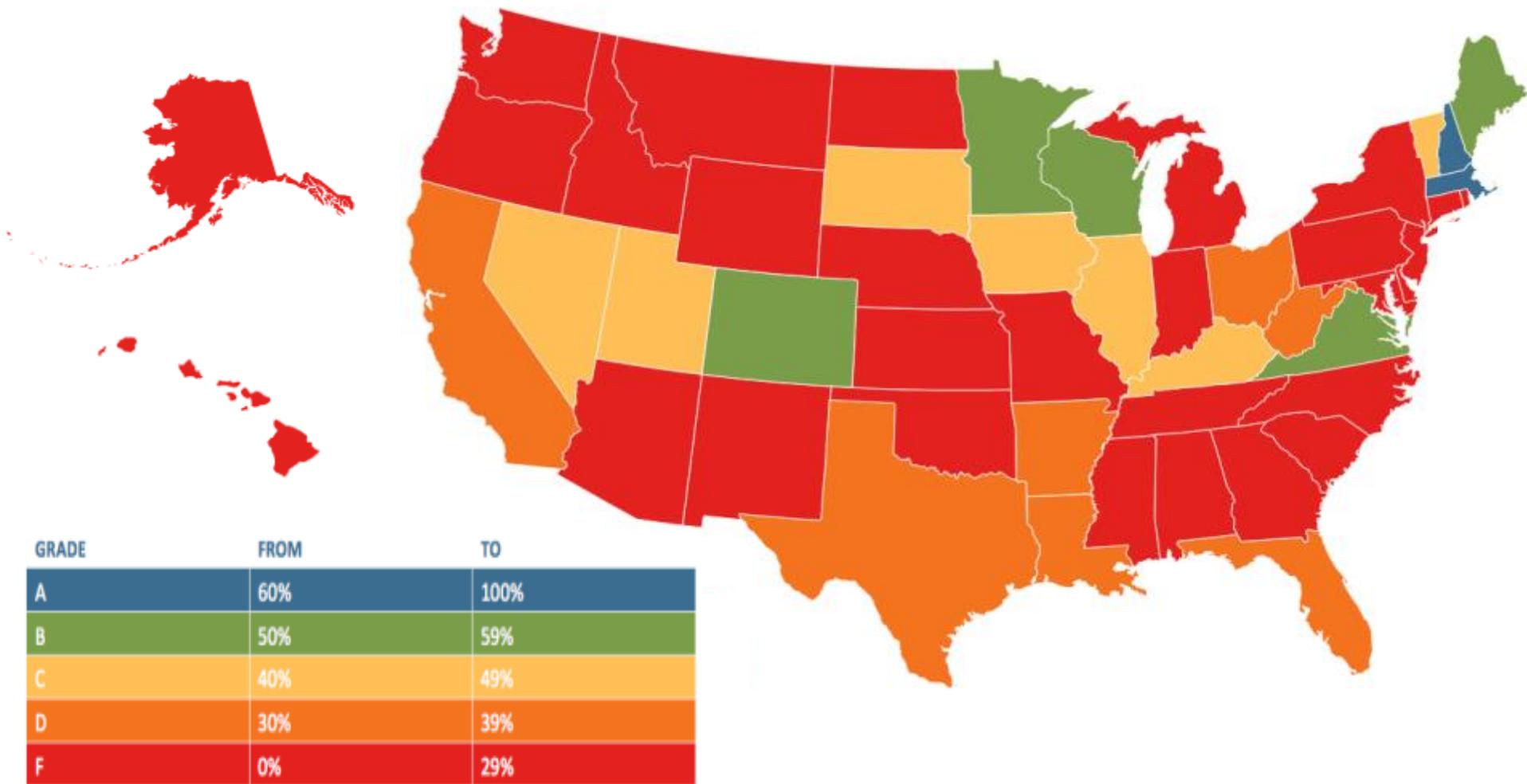
Detailed estimates for Arthroscopic Knee Surgery (outpatient)
Procedure: Arthroscopic Knee Surgery (outpatient)
Insurance Plan: Arthrx - In, In-network Provider Organization (PPO)
Within 20 miles of 03103

Lead Provider Name	Estimate of What you Will Pay	Estimate of What Insurance Will Pay	Estimate of Combined Payments	Precision of the Cost Estimate	Typical Patient Complexity	Contact Info
CONCORD AMBULATORY SURGERY CENTER	\$500	\$2706	\$3206	HIGH	MEDIUM	
ROPERO AMBULATORY SURGERY CENTER	\$500	\$3123	\$3623	HIGH	LOW	BESOND AMBULATORY SURGERICAL C 863.422.3670
CAPITAL ORTHOPAEDIC SURGERY CENTER	\$500	\$6941	\$7441	MEDIUM	LOW	
ST JOSEPH HOSPITAL	\$500	\$7901	\$8401	MEDIUM	HIGH	ST JOSEPH HOSPITAL 863.862.3000
SOUTHERN NH MEDICAL CENTER	\$500	\$6068	\$6568	HIGH	HIGH	SOUTHERN NH MEDICAL CENTER 863.577.2000



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The rest of the pack: 5 Bs, 7Cs, 7 Ds, 29Fs





Summary Table – New York

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

State	Level of Transparency	Scope of Providers			Scope of Price			Scope of Services			Grade
		Both Practitioners & Facilities	Health Care Practitioner or Facility	Subset of Either Practitioner or Facility	Both	Paid Amounts	Charges	All IP & OP	All IP or OP	Most common IP or OP	
NY	State Only	✓					✓			✓	F
	Upon Request										
	Report	✓					✓			✓	
	Website										

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

CONTACT:
Andréa Caballero
acaballero@catalyzepaymentreform.org

