

SECTION 1 – COST AND QUALITY TRANSPARENCY

RESOLUTION 1.02: EMPOWERING CONSUMERS AND EMPLOYERS WITH ACTIONABLE COST AND QUALITY INFORMATION

The quality and cost of health care varies significantly in ways that matter to people's health and financial well-being. Information with which to compare the cost and quality of health care outcomes is essential to creating a consumer-centered, high-value health care system.

- › Consumers need information with which to compare and choose health plans, providers (including physicians) and treatment options
- › Employers need information in order to align financial incentives for consumers to select high-value providers and treatment options and to structure reimbursement models that reward high-value providers

Moreover, as we know from our own *QualityCounts®* reports, when cost and quality information are made public, providers respond by improving care at far greater rates than when information is unavailable or is shared only on a private basis.

As public policy makers, insurers and providers seek ways to respond to demands for greater transparency of information, we ask that they keep the following considerations in mind.

1. There is no correlation between cost and quality in health care. High-cost providers do not necessarily deliver the best outcomes, nor do low-cost providers deliver poor care. Ideally, information about cost and quality should be presented together so that employers and consumers can make decisions based on value. However, information on both factors is not always simultaneously available.
 - › When information demonstrating differences in quality is available without accompanying information about cost, it should be published given the risks associated with poor quality care.
 - › When information about cost is available without accompanying information about quality, it should be presented with clear messages about the lack of correlation between cost and quality.
2. Information should be presented to allow for side-by-side comparisons of hospitals and physicians based upon a standard unit of analysis.
3. Quality information should meet the following characteristics:
 - › Reflects the outcomes of care that matter to consumers (mortality, complications, readmissions, infection rates, etc.)
 - › The results are an accurate reflection of performance – measures are constructed and/or audited in such a way that minimizes misunderstanding or variation in data collection. Self-reported data should be subject to an independent audit or other means to ensure accuracy and reliability.
 - » The results of the audit should be published along with guidelines about their interpretation and use, akin to the process used to verify the financial performance of 401k plans and the financial and quality performance of private sector businesses.
 - › Demonstrates variations in care and can be used to assess better and worse performance; however, information that reflects no differences may still be helpful to alert the public about performance that needs to be improved across all providers or to reassure the public about performance that is of uniformly high quality.

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As public policy makers, insurers and providers seek ways to respond to demands for greater transparency of information, we ask that they keep the following considerations in mind (continued from front):

4. Information about costs should include total cost (employer plus employee portion) as well as employee out of pocket costs.
 - › It's imperative for consumers to know the total cost so that they can both appreciate their health benefit and help manage/preserve it through appropriate use driven by informed decision-making.
5. Voluntary initiatives should be given a time-limited opportunity to prove that they can meet the information needs of consumers and employers.
 - › If voluntary initiatives fail to deliver in terms of provider participation, content or timeliness, legislative mandates should be pursued.
6. Those who are being measured and reported on should have input into the initiative, and the methodology by which assessments are made must itself be transparent.
7. State data assets like WHIO and the statewide hospital discharge dataset currently maintained by the WHA Information Center should be continually improved to deliver the most value to WI residents and consumers from other states that use WI health care facilities.

The Alliance urges health care decision makers, in both the public and private sectors, to adhere to these requirements when designing initiatives to address the need for cost and quality transparency.