Transparency: Large Employers’ Perspectives

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National Business Group on Health

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Founded in 1974, formerly the Washington Business Group on Health

300+, mostly large employers, primarily Fortune 500 companies, 64% of Fortune 100

Members cover approximately 55 million U.S. workers, retirees and their families
The Problem

- Unsustainable, rising health costs
- Unsafe care in too many instances
- Uneven and poor quality care
- Increasingly unaffordable coverage/care

Consumers and purchasers (including government) need to know:
- what works and what doesn’t,
- actual costs,
- actual quality (or lack thereof),
- relationships between quality and costs.
Health Care Transparency in the Eyes of Corporate America

- To ensure quality of care, we must:
  - have safety,
  - utilization and costs data,
  - must be timely, and
  - able to be interpreted by purchasers and consumers.

- We are a long way from having what we need
NBGH Activities to Foster Transparency

- **Public Policy**
  - Transparency – a national requirement
  - Public release of Medicare data
  - Comparative effectiveness research

- **Institute on Health Care Costs and Solutions**
  - Transparency Issue Brief
  - National Committee on Evidence Based Benefit Design
  - National Leadership Committee on Employer & Health Plan Solutions
    - Changing payment policies to support primary care and cognitive services
    - Not pay for reasonably preventable serious harms for care
Supporting Employees/Consumers’ Decisionmaking Tools

- Completed “Survey of Employees and Healthcare Decisionmaking”
- Host toolkit on “Using Information to Get High Quality Care”
- Completed survey on “Engaging Employees and Their Families to Achieve Optimal Health”
“All health care providers costs and facilities should publicly disclose … all relevant information about the quality, safety, effectiveness and efficiency of health care as well as any other information that may impact care decisions, such as financial arrangements and clinical guidelines for treatment”
NBGH Collaboration to Foster Transparency

- Promoting standardized metrics/uniform reporting/HIT infrastructure
  - NQF - NCQA
  - AQA - AHIC

- Partnership for value-driven health care
  - Kickoff co-host
  - Encourage members to sign on
  - Sign on as an organization

- NBGH/Mercer survey on transparency
Partnership for Value-Driven Health

- Over 800 employers, representing over 100 million lives signed up
- 101 of 300 Business Group members on board
- Federal government health programs required by Presidential order
About the Employer Survey on Transparency

- Partnered with Mercer
- 120 employers responded in February 2008
  - 56% had > 20,000 employees
- Key findings demonstrated that we should continue to:
  - Build greater awareness in employer community about the business case for transparency
  - Continue efforts to build credibility of quality and efficiency measurement
  - Expand size of available data bases by including Medicare data
  - Overcome resistance to measurement by physicians and hospitals
Employer Opinion about Public Disclosure of Medicare Provider Cost/Quality Information

- Very useful: 39% useful to employers, 40% useful to consumers
- Somewhat useful: 48% useful to employers, 54% useful to consumers
- Not useful: 14% useful to employers, 6% useful to consumers
Most Employers Believe Adoption of HIT Standards Will Improve Quality of Care or Cost Efficiency

- Improve significantly: 56%
- Improve somewhat: 40%
- Will not improve: 4%
Are We Ready to Measure Provider Performance?
Employer Opinion

- Don’t know / No opinion: 26%
- Our current ability to measure provider performance is not adequate; we should not be measuring: 30%
- Our current ability to measure provider performance is sufficient; we should be measuring: 44%
Priority Placed on The Release of Medicare Claims Data for Use in Performance Measurement

- Very high priority: 38%
- High priority: 12%
- Low priority: 18%
- Not a priority: 15%
- Don’t know / No opinion: 17%

17% of respondents do not know or have no opinion on the priority of releasing Medicare claims data for use in performance measurement.
Most Significant Barriers in Efforts to Measure Physician and Hospital Performance

- Resistance from physicians: 82%
- Resistance from hospitals: 77%
- Insufficient measures: 63%
- Insufficient data: 61%
- Insufficient efforts from payers, both private and public: 40%
- Cost: 40%
- Resistance from health care vendors: 36%
- Other: 36%
- Don’t know / No opinion: 2%
To Effectively Manage Costs, Employers Must Advance Market Innovation

Manage demand for services

Manage supply of services

Engaged and Accountable Participants and Providers

Which requires…

Reduced & Managed Health Risks

Prudent Care Seeking

Testing of Lean Care Innovations

Health System Performance Transformation

The HHS initiative is a broad-based effort to move the market in the necessary direction
Employers Want Improved Care

Q. How interested are you in offering a high performance provider network to employees, even if it means employees might have a smaller number of providers to choose from?

<table>
<thead>
<tr>
<th></th>
<th>Large Firms (200+ workers)</th>
<th>Small Firms (3-199 workers)</th>
<th>All Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very interested</td>
<td>21%</td>
<td>8%</td>
<td>16%</td>
</tr>
<tr>
<td>Somewhat interested</td>
<td>45%</td>
<td>51%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Note: The difference between subgroups are all statistically significant at the p<.05 level.

A Commonwealth Fund study surveyed consumers about the importance of information on quality. The survey found:

- 95% of survey respondents indicated that it was very or somewhat important to have information on the quality of care provided by different doctors or hospitals.
- 91% said it was very or somewhat important to have information about the costs of care before you actually get the care.
- 87% indicated it was very or somewhat important that insurance companies identify and reward doctors and hospitals who achieve excellence in the quality and efficiency of care.*

Best Performers Provide Effective Information To Employees

- Provide education on health care costs/ways to manage costs
  - Best Performers: 67%
  - Poor Performers: 49%
- Encourage plans/providers to provide patients w/access to online medical information
  - Best Performers: 66%
  - Poor Performers: 49%
- Provide Internet tools for utilization-based modeling
  - Best Performers: 28%
  - Poor Performers: 22%
- Offer personal health records
  - Best Performers: 54%
  - Poor Performers: 42%
- Offer incentives for completing consumer-engagement education modules
  - Best Performers: 15%
  - Poor Performers: 13%
- Provide employees w/information on provider quality
  - Best Performers: 76%
  - Poor Performers: 66%
- Tools that help consumers manage their own health
  - Best Performers: 73%
  - Poor Performers: 69%

Q. Mark how strongly you agree or disagree with each statement about whether employers should or should not provide such information to employees

n=1,558

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agree strongly</th>
<th>Agree</th>
<th>Neither</th>
<th>Net disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality ratings for each of health plans available</td>
<td>55%</td>
<td>34%</td>
<td>10%</td>
<td>1%</td>
</tr>
<tr>
<td>How to find, use health care quality info. to get better care</td>
<td>50%</td>
<td>36%</td>
<td>12%</td>
<td>1%</td>
</tr>
<tr>
<td>How to improve their health</td>
<td>45%</td>
<td>39%</td>
<td>13%</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Note:** Net disagree includes Disagree strongly and Disagree.

**Source:** National Business Group on Health Survey on Employees and Health Care Decision Making, 2007.
Q. Most medical information available to consumers is too hard for the average person to understand.

n=1,558

Q. Because medicine is so complicated today, there’s little a person can do except trust the doctor to know what is best for them.

n=1,558

Conclusions

• We have a very expensive health care system that doesn’t consistently deliver high quality, safe care.

• The higher percentage of our economy we spend wastefully on health care, the less we have to spend on other essential needs, such as education, national security, science, public safety and other quality of life issues.

• With a tsunami of obesity bearing down on the nation, we have to find new ways to control costs, eliminate duplication, waste and excess capacity in the health care system, and improve the health of the American people.