Increasing Price and Quality Transparency

Richard Kronick, Ph.D.

Director

Agency for Healthcare Research and Quality

Federal Action: Price and Transparency Panel
Second National Summit on Health Care Price, Cost and Quality Transparency

Washington, DC – March 17, 2015

Agenda

- AHRQ Priorities
- Resources and Tools for Improving Affordability, Efficiency and Cost Transparency

Priorities

Priority #1

Produce Evidence to Improve Health Care Quality

Priority #2

Produce Evidence to Make Health Care Safer

Priority #3

Produce Evidence to Increase Access to Health Care

Priority #4

Produce Evidence to Improve Health Care Affordability, Efficiency and Transparency
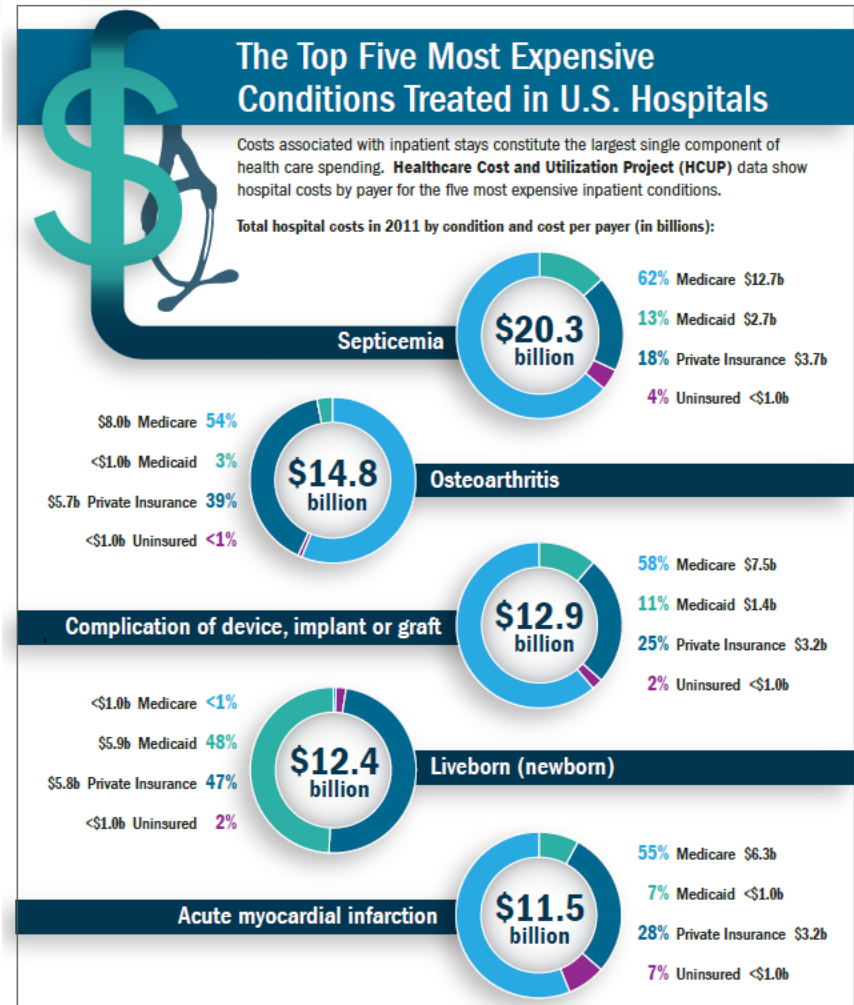
Measurement for Quality Improvement and Accountability

- AHRQ's role in supporting efforts in measurement for quality improvement and accountability include:

  ► Supporting scientifically-based measurement and public reporting research

  ► Developing products that advance quality improvement, public reporting and other accountability efforts

  ► Developing measurement tools that address the most pressing concerns of those who deliver, manage, pay for or receive health care services

Healthcare Cost and Utilization Project (HCUP)

- A family of six databases and related software tools
- Includes the largest collection of longitudinal hospital care data in the United States
- All-payer, encounter-level information beginning in 1988

The Top Five Most Expensive Conditions Treated in U.S. Hospitals

Costs associated with inpatient stays constitute the largest single component of health care spending. **Healthcare Cost and Utilization Project (HCUP)** data show hospital costs by payer for the five most expensive inpatient conditions.

Total hospital costs in 2011 by condition and cost per payer (in billions):

Septicemia — $20.3 billion
- 62% Medicare $12.7b
- 13% Medicaid $2.7b
- 18% Private Insurance $3.7b
- 4% Uninsured <$1.0b

Osteoarthritis — $14.8 billion
- $8.0b Medicare 54%
- <$1.0b Medicaid 3%
- $5.7b Private Insurance 39%
- <$1.0b Uninsured <1%

Complication of device, implant or graft — $12.9 billion
- 58% Medicare $7.5b
- 11% Medicaid $1.4b
- 25% Private Insurance $3.2b
- 2% Uninsured <$1.0b

Liveborn (newborn) — $12.4 billion
- <$1.0b Medicare <1%
- $5.9b Medicaid 48%
- $5.8b Private Insurance 47%
- <$1.0b Uninsured 2%

Acute myocardial infarction — $11.5 billion
- 55% Medicare $6.3b
- 7% Medicaid <$1.0b
- 28% Private Insurance $3.2b
- 7% Uninsured <$1.0b

Sources: HCUP Statistical Brief #160
(http://www.hcup-us.ahrq.gov/reports/statbriefs/statbriefs.jsp)
and HCUPnet (http://hcupnet.ahrq.gov/).

AHRQ Quality Indicators™

- Measures of health care quality that make use of readily available hospital inpatient administrative data:
  - ▶ Prevention Quality Indicators
  - ▶ Inpatient Quality Indicators
  - ▶ Patient Safety Indicators
  - ▶ Pediatric Quality Indicators
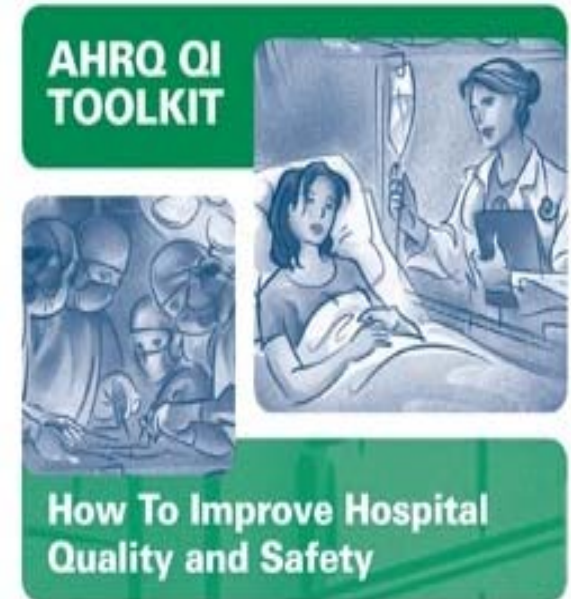
AHRQ QIs: qualityindicators.ahrq.gov
QI Toolkit: ahrq.gov/qual/qitoolkit

Statewide MONAHRQ Websites
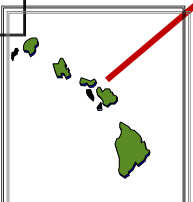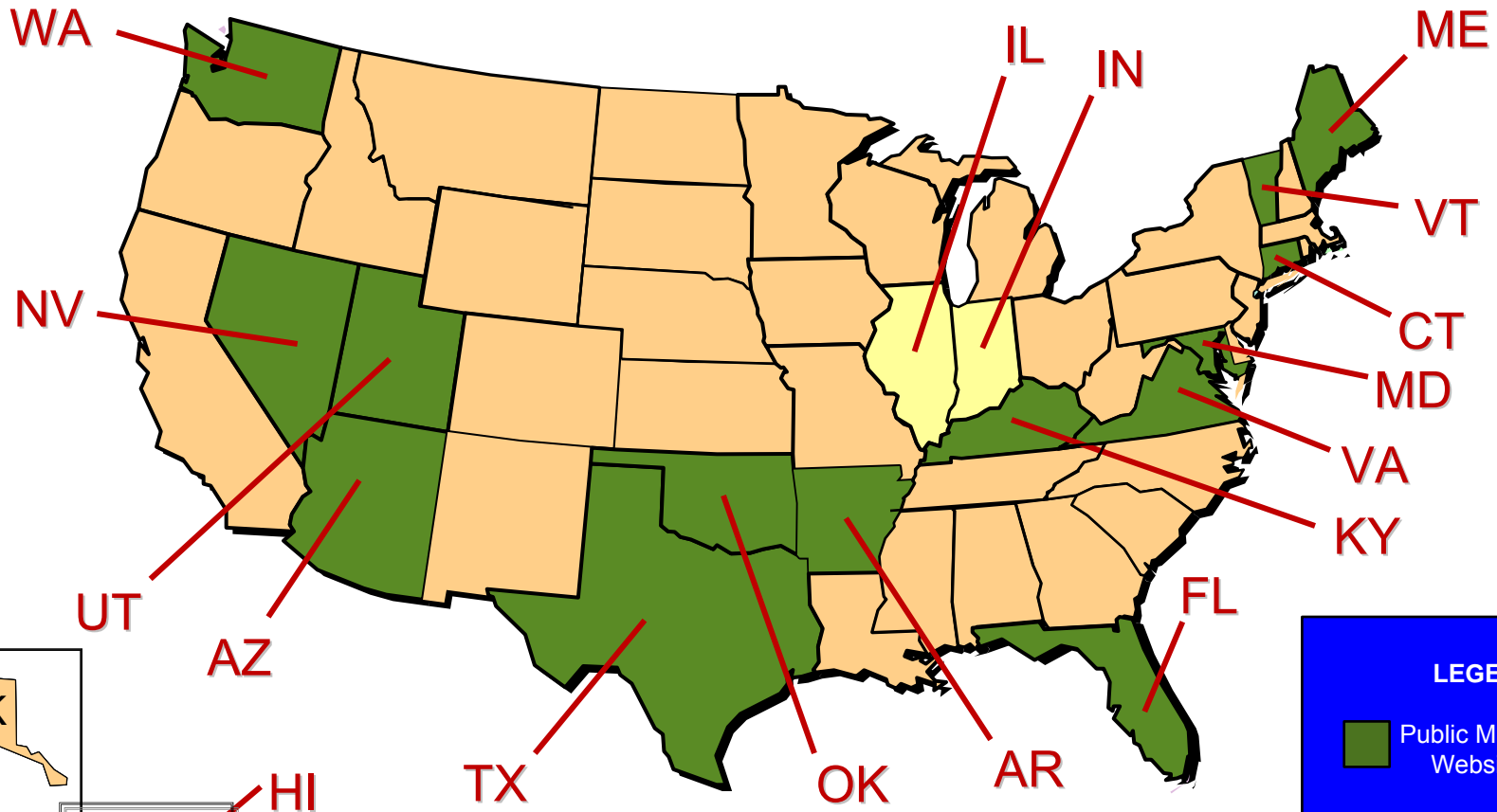
LEGEND

■ Public MONAHRQ Websites

□ Using MONAHRQ for Private Reporting

2 Private, 15 Public MONAHRQ State Host Users

All-Payer Claims Database (APCD) Project

- Inventory and Prioritization of Measures to Support the Growing Effort in Transparency Using All-Payer Claims Databases (APCD)
  - ► The project seeks to improve standardization across APCDs
    - Each state has its own approach to collecting data, using different methods and different definitions
    - Lack of standardization limits the ability of states to share analysis and applications, while making it more expensive for payers, particularly those operating in multiple states
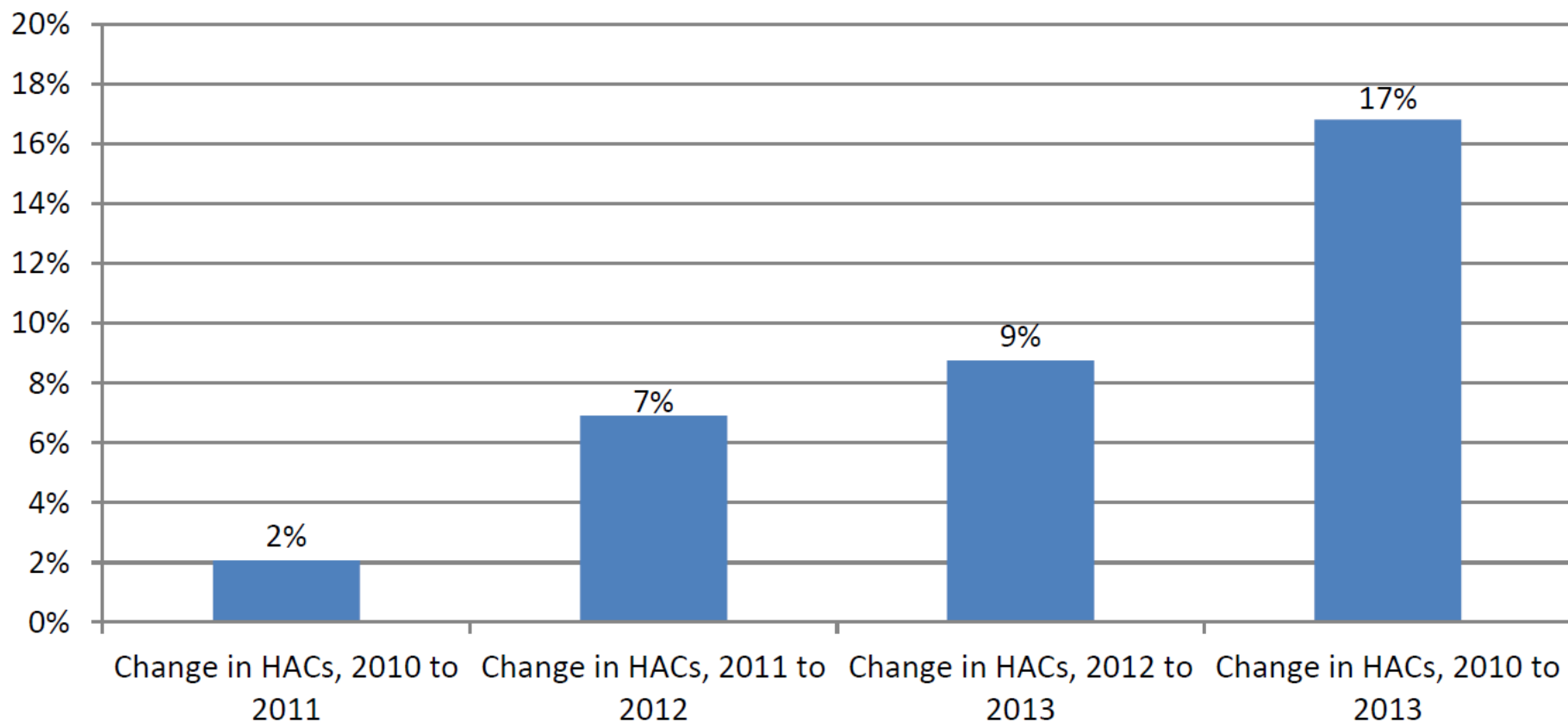
Project Start: September 30, 2014 – Project End: September 29, 2016

17% Decline in Hospital-Acquired Conditions (HACs), 2010-2013
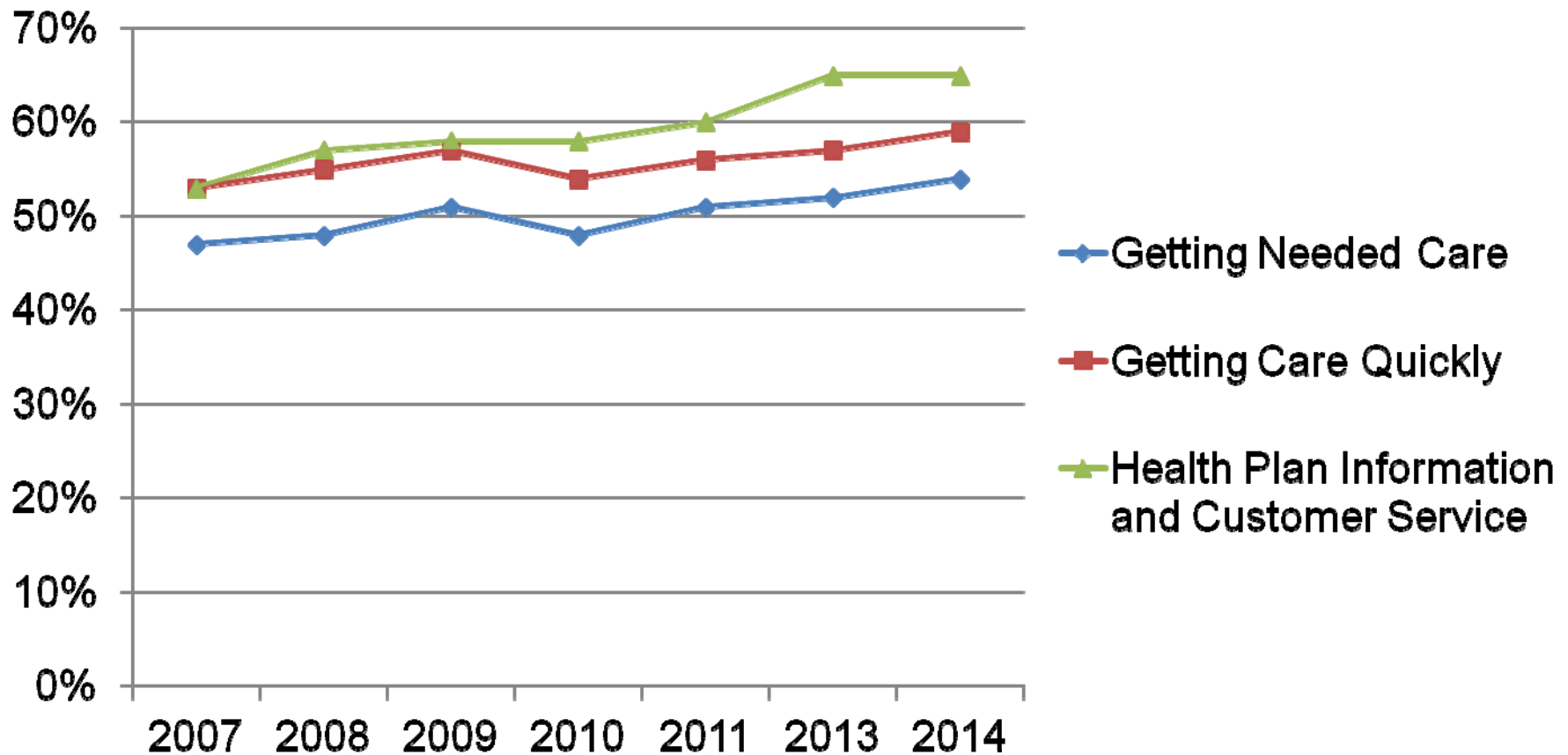
Annual and Cumulative Changes in HACs

AHRQ National Scorecard Estimates from Medicare Patient Safety Monitoring System, National Healthcare Safety Network and Healthcare Cost and Utilization Project

Consumer Assessment of Healthcare Providers and Systems (CAHPS®)

Selected highlights from a comparison of scores from 2007-2014

https://cahps.ahrq.gov

Selected Findings: Science of Public Reporting Initiative

- Consumer awareness and use of public reports to choose physicians or hospitals remains modest (Huesch, 2014)

- Choice of health plan appears to be more sensitive to quality ratings that choice of physician or hospitals (evidence from Medicare Advantage)

- Consumers highly value patient narrative information (Schlesinger, 2012, 2013)

- Consumers are most likely to be influenced by quality information when they experience disruptive events such as moving, changing insurance or new health conditions (Shaller, 2013; Rosenthal, 2014; others)

RWJF & HHS Provider Network Challenge

- RWJF and HHS strive to spur new innovations in health technology that help consumers make better health care decisions, including tools to help consumers identify providers within their insurance networks that are convenient to visit and well-ranked by other patients.

- Provider Network Challenge offers an opportunity for developers and designers to create applications that can help consumers make a more informed decision when selecting a provider.

- Strategic goals are to develop a tool that:
  - ▶ allows consumers to determine which providers in their network are conveniently located
  - ▶ facilitates verification tool to determine if providers are accepting patients
  - ▶ allow & crowdsource patient reviews for providers

- Timeline:
  - ▶ Phase I Submission Deadline: March 6, 2015
  - ▶ Finalist Announcement: April 3, 2015
  - ▶ Phase II Submission Deadline: July 10, 2015
  - ▶ Winner Announcement: August 2015

Thank You

http://www.ahrq.gov