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June 3, 2019

National Alliance of Healthcare Purchaser Coalitions

Don Rucker, MD
National Coordinator for Health Information Technology
Office of the National Coordinator for Health IT
U.S. Department of Health and Human Services
330 C Street, NW, Floor 7
Washington, DC 20201

RE: 21st Century Cures Act: Interoperability, Information Blocking, and the ONC Health IT Certification Program (RIN 0955-AA01)

Dear National Coordinator Rucker,

The National Alliance of Healthcare Purchaser Coalitions is pleased to submit these comments, specifically in response to the request for information regarding transparency of price information in electronic health information (84 FR 7513). The National Alliance is the only nonprofit, purchaser-led organization with a national and regional structure dedicated to driving health and healthcare value across the country. Our members represent more than 12,000 employers/purchasers, 45 million Americans, and more than \$300 billion in annual healthcare spend.

Employer purchasers have long been advocating for increased transparency into the true costs of our healthcare system. Since our founding nearly 25 years ago, price transparency has been one of our core issues. Bringing increased value to the healthcare we provide our employees and their families cannot be accomplished without much greater visibility into the costs of that care. Without better understanding of costs and how they are derived, we will never truly achieve the shift from fee-for-service medicine to value-based care. The misaligned incentives inherent in the fee-for-service system will remain in place unless and until we get transparency into healthcare prices charged by providers.

We applauded CMS when they implemented the requirement that hospitals publicly post their chargemasters. However, chargemasters really only tell one small part of the story. Very few patients – if any – actually end up paying the chargemaster prices for care received. And that assumes a patient could even decipher a hospital chargemaster. Stakeholders, including the hospitals themselves, agree that prices do not bear any resemblance to what purchasers pay, or what could end up resulting in patient liabilities for copays and coinsurance. Therefore, this proposal to include more meaningful price information in electronic health records has significantly more promise to put useful and actionable information into the hands of both purchasers and patients.

Purchasers must also have the ability to access cost information to design their benefit packages which is critical to building bundles and episodes, a growing purchasing strategy for employers in recent years. Several large employers have been engaging in direct contracting with providers for certain services, such as Walmart's Centers of Excellence program. Walmart has been able to achieve efficiencies in doing such direct contracting, but the lack of insight into price information has made these arrangements much more difficult than they should be. Employer purchasers want to continue moving in this direction because they have been able to achieve better health outcomes for their employees. Access to price information will ensure that employers and the providers they contract with are on a more even playing field when negotiating such arrangements.

In addition, employers of all sizes and industries have been forced to shift toward high-deductible health plans. These so-called "consumer directed" plans place a much higher burden on the enrollee to understand what they are paying out of pocket for care. These plans show promise to help employees be better consumers of healthcare, but markets only function when participants have equal access to information. Many participants in high-deductible plans would do more "shopping" for care if they knew how. **Increased transparency into actual prices would go a long way toward helping employers educate their employees about how to be smart consumers of healthcare.** Right now, employees in high deductible plans lack the information they need to be smart consumers. Employer purchasers understand that not everything is "shoppable" in the healthcare system, but many services and procedures are or can be, especially if employers can support employees in making these decisions.

While we strongly believe that more meaningful price data would be a clear step toward value-based care, **we also encourage ONC to fully explore options to include quality and utilization data along with any publicly available price data.** By publishing price, along with quality and utilization data stakeholders, including purchasers, would better know what they are getting for those prices. Knowing unit cost is important, but we need to move toward a system that can show total cost of care. Aspects of care including appropriate use of services and the quality of the care delivered are also important to understanding how to move into value-based care arrangements. There are certainly instances in which a higher price may be justified by higher quality, and there are also instances in which cost is driven by inappropriate use of services. We hope that we can work toward cost, quality, and utilization data being reported together to allow better value determinations to be made in the future.

And finally, **increased transparency into meaningful price data has the potential to help solve issues related to cost shifting** that are prevalent in the healthcare system overall. Providers consistently argue that they have to cost shift (i.e., charge private purchasers more) because government programs do not pay enough to cover their actual costs. Without actual price transparency, these arguments are philosophical and circular in nature, since neither side actually has real data to support their position. If all stakeholders involved had access to price information, these discussions could be much more meaningful, and highlight things like particular providers that are outliers, or particular procedures/diseases where price data seems severely misaligned. Providers consistently hide behind proprietary concerns regarding releasing negotiated prices, but all stakeholders – the federal government included – can benefit from using price data to bring more rationality to the negotiating process.

The National Alliance of Healthcare Purchaser Coalitions respectfully submits these comments for consideration. We are happy to answer any questions you may have and be a resource for the federal government as they work on price transparency issues.

Regards,



Mike Thompson
President and CEO
National Alliance of Healthcare Purchaser Coalitions