

Hospital Charge Master Transparency Report Summary & Recommendations

Summary

In order for health care consumers to be able to assess value as they do for other goods and services, reliable and understandable price and quality information must be accessible.

- Price transparency without quality information can lead consumers to believe that high priced care is better quality care.
- Lack of meaningful price information negates patients' ability to include cost as part of their clinical and treatment decision making, inhibiting patient engagement in decisions about their care.
- Price is a significant driver of health care inflation. Providing health purchasers with price transparency may allow market forces to reduce the significant price variation across facilities in the same geographic area.
- In addition to impacting consumers with HSA's or without insurance, the Chargemaster prices may affect some insured individuals due to annual limits and high deductibles in circumstances where such out of pocket payments are tied to reported charges.
- Charge and paid amounts must be presented by specific procedure or treatment using uniform criteria as to what is included in the price to be meaningful to users of the information.
- Charges alone provide a very limited perspective on the actual price paid by most purchasers, so including the price paid fosters market forces.
- Outpatient services comprise a large and growing portion of the services provided by hospitals, and should be included in a meaningful reporting structure.
- In order to ensure the uniformity, consistency, and transparency of reported data, state agencies serve an important clearinghouse role. All Payer Claims Databases can provide a mechanism for significant price transparency by providing credible cost and quality information for most payers.
- The current Arizona Chargemaster reporting requirements serve no public good, because the line item format of the data is not uniform and it is virtually inaccessible to the public.
- There are opportunities to use existing data sources to generate more meaningful information for consumers and payers, and the state should explore such opportunities.

Recommendations

To improve the availability of health care price and quality information and to enable consumers to make informed decisions about health care purchasing, Arizona has a number of options. However, the most successful initiatives have stakeholder input and support. Therefore, AHCCCS and ADHS recommend that the two agencies convene key stakeholders with the goal of reaching consensus on ways to improve the availability of price and quality information in a format that is useful to consumers and payers, and provide a report to the Governor and the Legislature January 15, 2015.

These stakeholder meetings will examine options for improving public access to data, including:

- Establishing hospital reporting in a format that is useful to purchasers of health care services (e.g., by reporting data by procedure, not thousands of individual charge lines).
- Structuring uniform reporting requirements, so that a given charge or procedure at one hospital is comparable to that charge or procedure at all other hospitals, enabling purchasers to determine value.
- Including hospital outpatient services in addition to inpatient data
- Making the data accessible via a searchable website
- Including prices for selected common diagnoses and procedures
- Making charge and paid amounts for procedures and diagnoses available online or a public report.
- Determining strategies to make pricing available to patients prior to rendering of services

In addition to conducting these stakeholder meetings, AHCCCS and ADHS will employ the following strategies:

- 1) As the single largest payer in the State of Arizona, AHCCCS will be more transparent in sharing information on hospital billed charges and the payment amounts made by AHCCCS for common inpatient and outpatient procedures. Under the Payment Modernization section of the AHCCCS website, detailed information will be made available by hospital that shows the wide range of billed charges and the payments made for these common inpatient diagnoses, and hospital outpatient procedures. The website will also provide links to recognized sources for assessing hospital performance such as Leapfrog.org and hospitalsafetyscore.org.
- 2) AHCCCS will also be working toward making similar information on other types of providers for common procedures available in the future.
- 3) ADHS will continue to update AZ Hospital Compare as data becomes available.
- 4) ADHS will continue to annually update and post hospital quality information.
- 5) AHCCCS and ADHS will review their various transparency initiatives to consolidate or aggregate current reported data and streamline its display to avoid consumer confusion over multiple sets of similar data.

Grade	States	Minimum Requirements/ Common Elements	Example
A	2: MA, NH	Charge Information and paid amounts for facilities and other practitioners (e.g., physicians) on public website, upon request and in public report. Full array of information for inpatient and outpatient available.	New Hampshire has a searchable public website with charges and paid amounts for hospitals and providers for most common inpatient and outpatient procedures. Subset of information also available upon request in a public report. Website also includes quality measures. http://www.nhhealthcost.org/costByProcedure.aspx
B	5: CO, ME, MN,VA,WI	Make both provider and facility charge information available on a website, and facility and practitioner charges and paid amounts available in a public report (and include all inpatient and outpatient procedures in report). Have charge data and paid amounts for hospitals and providers for all procedures available online.	Virginia has charge data for hospitals and providers, for most inpatient and outpatient procedures, publicly available on a website. A public report contains charge data and paid amounts for providers and hospitals for all procedures. http://www.vhi.org/health_care_prices.asp
C	7: IL, IA, KY, NV, SD, UT, VT	Make facility charge information for the most common inpatient and outpatient procedures available to the state, available by request, in a public report, and posted on a website. Make facility charge information for all procedures available online and in a report. Make charge data and paid amounts for both facility and practitioner for all procedures available in a written report and by request.	Illinois has hospital and provider charges online, but only for the most common inpatient and outpatient procedures. The state also makes the same information—but for all procedures--publicly available in a report. http://www.healthcarereportcard.illinois.gov/hospitals/view/101276
D	7: AR, CA, FL, LA, OH, TX, WV	Collect facility charge information and make at least some of it available online (the most common in-patient and outpatient procedures) and also available by request or in a public report. Make charge data and paid amounts for practitioners and facilities for all procedures available to the state and public by request.	California has a public website with hospital charge data only for the most common procedures. Charge data on a wider array of procedures is available by request. http://www.oshpd.ca.gov/chargemaster/
F	29:AL,AK,AZ, CT, DE, GA, HI, ID, IN, KS, MD, MI, MS, MO, MT, NE,NJ,NM, NY,NC, ND, OK, OR, PA, RI, SC, TN, WA, WY	Collect little to no hospital charge data and does not make it public, or does so only by request or only in a written report.	Arizona has only some hospital charge data reported to the state and in a report, and some hospital or provider charge data available by request. The 2012 data is currently under development..

