



Rx: Health Care FYI #34

Subject: *Empowering Health Care Consumers*

From: *Rep. Tim Murphy (PA-18)*

The problem: Unlike nearly all other consumer markets, little information is available about price and quality in the \$2 trillion American health care industry.¹ However, the states, the federal government and the private sector are moving to improve health care transparency to empower consumers to find the best and most affordable quality health care.

Improving health care transparency—what state governments are doing:

- California Office of Statewide Health Planning and Development Healthcare Quality & Analysis Division - Contains prices of all services, goods and procedures for hospitals. Available at: <http://www.oshpd.cahwnet.gov/>.
- FloridaHealthStat.com – Provides health care consumers, purchasers and professionals’ information on state hospital quality, pricing and performance.
- Texas Health Care Information Collection Center for Health Statistics – Provides free data on state hospitals and Health Maintenance Organizations (HMOs).² Available at: <http://www.dshs.state.tx.us/thcic/default.shtm>.
- Pennsylvania Health Care Cost Containment Council (PHC4) – Collects and reports public data about the cost and quality of health care including infections, surgeries and treatments at hospitals. Available at: <http://www.phc4.org/>.

An example of comparing health care costs: Florida

- Floridacomparecare.com -Allows consumers to research prices for various medical procedures for all hospitals in the state.
- For example:
 - Cleveland Clinic Hospital in Weston Florida performs 1,232 cranial tap procedures per year at an average cost of \$917. Coral Spring Medical Center in Florida performs only 40 of these procedures per year but at a price of \$5,132.
 - Baptist Hospital of Miami performed 507 appendicitis procedures with an average cost of \$27,965 compared to Florida Medical Center which performed only 34 of these procedures with an average cost of \$82,724.³

¹ Borger, Christine. Health Spending Projections Through 2015: Changes On The Horizon. Health Affairs. February 28, 2006.

² Right to Know. Center for Health Transformation. 2006.

³ Gingrich, Newt and James Frogue. Sticker Shock could help with healthcare costs. The Hill. March 8, 2006.

The Federal Government's work:

- Hospitalcompare.hhs.gov - Created by the Centers for Medicare and Medicaid Services, compares quality of hospitals on treatment for heart attack, surgical infection prevention and pneumonia.
- Qualitycheck.org –Joint Commission on Accreditation of Health care Organizations' (JCAHO), Quality Check provides accreditation and comparison information on hospitals.⁴

Private sector initiatives:

- Billchek.com – Identifies medical billing errors and potential medical overcharges.
- Healthia.com - Allows small businesses and individuals to compare Health Savings Accounts (HSAs) in their area.
- Healthgrades.com – Provides free access to hospital ratings and comprehensive hospital reports for a nominal fee.
- Leapfroggroup.org - Provides free ratings of hospital quality in 31 metropolitan areas.
- PatientINFORM.org - Links to selected health care articles free of charge by organizations the American Cancer Society, the American Diabetes Association, the American Heart Association, the National Organization for Rare Disorders, and The ALS Association.
- PharmacyChecker.com – Collects, evaluates and reports credentials, prices, and customer feedback regarding pharmacies that operate online and through mail-order and fax.⁵

Recommendations:

- Provide constituents with information resources to ensure that every American knows price and quality information before making their health care purchases.
- Federally funded plans should emphasize patient education that impacts prevention, treatment and quality of care (Medicare, Medicaid, the Department of Veterans Affairs and the Federal Employee Health Benefits Plan).
- Establish a pilot program to determine if increased health care transparency efforts lower costs or improves outcomes with consumer-driven health care reforms.

⁴ Right to Know. Center for Health Transformation. 2006.

⁵ Right to Know. Center for Health Transformation. 2006.