

Vermont State Auditor

Douglas R. Hoffer



VHCURES: Past, Present, and Future

**Opportunities for Health Care Price
Transparency and Greater
Consumer Information**

Inquiry Objectives

1. Determine how VHCURES was used in the past and is used at present.
2. Identify what plans are in place for a new version of the database.
3. Assess the extent to which the database could be used to provide greater transparency of health care costs and better inform consumers of the price of services and products.

Statutory Duties of 18 V.S.A. §9410

1. Determine the capacity and distribution of existing resources.
2. Identify health care needs and inform health care policy.
3. Evaluate the effectiveness of intervention programs on patient outcomes.
4. Compare costs between various treatment settings and approaches.
5. Provide information to consumers and purchasers of health care.
6. Improve the quality and affordability of patient health care and health care coverage.

Consumer Price and Quality Information System

18 V.S.A. §9410 (2)(A): “The program authorized by this section shall include a consumer health care price and quality information system designed to make available to consumers transparent health care price information, quality information, and such other information as the Board determines is necessary to empower individuals, including uninsured individuals, to make economically sound and medically appropriate decisions.”

Negotiated Rates vs. Charges

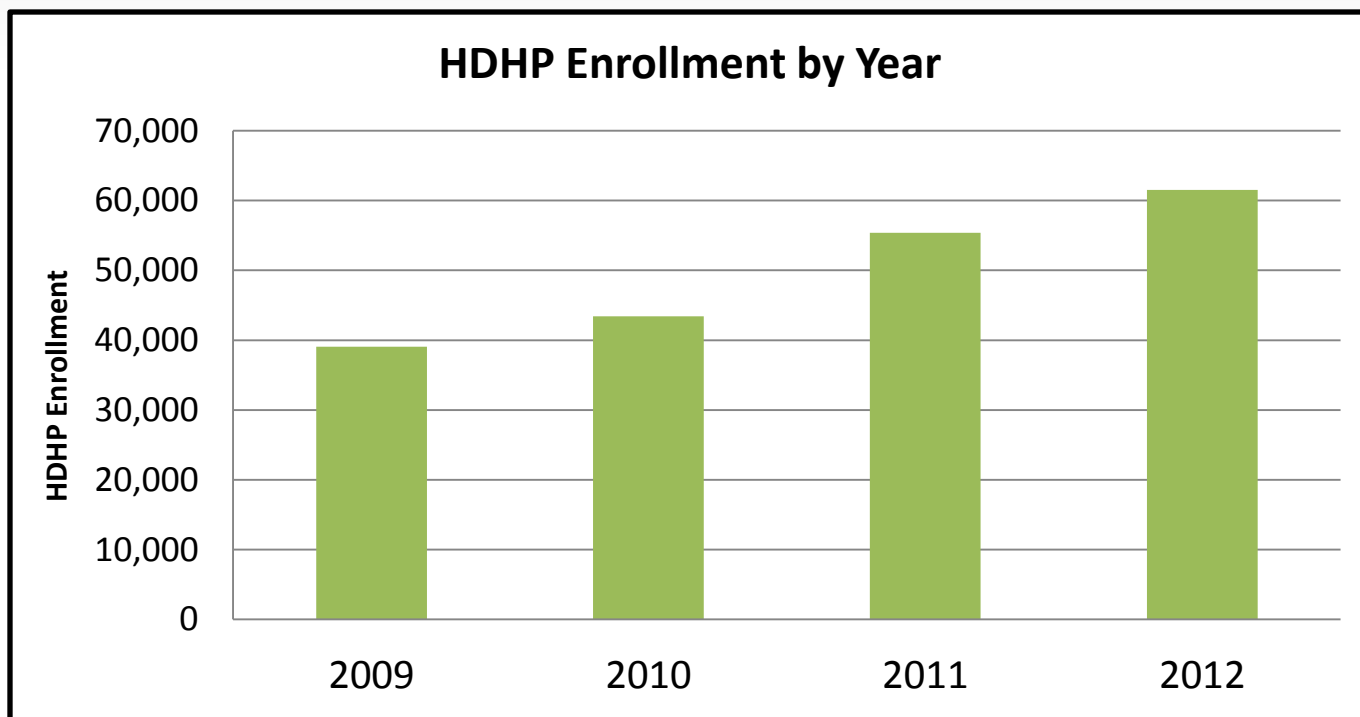
- What providers charge and what insured patients and their insurers pay for medical services often bear little resemblance. The amount that an insured patient actually pays for a service will vary based on the rate that an insurer negotiates with a specific provider, among liability factors such as deductibles.
- An estimated 8 percent of Vermonters were uninsured in 2012. These are the Vermonters who pay for health care based on charges.

3 Key Points

1. Price information is more helpful when paired with quality information. Price and quality are not necessarily synonymous in health care.
2. Patients appear to care more about health care prices when they share more of the cost.
3. Consumer information is most useful for care that is non-urgent and predictable.

The rise of high-deductible health plans

Vermonters have become increasingly responsible for paying a larger share of health care costs.



Source:
DFR's [The Commercial Health Insurance Market in Vermont](#)

Public Examples

1. New Hampshire's NHhealthcost.org
2. Maine's [HealthCost](#)
3. Massachusetts' [My Health Care Options](#)

Private Examples

1. [Health Care Cost Institute](#)
2. Anthem Blue Cross Blue Shield's [Compass SmartShopper](#)
3. Aetna's [Member Payment Estimator](#)
4. United Health Care's [Cost Estimator](#)
5. [Castlelight Health](#)
6. [Minnesota Healthscores](#)

Suggested Reading

- Uwe E. Reinhardt – [The Pricing of U.S. Hospital Services: Chaos Behind a Veil of Secrecy](#)
- West Health Policy Center – [Healthcare Price Transparency: Policy Approaches and Estimated Impacts on Spending](#)
- California Healthcare and Robert Wood Johnson Foundations – [Moving Markets: Lessons from New Hampshire's Health Care Price Transparency Experiment](#)
- Rand Corporation – [Analysis of High-Deductible Health Plans](#)
- Health Affairs – [An Experiment Shows that a Well-Designed Report on Costs and Quality Can Help Consumers Choose High-Value Health Care](#)