

# Act 53 of 2019: Price Transparency & Coordinated Billing Processes Report

House Health Care  
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# Act 53 of 2019

Act 53 (S.31) requires the GMCB to:

- A. “Examine health care price transparency initiatives in other states to identify possible options for making applicable health care pricing information readily available to consumers in this State to help inform their health care decision making”; and
- B. “To consider and provide recommendations regarding potential financial procedures for health care services that would coordinate processes between hospitals and payers without requiring the patient’s involvement and would provide patients who receive hospital services with a single, comprehensive bill that reflects the patient’s entire, actual financial obligation.”

# Part A: Health Care Price Transparency Initiatives

# Background: Act 54 of 2015

**Consumer Information and Price Transparency Report:** The Board was tasked with evaluating “potential models for allowing consumers to compare information about the cost and quality of health care services available across the State, including a consideration of the models used in Maine, Massachusetts, and New Hampshire, as well as the platforms developed or under development by health insurers pursuant to 18 V.S.A. § 9413.”

The Board contracted with Human Services Research Institute (HSRI) and National Opinion Research Center (NORC) at the University of Chicago.

- The team reviewed 49 health transparency websites and examined the ways the sites adhered to consumer and website design best practices, and;
- conducted expert interviews with thirteen directors of transparency websites, including Vermont’s three major commercial insurance carriers: Blue Cross Blue Shield of Vermont (BCBSVT), MVP Health Care (MVP), and Cigna.

# 2015 Report: Considerations & Recommendations

## Vermont-Specific Considerations

- BCBSVT, MVP, and Cigna provide member websites with information on an individual's OOP costs and cost estimates based on plan.
- No state-sponsored website examined provided cost estimates outside of state borders.

## Recommendations

1. Choose an approach (determine if website should be state-based).
2. Conduct a comprehensive needs assessment.
3. Clearly define goals and objectives.
4. Ensure that adequate funding and resources are available.
5. Select a financially sustainable option.
6. Implement best practices regarding data management and quality assurance processes.
7. Engage consumers throughout the process.
8. Provide information on expected out-of-pocket expenses.
9. Utilize consumer website recommended features.

# 2015 Report: Recommended Features

Based on literature, best practices, and common approaches, the Board recommended 18 features in four categories.

Category	Example
Cost reporting	Use claims data from public and private payers as frequently as possible
Quality data reporting	Use combination of patient experience and other recognized patient/quality safety measures
Ease of use and innovative features	Offer clear, consumer-friendly terms to explain where quality measures come from
Ensuring consumer access/promoting use	Build an audience through marketing and education

# Act 53 of 2019: Price Transparency Research

To examine health care price transparency sites in other states, we reviewed and assessed the site [healthcaretransparency.org](https://healthcaretransparency.org). The New York State Health Foundation (NYSHealth) partnered with HonestHealth, along with the Informed Patient Institute to conduct a national inventory of health care transparency tools. HonestHealth then contracted with the Human Services Research Institute (HSRI) to summarize the findings and recommend next steps, which are outlined on the website.

The inventory examined over 230 health care transparency tools across the nation in four categories;

1. Physicians
2. Hospitals
3. Prescription drug pricing
4. Buying health insurance

# Transparency Tools & Features

Category	Number of Tools Evaluated	Site(s) with Most Features	Top Tools Featured
Physician Price & Quality	49 tools (23 from 15 states)	<a href="#">Minnesota HealthScores</a> (45 features of 59 reviewed)	Lookup and sorting of providers, highlights top and below average performing providers, displays provider price and quality information
Hospital Price & Quality	133 public sites (18 national & 115 from 45 states)	<a href="#">Hospital Report Cards</a> (VT) & <a href="#">The Hospital Guide</a> (MD) (37 features of 62 reviewed)	Lookup by hospital and procedure, recent price information for hospital and procedure, displays price including non-insurance price
Drug Pricing	18 sites (15 national, 3 state-specific)	<a href="#">GoodRx</a> , <a href="#">California Rx Card</a> , <a href="#">Discount Drug Network</a> , <a href="#">Drugs.com</a> (14 features of 20)	Lookup of prescription drugs including dosage and pricing by pharmacy/location, may view results without paying a fee
Health Insurance Purchasing	36 sites (17 national & 19 from 16 states)	<a href="#">Covered California</a> (29 features of 33 reviewed)	Quality ratings for carrier, shows in-network providers, displays costs with estimated cost of visit and treatment

# Site Recommendations

Healthcaretransparency.org recommends 8 key best practices for creating/maintaining a health care transparency tool:

1. Invest in responsive web design, search engine optimization and content creation to produce a user-friendly platform.
2. Information should be available at the individual provider level with cost estimates where possible.
3. Data should provide an estimated total price and out-of-pocket amount where possible.
4. Data should be based on patient-centeredness, effectiveness, and safety of procedure.
5. Present cost and quality side-by-side to inform consumers that higher prices do not always indicate higher quality.
6. Include both in-network and out-of-network cost and quality information.
7. Insurer sites should show the cost of a plan, include a comparison of quality, benefits, and costs across plan options, and filter by those that are compatible with a Health Savings Account (HSA).
8. Transparency tools have low utilization rates; educating and engaging consumers through public outreach, content generation and coordination are necessary.

# Transparency Tool Best Practices

## Cost & Quality

- Cost information provided should be recent and derived from the appropriate corresponding entity (i.e. payment data from recent insurance commercial claims).
- Health care service and provider prices should display both in-network and out-of-network prices along with OOP cost, deductible, copay, and coinsurance information.
- Explanation of methodology so consumers can find what elements created cost information
- Cost and quality should be displayed side by side to help educate consumers that higher cost doesn't mean higher quality care.
- Quality methodology should describe how data were generated and when it was last updated.

## Other Tools

- Look up and search by hospital, quality, price, or prescription drug;
- Online sign-up for prescription drug price alerts, savings, and price recheck;
- Coupons and discount cards for drug pricing sites; and
- Displayed bundled prices on physician sites for certain procedures, encouraging cost-effective care.

# Stakeholder Engagement

Stakeholders and members of the GMCB General Advisory Committee were asked to examine health care price transparency initiatives in other states through [healthcaretransparency.org](https://healthcaretransparency.org).

Stakeholder feedback:

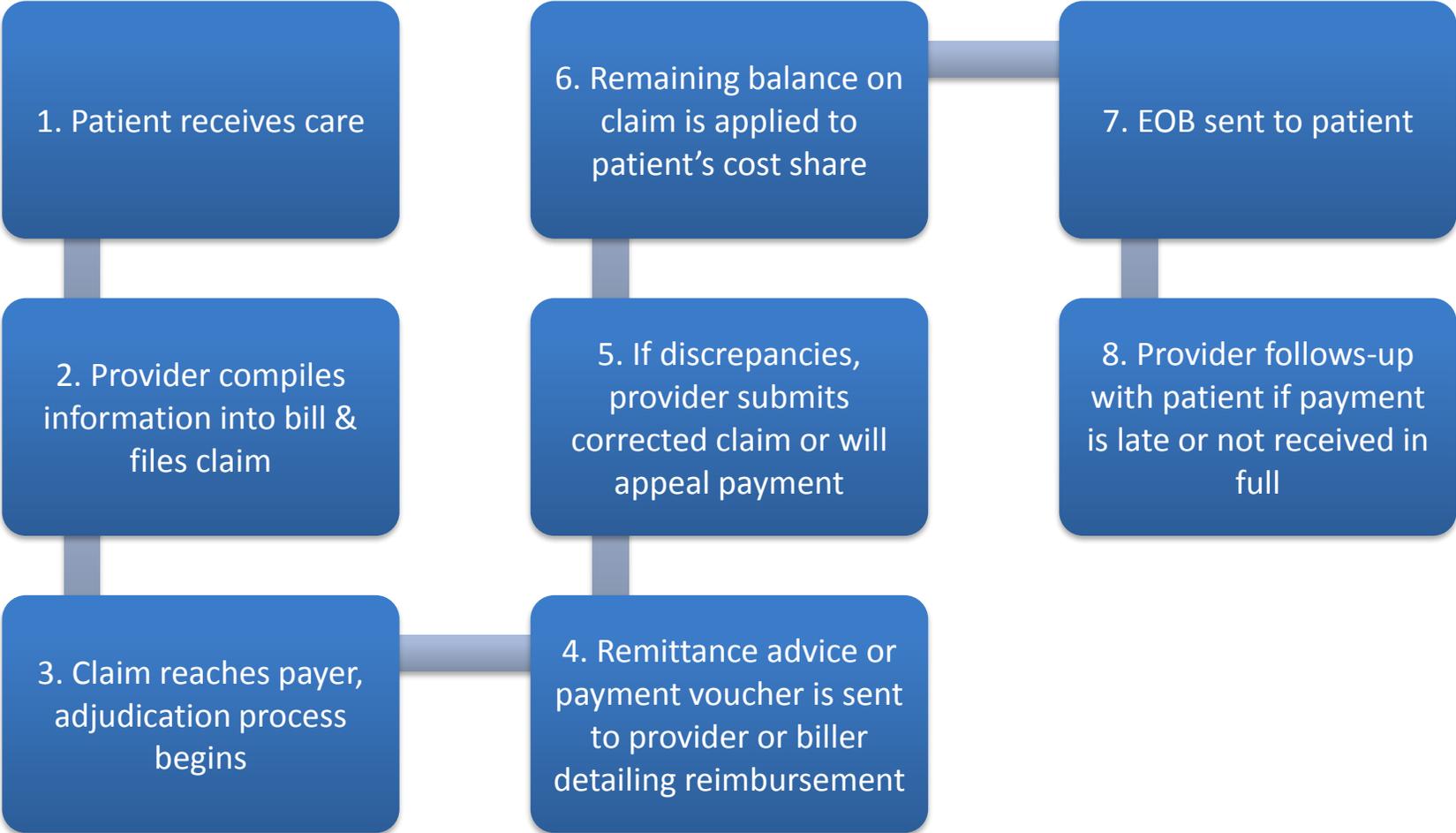
- Health care transparency tools should be designed to cater to health care consumers.
- Comprehensive quality and cost data should be integrated and clearly explained.
- A health care transparency tool should consider Vermont's health care reform efforts and state-specific limitations.

# GMCB Recommended Next Steps

1. Conduct a needs assessment. Research and work with stakeholders to assess the feasibility and value of implementing a transparency tool website.
2. Define goals and objectives. Clearly outline the goals and objectives for the site.
3. Evaluate funding and resources. Find a reliable and consistent funding source and create a financially sustainable option.
4. Select website features. Decide what data to incorporate on the health care transparency tool website (price, quality, prescription drug prices, etc.).
5. Implement best practices. To increase utilization and usefulness, be sure to include the best practices featured on the other sites and preferences outlined by the stakeholders.

# Part B: Coordinated Billing Processes

# Health Care Billing – Current State



# Coordinated Health Care Billing

Act 53 (S.31) also requires the GMCB to:

“To consider and provide recommendations regarding potential financial procedures for health care services that would coordinate processes between hospitals and payers without requiring the patient’s involvement and would provide patients who receive hospital services with a single, comprehensive bill that reflects the patient’s entire, actual financial obligation.”

A coordinated billing system could help:

1. Patients understand and pay bills
2. Reduce bad debt
3. Reduce administrative burden

# Stakeholder Engagement

The Board consulted with members from state and national agencies.

Considerations:

- **Administrative Burden:** A coordinated billing system would potentially decrease administrative burden, especially for smaller practices and independent doctors in Vermont.
- **Payment Options:** Combability with Flexible Spending Accounts (FSA) and Health Reimbursement Arrangements (HRA) as well as Charity Care.

Challenges & Concerns:

- **Cost & Risk:** Assess potential risk and associated cost.
- **Outside Factors:** Some Vermonters have non-Vermont insurance; out-of-state carriers, Medicare and other federal entitlement programs would make it difficult for patients to receive a single, comprehensive bill.
- **Information Technology:** Vermont hospitals and other providers may require a legacy system update to effectively submit charges on a coordinate billing system.

# Stakeholder Recommendations

**Address timing of billing between provider and payer:** Providers could make a financial claim within a shorter timeframe (average timeframe is 60 days) and/or implement facility-specific consolidated billing which covers the entire bundle of care a patient received into one statement. Downside: Late charges and internal audits could impact a coordinated billing system.

**More research needed:** Continue research and stakeholder input before moving forward with Vermont-specific recommendations.

The stakeholders suggested examining existing companies that provide simplified billing services:

1. Health Payment Systems (HPS)
2. OODA Health

# Health Payment Systems (HPS) Services

Available to brokers, employers, providers, individuals and families, and TPAs and offers 2 services:

## **Independent provider network**

- HPS does not offer care, members have access to HPS services
- HPS is responsible for patient billing and collection
- Offers cost-saving solutions (telemedicine, bundled payments for common procedures)

## **SuperEOB**

- Patient access to online portal if their health plan or provider participates in HPS
- SuperEOB consolidates in-network explanation of benefits (EOB) and medical bills for entire month
- Members can pay bill online and access details about their claims
- HPS coordinates with secondary insurance, bankruptcy, and charity care with providers on member's behalf
- Interest-free payment plans available

# OODA Health Services

OODA Health works with payers and providers to redesign the health care billing and claims payment system.

- Pulls EHR clinical data to help insurers pay for health care services in real-time
- Providers paid upfront a guaranteed rate based on historical collection rate that is adjusted over time
- Payer is responsible for collecting any outstanding payments from member
- Payers can design new products, sell concierge billing services, and offer financing for elective care

## **OODAPay**

- Cloud-based health care payment platform for patients of participating providers
- Patients can view and pay balance online
- Interest-free payment plans available

# Best Practices for Coordinated Billing System

- Create user-friendly online platform
- Clearly describe member benefits
- Provide membership cost and fees

# Recommendations for Vermont Coordinated Billing System

- 1. Conduct a comprehensive needs assessment.** Assess the feasibility and potential value of creating a coordinated billing system by consulting with stakeholders and continuing research.
- 2. Ensure that adequate funding and resources are available.** Vermont should determine if the state can successfully create and maintain a coordinated billing system, or a private company.
- 3. Implement best practices.** Include best practices regarding comprehensive statements and setup of the private sector companies' coordinated billing systems.