

**RECOMMENDATIONS
TO THE CFHHS INTERIM COMMITTEE
FROM
THE SUBCOMMITTEE ON HEALTH CARE TRANSPARENCY**

Prepared by Rep. Kathy Kelker, Subcommittee Presiding Officer
March 23, 2018

The Subcommittee was charged with reviewing the following (dates indicate meetings that reviewed the topic):

- Factors influencing the cost of health care services, including differences attributable to different delivery system models; (September 12, 2017)
- Efforts undertaken in other states and by organizations within Montana to make health care cost information more widely available to consumers; (February 16, 2018)
- Ways to improve consumer understanding of the different factors affecting the costs that are charged and the costs they must pay; (February 16, 2018)
- Ways to encourage consumers to make informed health care decisions; (February 16, 2018)
- Existing price transparency tools and health quality measures; (February 16, 2018)
- Ways to ensure that price transparency efforts give consumers information about both costs and quality of services; (February 16, 2018) and
- The role of the state in improving health care pricing transparency. (February 16, March 21, 2018)

CONCLUSIONS

Changes in Health Care

The Subcommittee concluded that health care in Montana is changing significantly as the providers move from a fee-for-service model to value-based care. In the new model, payers will pay for a bundle of services leading to satisfactory outcomes instead of paying for each service separately as required in the old model.

Existing Transparency Law

Since 2009, Montana law has required health care providers and insurers to give certain cost information to consumers who are obtaining or considering medical treatment that would cost more than \$500, if consumers ask for the information. The law requires that:

- hospitals, surgi-centers clinics, and health care providers give a good-faith estimate of charges for a health care service or course of treatment that a patient is receiving or has been recommended to receive (50-4-512, MCA); and
- health insurers provide a summary of an insured person's coverage for a specific service or course of treatment (50-4-518, MCA).

This law applies to both physical and mental health care and to any provider licensed to provide physical or mental health care in Montana, as well as to any insurer regulated under state law.

Previous Transparency Bills

In 2017, the Montana Legislature considered four bills that would have expanded on the current law. All four bills failed to make it through the legislative process. The rejected concepts included:

- requiring providers and facilities to make their chargemaster or list of billed charges available for each health care service they offer
- offering cash or other incentives for shopping for cheaper services
- requiring electronic transparency tools

HB123 started out as a bill intended to reduce the chances that someone would receive a “surprise” medical bill containing unexpected charges. This bill failed because it was heavily amended with other concepts.

Purpose of HJR 20

HJR 20 was approved as an effort to study transparency in health care pricing to determine what measures would be effective.

Transparency Tools

- Montana has examples of high quality-electronic transparency tools: Montana Hospital Association and Blue Cross Blue Shield. Most providers have pricing information on their websites. Federally funded health centers counsel patients concerning prices and insurance coverage.
- The research on electronic transparency tools shows that a small portion of consumers actually use these tools. This finding is also true for the tools available in Montana.
- Comparison shopping for the best price for health care only works for discrete procedures (e.g, knee replacement, child birth). In rural Montana, the health care “shopper” has to take into consideration the cost of travel to another location, lodging, meals, and time away from work. Also, if Montanans shop for the cheapest prices and go to another community or another state, this practice would undermine the viability of recruiting physicians to work in Montana.
- Factors that deter consumers from using the comparison information include:
 - Too much information; information is hard to sort
 - Insurance or payer information needs to be connected to medical pricing information
 - Once a consumer meets his/her deductible, there is little interest in cost
 - Price is not the only concern; consumers want to choose their providers and are interested in quality of outcomes
 - Consumers are loyal to their current providers and don’t want to switch
 - Consumers value provider quality over the amount of out-of-pocket costs
 - When consumers have serious illnesses, they are more interested in their prognoses than in the cost of care.

Health Literacy

- Making informed choices and navigating a complex health care system requires that consumers have easily accessible, accurate, and timely information and that they actually use the information.
- Consumers benefit from guidance from “health navigators” who explain the medical jargon and provide explanations in plain language.
- Some data presentation approaches that help consumers understand and use medical pricing information include: reducing the burden of information processing; interpreting the meaning of the data for the user; and highlighting best options.

Consumer Needs

- Information that is up to date and makes apples-to-apples comparisons
- Knowing the prices for common procedures, tests or treatments and whether or not their insurance covers these items; both types of information are necessary
- Knowing in advance of a planned procedure or treatment all of the costs for which the consumer will be billed (e.g., hospital, physicians, consultants, tests, specialists, auxiliary services, anesthesia)

RECOMMENDATIONS

- 1. Strong Support for the Maturing of the Montana Health Insurance Exchange**
 - Potentially addresses transparency and lowers cost
 - Provides information for identifying and serving high utilizers
 - Supports coordination of care
- 2. Not to Pursue an All-Payer Transparency Tool**
- 3. Advice from OPI Concerning Health Literacy for High School Students**
- 4. Not to Pursue Additional State Guidelines for Health Care Transparency**

5. **Allow Individual Legislators to Develop Legislation to Clarify Consumer Responsibility for Out-of-Network Bills and Balance Bills (go back to the second version of HB123 and update when crafting a new bill)**
6. **Pursue Options for Reducing Prescription Drug Costs (hear State Auditor’s Office presentation in June and consider following up on the new information)**

WHAT IS AN HIE?

An electronic health information exchange (HIE) stores information about patients’ medical histories across facilities and providers and across time. The information in the exchange allows doctors, nurses, pharmacists, other health care providers and patients to access and securely share a patient’s vital medical information electronically—potentially improving the speed, quality, safety, and cost of patient care.

Montana has an HIE that is beginning to be developed. In order for Montana to adjust to new clinical models that reward for outcomes and not just volume, consumers, payers, and providers need the ability to collect and analyze data in a meaningful way. As new care and payment models evolve, establishing such a platform could open doors to more innovative ways of delivering and coordinating care and paying for services. A collaboratively developed health information exchange (HIE) has the potential to create improvements within systems of care and assist in targeting limited resources to those most in need.

Pilot Project. An alliance of providers in Billings is currently implementing an HIE pilot project. This project includes St. Vincent’s Health care, Billings Clinic, and RiverStone Health. The purpose of the pilot project is to share patients’ health care information across organizations within the region. The project developed its structure and management activities by utilizing several work groups: an Executive Team, Clinical Work Group, Quality Improvement, Technology, Privacy and Security, Business and Financial, and Project Management. The Pilot Project then identified three initiatives — a provider portal, implementation of patient-centered medical homes (PCMH), and appropriate care for “super” utilizers.

The provider portal was designed to store patient data from the point of care. Arranging for sharing this information required many legal agreements that took significant amounts of time to develop. The result, however, appears to be worth the effort. The pilot project has been successful in demonstrating that health care providers can effectively and securely share information across agencies and use the collective information about a patient to ensure no duplication of effort and better planning for positive outcomes.

Future of HIE. Concurrently with the pilot project, the Montana Medical Association, in collaboration with the Montana Hospital Association, has been leading a statewide group of stakeholders to receive updates and learn from the pilot and use those learnings to begin planning a statewide expansion of the information-sharing model established in the pilot project.