

PROMOTING PRICE & QUALITY TRANSPARENCY IN PENNSYLVANIA

IMPLEMENTATION PLAN

Background

The Health Innovation in Pennsylvania (HIP) Plan addresses health care delivery transformation, payment reform, the use of health information technology, population health, and workforce planning across Pennsylvania. HIP planning is led by Governor Wolf with strong engagement across state agencies as well as private sector stakeholders.

The Pennsylvania Insurance Department will enhance price and quality transparency by exploring ways to inform health care consumers regarding the price and quality of health care services.

Pennsylvania faces higher health care costs, without demonstrating higher quality of care than the rest of the United States. Per capita health care spending in Pennsylvania is growing at 5.4% annually and health care costs are 13% higher than the national average. Health care spending in the commonwealth represents 37% of per capita income. This is unsustainable. The Pennsylvania Insurance Department's work to enhance price and quality transparency will lead to a better understanding of the underlying cost drivers so that we can target areas of unnecessary high spending, and will empower consumers and other members of the healthcare system to drive change.

Overview

The commonwealth will focus on four transparency initiatives:

- Improving consumer health literacy to assist consumers with care decisions such as looking at health insurance costs: premiums, deductibles, copayments and out of network costs, building relationships with doctors and choosing the most appropriate mode of care such as urgent care centers versus emergency rooms.
- "Shoppable" care will provide access to tools that contain information on health care pricing and provider quality information. This can be used for comparison shopping of health care services and identifying providers that will meet their needs.
- Primary care transparency will provide access to accurate, relevant, granular, uniform, and timely quality data on primary care providers for data users.
- The development of an all-payer claims database (APCD), which is a database that systematically collects medical claims, pharmacy claims, and



eligibility and provider files from private and public payers to support payment and transparency initiatives and population health.

These initiatives were selected with a primary focus on improving transparency for Pennsylvania consumers, while other end-users (i.e. providers, payers, policymakers, researchers) will benefit as well. In the upcoming months, the state will convene stakeholders committed to implementing specific solutions.

Vision

Pennsylvania will significantly enhance price and quality transparency by improving consumer health literacy to empower consumers to better use health care, ensuring consumers and other stakeholders have access to usable, meaningful data on healthcare costs, and promoting broad primary care transparency for all data users.

Scope of Work

Goals

Pennsylvania will promote “Shoppable” care and performance transparency that will allow patients, providers, employers, and other stakeholders to have a clearer understanding of costs and quality performance and will be empowered, enabled, and incented to make value conscious decisions.

Strategies and Tactics

Strategy A: The commonwealth will establish ongoing stakeholder engagement as needed to execute the health literacy initiative, including securing funding for necessary investments.

Tactic(s):

1. Work with stakeholders to evaluate existing health literacy initiatives
2. Determine the most effective way to reach consumers with a health literacy campaign
3. Launch annual campaign that aligns the commonwealth and stakeholders around a common message to improve health literacy

Strategy B: The commonwealth will implement, and/or work with insurers on their implementation of, consumer-friendly tools that enable consumers to compare costs for “shoppable care” which are services that can be scheduled in advance such as flu-shots, non-emergency hip or knee replacements, colonoscopies, urinalysis and blood tests.

Tactic(s):

1. Determine existing transparency resources, both private, and public, in Pennsylvania
2. Identify gaps in price and quality transparency for consumers
3. Explore cost shopping transparency tools

Strategy C: The commonwealth will pursue implementation of an all-payer claims database (APCD).

Tactic(s):

1. Share implementation plan with stakeholders
2. Pursue legislative and regulatory steps as necessary

Strategy D: The commonwealth will convene payers and providers to streamline and standardize primary care providers (PCP) reporting requirements across payers and regulators, establish consistent operational channels for clinical data capture, help enable multi-payer alignment of value-based payment around common measures, and incorporate PCP transparency into tools for consumer selection of PCPs and/or health plans.

Tactic(s):

1. Identify core sets of quality measures that will improve quality and provide incentives for providers
2. Research options for leveraging standardized reporting

Governance

Health Innovation in Pennsylvania is a governor-led initiative. In addition to Governor Wolf, the Insurance Commissioner, Teresa Miller, is actively engaged in the implementation of the plan. The Governor's office is briefed biweekly on the work to accelerate health transformation in Pennsylvania. Multiple state agencies, coordinated by the Department of Health, will work together to move Pennsylvania towards payment reform. The insurance commissioner will provide overall leadership for price and quality transparency implementation.

A special assistant for health insurance innovation will oversee work group efforts, recommendations and implementation plans. The special assistant will seek ongoing input and guidance from the insurance commissioner and work group chairs.

Four work groups will focus on health literacy, shoppable care, primary care transparency, and an all-payer claims database. This work group structure is expected to be in place by October 2016.

Stakeholder Engagement

Pennsylvania's plan to improve price and quality transparency requires significant and ongoing stakeholder engagement, input, and leadership to ensure that transformation initiatives will be aligned and effective.

The PID has selected chairs for each work group and will begin by holding in-person kick-off meetings in October 2016. Work groups will meet on a monthly basis and will be ongoing with a goal of providing recommendations to the insurance



commissioner by the summer of 2017. Members will be representing payers, providers, academic professionals, state officials, foundations, associations and community based organizations, the employer community and hospitals.

Timeline for Implementation

PID's price and quality transparency plan will be implemented over the next two years.

Strategy	Begin Date	End Date
Shoppable care	October 2016	December 2017
Health literacy	October 2016	Ongoing
Primary care transparency	October 2016	December 2017
All-payer claims database	August 2016	December 2017

How We Will Define Success

Success will be measured in the following ways:

- Launch consumer health literacy campaign
- Ensure all consumers have access to data that enables them to make informed decisions related to "shoppable" care which will be measured by an improvement in the Catalyst for Payment Reform report card score for Pennsylvania
- Establishment of an all-payer claims database (APCD) that will increase transparency in the health system, to contain costs, link costs with quality and inform consumers' health decisions as they assume greater financial responsibility
- Development of standardized primary care provider reporting requirements and quality measures