Shoppable Care Work Group Report

September 2017
1. Background

Many Americans are accustomed to shopping for goods and services online using websites that allow them to compare price, quality, and user reviews, and are increasingly interested in shopping for health care services in the same manner. A recent survey by Public Agenda found that 50 percent of consumers reported trying to determine their out-of-pocket expense, or how much their insurers pay a provider, prior to receiving care, and that 20 percent of consumers seeking price information tried to compare prices across multiple providers. Another recent study by the Altarum Institute, Oliver Wyman, and the Robert Wood Johnson Foundation found that about 50 percent of consumers are not satisfied with the availability of health care cost information.

Information about prices and out of pocket costs is increasingly important to consumers as health insurance plan designs change. There has been rapid growth in enrollment in health insurance plans in which consumers pay a larger share of their health expenses themselves. A recent Henry J. Kaiser Family Foundation study of employers shows that deductibles have increased 67 percent since 2010. Nearly one-quarter of workers are enrolled in a high deductible health plan (HDHP), up from 4 percent in 2006. The Kaiser Family Foundation also finds that 63 percent of employees in small firms and 46 percent of workers overall have deductibles over $1,000, while the average deductible for single coverage is over $1,300. In addition to deductibles, insured workers also have cost sharing of expenses in the form of copays or coinsurance until they reach their out-of-pocket maximum, which can exceed $6,000 per year. In addition, in the individual market almost 90 percent of enrollees in Affordable Care Act (ACA) Marketplaces were in a plan with a deductible above the amount that qualifies a plan as an HDHP: $1,300 for an individual and $2,600 for a family (not including cost-sharing reductions) in 2015.

Large employers and health care consultants have made transparency tools and consumer engagement platforms a priority in their evaluations of insurers’ capabilities. This has resulted

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4 Claxton et al., op cit.
5 Claxton et al., op cit.
6 The Kaiser survey reports that 13% of workers with employer sponsored insurance have out of pocket maximums of $6,000 or larger.
in insurers investing heavily in this area over the past several years, as well as the emergence of private companies (such as Castlight, Vitals and Healthsparq⁷), which are offering increasingly sophisticated solutions.

As consumers are asked to spend growing amounts out of pocket on healthcare, they may benefit from appropriate tools to help them make informed decisions about where to seek care and how to manage their spending.

Nonetheless, consumers often do not use price transparency tools when they are provided,⁸ and not all care is “shoppable.”⁹ It should be recognized that consumers can shop for care when they have time, the services are reasonably well defined, and there are comparable alternatives with ample time to explore different provider and service location options, and there is adequate incentives and information to make shopping for care worthwhile and possible.

2. The Shoppable Care Workgroup

The Pennsylvania Insurance Commissioner formed a workgroup to study shoppable health care in the Commonwealth of Pennsylvania and make recommendations for steps the Commonwealth can take to enhance the ability of consumers to shop for health care. The workgroup was formed and began meeting in October, 2016. The workgroup members were drawn from a variety of backgrounds, representing the perspectives of consumers, health care market participants, employers, academics, and state government. A list of the workgroup members is provided in the Appendix to this document.

This workgroup was assigned the task of determining a recommended path to enhancing the ability of citizens of the Commonwealth to shop effectively for health care by identifying gaps in transparency and identifying areas where the Commonwealth can be most helpful and have the most benefit to consumers.

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3. Charge to the Workgroup

The workgroup was given the following mandate.\textsuperscript{10}

- Determine recommended path to transparency
  - With All-Payer Claims Database (APCD)
  - Without All-Payer Claims Database
- Explore cost shopping transparency tools that will engage and allow consumers to shop when making value-conscious decisions about their care choices
- Research existing tools and data in order to provide the most beneficial transparency tools to consumers

The workgroup was asked to provide input on the following for a Shoppable Care Plan.

- Transparency tool focus area
- Investments required to improve transparency tools
- Technology and mediums to share data across and with stakeholders
- Areas where state-wide, regional, local alignment is needed to improve transparency
- Best practices and current models within and outside of PA for price transparency that can be leveraged by the Commonwealth’s consumers and stakeholders

4. Workgroup Activities

The workgroup met monthly, beginning in October 2016, alternating between phone meetings and in-person meetings in Harrisburg.

The workgroup studied shopping tools offered by health insurers and third parties in order to assess the landscape of tools available to consumers. The following organizations were kind enough to meet with the workgroup, provide a demonstration of their transparency tool, and answer workgroup members’ questions.

- UPMC Health Plan
- St. Clair Hospital
- Cigna
- United HealthGroup
- Consumers’ Checkbook
- Vitals Smartshopper
- Highmark
- Experian

\textsuperscript{10} See the Appendix for the Workgroup Charter.
The workgroup learned through this process that, although private industry is working hard to provide cost and quality information to consumers, the tools vary in usability, services covered, the information on quality of care provided, and uptake among consumers. The workgroup learned the following to be the case across different organizations’ transparency tools.

- To the extent we could determine, most insurers offer a consumer transparency tool or are planning to offer one in the near future.\(^\text{11,12}\)
- The tools typically require enrollees to log in to a secure website
- Tools typically provide information on in-network providers within a certain distance of the enrollee and the enrollee’s expected out of pocket cost, based on information to date, in the current plan year, and the plan’s benefit design.
- Carriers varied in their development approach, with some electing to build capabilities from within while others partnered with transparency solution vendors.
- Tools typically access enrollees’ benefits information (deductible, coinsurance or copayment, out-of-pocket limit) and previously incurred covered expenses in order to provide information on how much a service from a particular provider is estimated to cost an enrollee out of their own pocket.
- Tools varied in how many steps (clicks) were required to obtain information, and whether they provided quality information, and the nature of the quality information.
- Tools also varied a great deal in how they presented the information.
- All of the organizations reported that use of the transparency tools among enrollees was very low, but highest among individuals in plans with high cost-sharing.
- Only one of the organizations reported using enrollee focus groups or other forms of consumer feedback when designing or refining their transparency tools. Insurers that used vendors reported that they relied on the vendors’ research to evaluate and improve the tools.
- None of the tools provide information on consumer redress within the tool itself. Insurers provide information regarding appeals and grievances in member agreements and other areas of member portals.

In particular, the workgroup identified the following key issues having to do with transparency tools.\(^\text{13}\)

\(^{11}\) The workgroup contacted the following insurers: IBC, UPMC, Highmark, Cigna, UnitedHealth Group, Geisinger and Aetna. Of these, IBC, UPMC, Highmark, Cigna and UnitedHealth Group, all have transparency tools for enrollees. Geisinger did not have a transparency tool at the time we contacted them, but was in the process of adopting one.


\(^{13}\) Also see the findings in Sinaiko and Rosenthal, op. cit. regarding an insurer’s transparency tool.
• Consumer usability is a key issue. While consumers report wanting information about provider costs and quality, and there is great frustration at difficulty in obtaining it, nonetheless use of the existing transparency tools is low. While there are issues with usability, it is an unanswered question whether use is low because of poor usability or due to other issues.
  ▪ The workgroup noted that some tools required a large amount of effort to use (e.g., a large number of clicks to get to information).
  ▪ The workgroup also noted that a number of the tools did not present information simply and clearly.
• Information about provider quality is another key issue. Consumers may not find information about cost very useful without accompanying information on quality (of the care provided and of the providers supplying the care). For some conditions/treatments information on quality will be paramount, and there are a variety of ways to measure quality of care that need to be considered (e.g., across episodes of treatment, using nationally endorsed quality measures, etc.).
  ▪ The tools were very uneven with regard to providing information about quality. Some provided some information, while others provided no information. There was also a great deal of variation in terms of what information about quality was provided by the tools that provide such information.
• As consumer enrollment in plans with high cost-sharing continues to increase (which seems very likely) more consumers will have an incentive to shop for care. Therefore it is likely that interest will increase among consumers in obtaining usable, actionable information that allows them to choose among providers in an informed, rational way.

The workgroup also obtained information about all-payer claims databases (APCDs) in other states, what information they provide, and what their impacts have been. The workgroup viewed a demonstration of a consumer facing transparency tool of the New Hampshire state all-payer claims database and heard from Washington state on a regulation that requires health plans to have a transparency tool available (effective as of 1/1/16). The workgroup learned the following.14

• APCDs can provide information on the amounts providers are paid by insurers for various services. They can also provide information on quality.
• APCDs do not have access to information on consumers’ health insurance benefits or incurred expenses, nor which providers are in-network.

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• APCDs can therefore provide consumers information on the amounts providers are paid by insurers, but cannot tell insured consumers what to expect their out of pocket costs will be.
• APCDs can provide uninsured consumers with information on the prices that providers have been paid by insurers. However, providers do not necessarily charge uninsured consumers the same prices as those they have negotiated with insurers. Therefore, APCDs cannot tell uninsured consumers precisely what to expect their costs to be.
• Quality information can be provided by an APCD regardless of whether (or what kind of) cost information is provided in a consumer tool.
• APCDs perform a public reporting function that can benefit consumers. Public reporting can lead to providers responding by improving their performance, thereby benefiting consumers, although not all the evidence shows improvements.  
• APCD use by consumers appears to be relatively low. A recent study finds thousands of visits to the New Hampshire APCD website, however for medical imaging that is approximately 8 percent of consumers.

The workgroup therefore concluded that insurer transparency tools and APCDs play roles that are largely complementary.

The workgroup also communicated periodically with the workgroups on health literacy, primary care quality measurement, and an all-payer claims database to discuss common issues and exchange information.

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16 See Figure 1 in Brown, Z., 2016, op. cit.
5. Recommendations

As indicated above, the workgroup has studied shopping tools offered by health insurers and third parties in order to assess the landscape of tools available to consumers. In this process, the workgroup has learned that, although private industry is working hard and investing heavily to provide cost and quality information to consumers, the tools vary in usability, services covered, the information on quality of care provided, and uptake among consumers. There is therefore an opportunity for the Commonwealth to establish guidelines and/or engage in policies that encourage and support the improvement and use of these tools. The following recommendations address specific actions the Commonwealth can take in this area. The recommendations regarding insurer transparency tools apply both in the case that Pennsylvania establishes an APCD and in the case it does not.

Recommendations Regarding Insurer Transparency Tools

1. The state should recommend that all insurers have a consumer facing transparency tool.
   a. The state should make available to the public a list of insurers who provide a transparency tool to consumers and indicate what information the tool provides. This should be made readily available and promoted to consumers.

2. The tool should cover key services that are “shoppable.” As indicated above, not all services are shoppable. Therefore it is a priority for tools to cover those services for which consumers are able to shop and have an incentive to do so (i.e., those for which they will have significant differences in their out of pocket costs).
   a. The state should confer with insurers, purchasers, providers, consumers, and experts to define a set of shoppable care services.
   b. The minimum set of services that are defined as shoppable should be updated on a periodic basis (at least annually) to account for changes in the nature of services and how consumers shop.

3. That tool should do the following.
   a. Enumerate the best estimate of a consumer’s complete out of pocket expenses for a treatment based on their plan’s benefits and their eligible expenses at that point in time. The tool should include a disclaimer noting that it is providing an estimate only, based on available information at that point in time. It should also inform consumers about the extent to which their out of pocket expenses may differ from the estimate.
   b. Provide relevant quality measures for the treatment and provider(s), when available. In instances where such measures are not available, the tool should be able to incorporate those measures when they are available and there should be a plan for that tool to incorporate such measures.
   c. Provide information on providers’ locations.
   d. Provide information on consumer recourse if there is an issue with billing.
   e. Provide patient experience or ratings information, from users/members or from outside entities, where such information is valid, reliable, and available.
f. Be as consumer-friendly and as useful as possible. This may include incorporating features such as decision support tailored to health care consumers, shared decision-making tools, or others, so the tools are as useful as possible.

4. The information provided by a transparency tool should be accurate, clear, useable, and relevant to consumers. The objective is to increase consumer use of available tools by making tools easier to use by having consumer-friendly interfaces and information that is meaningful, clear, easy to understand, relevant, and actionable.
   a. The quality of transparency tools on these dimensions should be evaluated on a periodic basis (at least annually). Feedback should be provided to insurers on the assessment of their tools and where there is need for improvement. Feedback should be elicited from consumers as part of this process and incorporated in the assessment.
   b. The state can assist and support insurers and others providing transparency tools by acquiring and assembling information on what makes transparency tools more and less effective and providing that information and feedback to insurers and others to help improve and refine their tools.
   c. The assessments of transparency tools should be made available to purchasers and the public. One means to do this is to appoint an independent, trusted third party to assess transparency tools and publish the results. Consumers Union is an example of such an entity – there are others.

5. The state should define a minimum, basic set of quality measures that all tools must provide. This set should be updated on a regular basis as progress on quality measurement is made. This is intended to provide some basic, standard measures to all consumers, but not to limit what may be provided beyond this set of minimum measures. Insurers are free (indeed, should be encouraged) to provide whatever information best serves their enrollees and best allows them to compete to retain and attract enrollees.
   a. The Department of Insurance or the Department of Health, or both jointly, could define a basic set of quality measures.
   b. This could also be done by a body appointed by the Department of Insurance, the Department of Health, or both jointly.
   c. Consumer usability of insurer transparency tools should be assessed and feedback from consumers should be part of this process. When establishing a basic set of quality measures it must be clear that the quality measures are easy to understand, meaningful, and actionable to the consumer.
   d. The set of quality measures required should not add to overall reporting/administrative burdens on providers and insurers. There should be a relatively small number of measures. Further, the reporting requirements of other entities (notably CMS) should be taken into consideration when constructing the set of minimum quality measures Pennsylvania will adopt. Providers’ and insurers’ input and feedback must be obtained for this purpose, as well as overall input on quality measures.
6. The state should encourage insurers to make transparency tools accessible to providers and encourage providers and patients to use them together, so that patients may consult with their providers when making choices.

7. It is important to be cognizant of the differences between individuals enrolled in different kinds of insurance (employer sponsored, individual Medicare Advantage, Medicaid managed care), how this affects their shoppable health needs, and interpretation of pricing data.

8. The state should promote and support outreach to consumers, purchasers, and providers to promote an increased use of transparency tools and resources. This is a particularly important activity, since transparency tools in Pennsylvania are not at present heavily utilized by consumers and other system stakeholders. The findings of the workgroup on health literacy may be particularly relevant on this point.
   a. The state can do this directly.
   b. The state can also encourage or require insurers to engage in promotion efforts for their enrollees.
   c. It is important to be cognizant of the differences between individuals enrolled in different kinds of insurance (commercial, Medicare, Medicaid…), how this affects their shoppable health needs and constraints when designing outreach.

9. As the state engages consumers, insurers, and providers to ensure the insurer transparency tool meets the needs of key constituents in the state, the state should also engage national experts to advise the state. Lessons learned from other states and insurers that have implemented transparency tools will provide the state with best practices to ensure Pennsylvania implements a leading-edge transparency tool.

10. The state should take full advantage of publicly available information on transparency tools.\(^{18}\)

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Recommendations Regarding an All-Payer Claims Database (APCD)

11. If the state creates an APCD it should make information from the APCD broadly available to the public, including an interactive interface that consumers can use for queries. While such tools are in their infancy, consumers have expressed a great desire for such information, and some evidence from New Hampshire shows significant effects of the APCD on reducing prices and spending.\(^1\)

   a. For the consumer interface this should provide accurate information on costs, include measures of quality, and provider location, as indicated above. This can provide consumers with broad information about prices paid to providers for a given service in their area. This interface is not a substitute for insurer provided tools, but a complement. It can provide information on providers and prices across all providers and all insurers, whereas an insurer tool provides prices only for contracted providers at in-network rates. However, such an interface cannot provide information on consumer expected costs, since it does not have information on consumers’ benefits or year to date covered spending.

b. The database should also be used for public reporting on costs and quality. These reports should be broadly publicized, both so consumers can access the information, and to give providers incentives for good performance.

c. Reported costs must be actual prices (amounts allowed), not charges.

d. The recommendations above for insurer transparency tools regarding usability and quality measures apply here as well. This means including insurers, providers, purchasers, consumers, and experts in this process.

e. Input should be obtained from consumers, with a process to ensure the public tool presents data in a consumer-friendly and accessible manner.

f. The consumer interface should be as consumer-friendly and useful as possible. This may include incorporating features such as decision support tailored to health care consumers, shared decision-making tools, or others, incorporating best practice principles for consumer information provision and decision support, taking into account the specific information and context for consumers.

g. The consumer interface should provide consumers with links to insurers’ (and others’) transparency tools, explain what information they provide, and how it is different from that available via the APCD. The APCD consumer interface should facilitate consumers’ use of alternative transparency tools that provide information that the APCD interface does not.

h. Utilization of the public interface should be evaluated on a periodic basis (at least annually) with input from the consumers and other relevant parties.

i. The database and public interface should be built in a way that is easy to update and adapt to accommodate changes in data availability and changing consumer needs. It will need sufficient funding to innovate and adapt as the market and technology change.

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\(^1\) See Brown, Z., 2016, 2017, op. cit.
j. Insurers and providers and experts also need to be consulted on a regular basis to be sure the data and measures are up to date, accurate, and useful.

12. The state should produce easily accessible and searchable consumer friendly information on health care provider performance in Pennsylvania, including, but not limited to costs and quality. As indicated above, public reporting generates information valuable to consumers and provides incentives to providers for good performance.

13. The state should engage in outreach to consumers, purchasers, and providers to promote the use of APCD based tools and resources. As stated previously, this is a particularly important activity, since transparency tools in Pennsylvania are not at present heavily utilized by consumers. The findings of the workgroup on health literacy may be particularly relevant on this point.

14. The state should evaluate the APCD’S performance in contributing to shoppable care.
   a. The state should allocate resources for an evaluation(s) of the APCD and issue an RFP to have research organization(s) assess the APCD’s performance.
   b. This is a way for the state and all stakeholders to learn if the APCD is providing benefits for consumers, and if so, who benefits and how.
   c. The evaluation should be designed so the state can assess whether the APCD is performing as desired and how it can be improved.
Appendix

1. List of Workgroup Members

<table>
<thead>
<tr>
<th>First Name</th>
<th>Last Name</th>
<th>Title</th>
<th>Organization</th>
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* Workgroup Co-Chair
# Chief of Staff, Pennsylvania Insurance Department from time of Workgroup formation until August 19, 2017
+ Commissioner, Pennsylvania Insurance Department from time of Workgroup formation until August 21, 2017
2. Charge to the Workgroup

Shoppable Care Transparency Charter

<table>
<thead>
<tr>
<th>Work Group title: Shoppable Care</th>
<th>Co-Chairs: Martin Gaynor &amp; Tracie Gray</th>
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**Problem statement:**

- In the United States, the price of health care services is not known to recipients of care. Similarly, quality is not known or poorly understood.
- Stakeholders collect large amounts of data, which could benefit everyone, but it is either not accessible or not interpretable.
- There is a growing need to leverage data in a meaningful way to improve transparency focus areas, driven by:
  - Increasing demand from healthcare consumers to understand quality and out-of-pocket cost of care options due to increased consumer cost sharing
  - Increasing demand from employers for lower cost health care and empowering employees to become active shoppers

**Mandate for this group:**

- Determine recommended path to transparency
  - With APCD
  - Without APCD
- Determine existing transparency resources, both private, and public, in Pennsylvania
- Identify gaps in price and quality transparency for consumers
- Identify areas where the Commonwealth can be the most helpful and have the most impact in advancing transparency to benefit consumers
- Explore cost shopping transparency tools that will engage and allow consumers to shop when making value-conscious decisions on their care choices
- Research existing tools and data in order to provide the most beneficial transparency tools to consumers

**Types of decisions to provide work group input:**

- Best practices and current models within and outside of PA for price transparency that can be leveraged by the Commonwealth consumers and stakeholders
- Gaps in transparency
- Actions required to improve transparency, both state and private
- Transparency tools focus area
- Technology and mediums to share data across and with stakeholders
- Areas where state-wide, regional, local alignment is needed to improve transparency