

Catalyst for Payment Reform Issues Call to Action to Plans; Providers: Give Us Your Price Data Major Employer, Labor, and Consumer Groups Endorse the Statement, Set One-Year Deadline

November 1, 2012-San Francisco--Catalyst for Payment Reform (CPR) has mobilized several major groups, including AARP, the AFL-CIO, the Corporate Health Care Coalition, The Leapfrog Group, the National Business Coalition on Health, the National Partnership for Women and Families, the Pacific Business Group on Health, and others, to issue a first-of-its-kind, <u>bold statement to health plans and health care providers</u>. The statement calls on them to make health care price information more readily available to their employees and consumers. CPR, an independent organization led by large employers and other health care purchasers working to reform how we pay for health care in America, has also produced tools these groups can use to achieve this goal by 2014.

"Consumers are being asked to pay more as health care costs rise; they have a growing number of resources that are beginning to help them compare health care providers for differences in quality, but few to none that help them compare prices," explains Suzanne Delbanco, Executive Director of CPR.

Shawn Leavitt, Vice President Global Compensation and Benefits for Carlson agreed, explaining "We want and need for our employees to be informed about the relative value of their health care choices. This statement underscores our commitment to making that happen." Leading national employers, including Carlson, have experienced issues getting such data from their health plans.

While there are burgeoning efforts by health plans and independent vendors to make price information available to health care consumers, few tools fully meet consumers' needs; many are not comprehensive or user-friendly. Furthermore, some health care providers—hospitals and physicians -- restrict access to price data by prohibiting health plans from making their negotiated payment rates available. This significantly limits the accessibility of price data and the ability to compare prices in consumer shopping tools. <u>CPR has developed specifications</u> employers and consumer groups can use to assess currently available tools.

Adding to purchaser frustration, some health plans restrict how self-insured employers can use their own claims data, even when employers are paying the bills and health plans are playing only an administrative role. These restrictions can prohibit employers from giving their own claims data, particularly the components that pertain to payment amounts, to third-party vendors who may have alternative price transparency tools or ways of interpreting the data that employers want.

"The health plans have made strides in the tools they have created to share quality and cost information with consumers," explains Sally Welborn, Senior Vice President of Global Benefits for Wal-Mart Stores, Inc. "But when their tools don't meet the needs of employees, employers and other health care purchasers should be permitted to engage another vendor who can use that data to build tools that meet their needs." In conjunction with today's call to action, CPR has contacted major national health plans, encouraging them to share data.

Along with the statement and specifications for consumer transparency tools, CPR released an <u>Action Brief</u> on price transparency, summarizing the issues and listing steps purchasers can take to promote transparency, including advocating for effective state-based all-payer claims databases, and using CPR's health plan sourcing and contracting tools to remove limits on data usage in contracts with plans.

"Price and quality transparency is a critical building block as we double down and get serious about rising health care costs and improving the quality of the care," explains Ginny Prostakes, Director of Health Benefits for GE. "But purchasers and consumers need to come together and push plans and providers to make it happen." Catalyst for Payment Reform is an independent, non-profit corporation working on behalf of large employers to catalyze improvements to how we pay for health services and to promote better and higher-value care in the U.S. Learn more at <u>www.catalyzepaymentreform.org</u>.