Price Transparency: One Piece of the Consumer Value Puzzle

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Price Transparency – What is Not Working for Patients

- Consumers have low awareness of price transparency tools
- Current estimates are largely not actionable
  - Estimates are of limited benefit to patients in terms of predicting or controlling their own healthcare costs
  - Do not indicate actions consumers can take to control their own costs
- No connection to their providers
  - Providers are the patient's agent in clinical decision-making and control much of the cost
  - Tools do not mesh with current provider-patient relationships and referral processes
  - Providers need a consistent and streamlined way to get estimates for particular care paths

Raw price info: not enough to help consumers

- Consumers' goal is **value** and they still lack essential info
  - Outcomes– especially patient reported & functional essential to report for **individual providers**
  - Shared decision-making and timely/relevant use of comparative effectiveness info
- Reduce uncertainty
  - Every pre-deductible bill is a "surprise bill"
  - Measure how well carriers do at helping consumers understand pre-deductible costs
- Accurate, Real-time information
  - Providers and patients need real-time access to approval/prior auth/pricing info, e.g. through APIs (machine-to-machine communication)
  - Inaccurate and poorly organized provider directories undermine all price info

CMS Price Transparency Rules

Rules apply to individual and group markets (including self-insured/ERISA)

1. Insurers will be required to provide tools for consumers to look up provider-specific prices and/or paper forms if necessary. Phased in approach starting in plan year 2023
   - Minimum standards for information to be provided; insurers can provide more
2. Insurers must post to their websites machine-readable files starting in PY 2022 for:
   - Rates for in-network providers
   - Billed charges and allowed amounts for out of network providers
   - Prices for prescription drugs
3. Insurers can claim credit toward MLR for “shared savings” when an enrollee selects a lower-cost high value provider

What State Regulators Can Do

- Bring control to accuracy of provider data and tools
  - Better identifiers for info (to which networks/plans/plan years does this info apply?)
  - Public and API-driven provider network data
  - Data well-controlled with timestamps and other "metadata"
  - Standards for clarity of user experience in provider directory and other tools
- Reduce surprises
  - Measure and incentivize (as possible) carriers' efforts to help consumers understand pre-deductible and prescription drug costs
  - Require accurate, up-to-date provider directories with clearly defined networks
- Drive direct, real-time access to data
  - Real-time prescription costs available to providers and consumers
  - Near real-time authorization and claims results
  - Online and API (machine-to-machine) access to provider directories