



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
PUBLIC HEALTH COMMITTEE
Wednesday, March 11, 2015**

SB 813, An Act Concerning Health Care Price, Cost And Quality Transparency

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **SB 813, An Act Concerning Health Care Price, Cost And Quality Transparency**. CHA supports the goals of SB 813, namely to provide increased pricing and quality transparency. Both consumers and providers can benefit from greater pricing transparency.

Before commenting on the bill, it's important to point out that Connecticut hospitals treat everyone who comes through their doors 24 hours a day, regardless of ability to pay.

This is a time of unprecedented change in healthcare, and Connecticut hospitals are leading the charge to transform the way care is provided. They are focused on providing safe, accessible, equitable, affordable, patient-centered care for all, and they are finding innovative solutions to integrate and coordinate care to better serve their patients and communities.

CHA wishes to provide comments on sections (1) and (3) of SB 813. Specifically, these sections would require:

- (1) Each hospital to be a complete member of the Leapfrog Group for the purpose of price and quality transparency and to submit to the Connecticut Health Insurance Exchange the same data it submits to the Leapfrog Group.
- (3) Each health care provider to (A) within two business days prior to an admission, procedure or service, and upon the request by a patient or prospective patient, disclose to the patient or prospective patient, the allowed amount or charge of the admission, procedure or service, including the amount of any facility fee, (B) when scheduling an admission, procedure or service, notify each patient of his or her right to request and obtain information regarding the allowed amount or charge prior to the admission, procedure or service and, upon request, provide such information, (C) post notice of each patient's right to request and obtain such information on charges in a conspicuous place in

the health care provider's office, such as the admissions desk, and include such notice in the health care provider's first mailing to each patient.

We oppose section (1), which requires hospitals to pay for complete membership in the Leapfrog Group and submit to the Connecticut Health Insurance Exchange the same data it submits to the Leapfrog Group.

CHA and Connecticut hospitals believe that for quality reporting systems to be effective in achieving the dual goals of quality improvement and public accountability, they must be based on the principles of clarity, accuracy, comparability, and usefulness.

In March 2014, the Association of American Medical Colleges released its "[Guiding Principles for Public Reporting of Provider Performance](#)," which call for data and reporting methodologies to be well-defined in terms of purpose, transparency, and validity. The AAMC document notes that the number of organizations issuing reports on hospital and physician quality performance has increased significantly, and differences in the measures, data sources, and scoring methodologies produce contradictory results that lead to confusion for the public, providers, and governing boards, and impair the public's ability to make well-informed choices about healthcare providers. It confirms that the hospital community supports the principle of accountability through public reporting of healthcare performance data; however, for data to be understood and for results to be comparable, publicly reported data should adhere to a set of guiding principles.

The AAMC guiding principles are clear, simple, aligned with other existing guidelines, and have been endorsed by the CHA Board of Trustees and national hospital organizations including the American Hospital Association, the Federation of American Hospitals, America's Essential Hospitals, the Children's Hospital Association, and the Catholic Health Association of the United States.

When applying these principles to the various quality reporting systems, it becomes apparent that the most comprehensive system is Hospital Compare, from the Centers for Medicare & Medicaid Services (CMS). The Hospital Compare website was created through the efforts of CMS, in collaboration with organizations representing consumers, hospitals, doctors, employers, accrediting organizations, and other federal agencies. Hospital Compare also provides information to consumers on the hospital value-based purchasing program, the hospitals' readmissions reduction program, and the hospital-acquired conditions reduction program.

In addition, in 2013, the Hospital Association of New York completed an extensive review of various healthcare reports and provided a top score of three stars to Hospital Compare, and the lowest score of one star to the Leapfrog Safety Score. The Leapfrog Group was faulted for relying "heavily on unvalidated survey data."

We therefore encourage the use of Hospital Compare, rather than the Leapfrog Group.

We oppose section (3) as written. Section (3) requires healthcare providers, within two business days prior to a service, to provide the allowed amount or charge of the admission, procedure, or service, including the amount of any facility fee.

The goal of providing patients with increased information concerning their financial liability is one that we support fully. As written, healthcare providers would be required to provide patients with the allowed amount of the charge of the service to be provided. Section (3) assumes incorrectly that the extent of the services, tests, and procedures to be given to patients is known 10 days before the appointment. This is not known in many, if not most, healthcare settings and is infrequently known in the hospital setting especially. Section (3) also assumes that healthcare providers have the information needed to provide patients with information about the allowed charge, when that information is with each patient's health plan and has to do with the patient's cost-sharing as well.

Finally, as section (3) applies to facility fees, it conflicts with Public Act 14-145, which went into effect in October 2014. During the 2014 Legislative Session, hospitals worked with the Office of the Attorney General in crafting Public Act 14-145, which provides patients with information for appointments made more than 10 days before the appointment.

Recognizing the need to provide consumers with transparent price information, Connecticut established an All-Payers Claims Database (APCD) to collect, assess, and report healthcare information related to safety, quality, cost-effectiveness, access, and efficiency for all levels of healthcare. In 2013, the law establishing the APCD was amended to require that the APCD provide healthcare consumers with information concerning the cost of services. The APCD recently signed a multi-year, multi-million dollar contract with an entity to accomplish its statutory charge. The APCD is the correct vehicle to provide consumers with healthcare cost information.

Finally, CHA supports section (5) of SB 813, which requires the Department of Social Services to provide Medicaid data to the APCD.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.