

# Consumer Transparency Tools

Potential Recommendation for the Colorado Commission on Affordable Health Care

May 9, 2016

## **Potential Recommendation**

Compile and report existing quality metrics on the All-Payer Claims Database (APCD) website in a user-friendly format. Allow consumers to simultaneously review price and quality measures associated with different provider groups.

## **Original Commission Recommendation**

“Create more transparent and publicly available data with a focus primarily around facilities and providers’ prices using resources including but not limited to APCD. Data should be timely and regularly updated for the public.”

“Transparency should include quality, price and a choice of options that are available – a system that helps people and payers make choices based on outcomes as well as price.”

## **Evidence Basis**

The literature finds that reporting cost data without corresponding quality data is not effective in changing consumer behavior. A University of Oregon study suggests that consumers perceive low-cost procedures as low-quality. The user-friendliness of an informational website is important, as studies have found that consumers have difficulty navigating existing sites.

As a result, transparency tools have not been widely used. Consumers are confused by having to navigate many different websites that measure different aspects of health care. Qualitative feedback suggests that consolidating price and quality information on a single, easy-to-use website is more likely to be used by consumers.

## **State Example**

The New Hampshire HealthCost website combines claims data from the state’s APCD with quality data from the Centers for Medicare & Medicaid Services. The site was created and is maintained by the New Hampshire Division of Insurance in cooperation with the Institute

for Health Policy and Practice at the University of New Hampshire.

Not much research on the cost savings of this program has been done. But a study in 2014 by Mathematica Policy Research found at least one case where a higher-cost provider lowered its rates in reaction to the data. An important caveat is that only two cities in New Hampshire have more than one hospital, so there is a lack of competition unlike the situation in Colorado.

While empirical evidence is lacking, the HealthCost website addresses some of the key issues identified in the literature. Cost information needs to be relevant to consumers and paired with quality data.

## **Notes**

- 1 [Hibbard, Judith H., Jessica Greene, Shoshanna Sofaer, Kirsten Firminger, and Judith Hirsh, “An Experiment Shows That a Well-Designed Report on Costs and Quality Can Help Consumers Choose HighValue Health Care,” Health Affairs 31, no. 3 \(2012\): 560–8.](#)
- 2 [http://healthaffairs.org/healthpolicybriefs/brief\\_pdfs/healthpolicybrief\\_65.pdf](http://healthaffairs.org/healthpolicybriefs/brief_pdfs/healthpolicybrief_65.pdf)