



Importance of Transparency in Health Care

Numerous state initiatives are underway across the U. S. aimed at improving health care quality, patient safety, and the overall value of health care. Efforts focus on measuring and reporting to the general public quality and efficiency results of both hospital and physician performance. This type of public information is important for patients and their families, employers and other buyers. Also, since tax payers pay a hefty share of costs through Medicare and Medicaid, hospitals and other providers should be held publicly accountable for the care they deliver. Requiring publication of quality and efficiency measures provides additional incentive for hospitals and other providers to implement practices that can reduce errors and otherwise improve quality and drive-out costs.

The Iowa Legislative Commission on Affordable Health Care Plans for Small Businesses and Families emphasized the importance of cost containment and transparency. A Commission principle: "Reform should drive quality improvement and contain costs". A Commission goal: "Health care providers' quality and price information will be broadly available and easily accessible." It further stated that "What has been missing is a competitive health care marketplace based on patient values and a system that allows choices for all consumers." As part of its legislative action steps in 2008, the Commission recommends implement consumer-driven, medical provider quality improvement, and cost containment strategies that will have an immediate impact on health care costs. It further recommends "Begin to create a system for all medical providers to disclose prices and performance quality".

As part of the Commission report former Governor Vilsack recommended that reform should "Be Patient-centered and Consumer-centered: Use consumer purchasing alliances that put the consumer/patient in control and center on quality, including reporting requirements that define what quality is and where it can be found."

Former Governor Branstad recommended that "Creation of a better health care climate in Iowa requires actions to aggressively promote quality, patient safety, and transparency. Information about Iowa health care providers' quality and patient safety performance, price, and other information is essential to achieve this."

Therefore, please keep an open mind to the following ideas and their benefit to Iowans:

- Encourage Iowa hospitals to publicly report their quality and patient safety performance to The Leapfrog Group – Informing Choice and Rewarding Excellence. For example, that any increase in Medicaid payment be tied to reporting to this national quality standard.
- Support an Iowa Quality Purchasing Program through the Iowa Health Buyers Alliance similar to Value-Based Purchasing Initiatives in Minnesota (Smart Buyer Alliance), Wisconsin, Massachusetts and/or the State of Washington.
- Require public reporting of hospital and health care infections and "never events".
- Create an Iowa Health Care Compare website similar to Florida's www.floridacomparecare.gov.
- Adopt and use the common RFI/RFP, Version 1.0, included in the HHS Four Cornerstones of Value-Driven Health Care.
- No longer pay for treatment of preventable hospital errors.

The Iowa Health Buyers Alliance is a patient/customer centered organization. We are an association of consumers and purchasers working together for better health, better health care, and better value. The Alliance understands the importance of wellness, that quality costs less, and that transparency in the health industry creates needed change. IHBA encourages labor and management to work together as the health care customer.

The Importance of Quality, Patient Safety and Transparency

Information about Iowa health care providers' quality and patient safety performance, price and other information is essential. Transparency of this information has proven to be an important catalyst for improvement in health care. It is also important for consumers, patients and their families. Listed below are some examples of quality, patient safety and waste in health care issues:

- Rand: Only 50% chance of getting the right care when visiting the doctor's office.
- Institute of Medicine (IOM): 98,000 preventable deaths in hospitals each year. In 2004 Health Grades reported this number to be 195,000 people, almost twice the number from the 1999 IOM report.
- Center for Health Transformation: You are 2,000 times more likely to die in the hospital from a mistake than in an airplane.
- The Leapfrog Group: The 1st three Leaps can save 58,300 preventable deaths and multiple times this # of disabilities; 522,000 medication errors; and at least \$ 9.6 billion per year.
- The Juran Institute/Midwest Business Group on Health: 30%+ of health cost due to poor quality/ineffective care.
- Consumers Union: Every year, two million Americans develop infections while in the hospital and an estimated 90,000 die as a result. The remainder often endures prolonged hospital stays and sometimes suffers lasting health problems.
- John Toussaint, MD, CEO of ThedaCare, Appleton, Wisconsin: "About 70% of what we do is non-value-added (waste)." (Institute for Health Care Improvement (2-16-05)). Note: Lean experts estimate 60% waste in health care.
- The Institute of Medicine: "Between the care we have and the care we could have lays not just a gap, but a chasm. The current care systems cannot do the job. Trying harder will not work. Changing the systems of care will." (Institute of Medicine's: *Crossing the Quality Chasm*)
- Pennsylvania Governor Rendell launched a new program in January, 2008 through the Department of Public Welfare to identify and stop payments for care related to preventable hospital errors. The state also will prohibit hospitals from charging patients for such errors.
- Pennsylvania Health Care Cost Containment Council: During 2005 the states hospitals reported 19,154 cases in which patients contracted hospital-acquired infections. The hospitalizations resulting from these infections amounted to 394,129 days and \$3.5 billion in hospital charges. The average hospital charge for patients with hospital-acquired infections was \$185,268 while the average charge for patients without hospital-acquired infections was \$31,389. The average length of stay for patients with hospital-acquired infections was also longer at 20.6 days, compared with 4.5 days for those who didn't contract hospital infections. Most telling, though, was the figures on patient deaths. The report said that while 2.3% of patients who didn't acquire infections died, the mortality rate for those who did contract infections was 12.9%--- more than 5 ½ times higher.

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