



ACCESS TO QUALITY, COST DATA CREATES MARKETPLACE FOR HEALTH CARE

I F YOU'D ASKED an employee of the Corrections Corporation of America (CCA) a year ago how much his or her local hospital charged for a hip replacement or cardiac bypass surgery, the answer would likely have been a shrug of the shoulders. If you'd pushed for more, most workers might have guessed \$250 – the amount of the Nashville-based company's typical copay for inpatient surgery.

But pose the same question today of CCA employees needing such care, and many can estimate how much their hospitals will charge, as well as compare the fee to the hospital across town and the one in the next city. And while they're at it, they also can find out which hospitals have had better results, including the lowest mortality rates and the fewest complications.

As the health benefits system shifts from one heavily reliant on relatively low copays to one

increasingly focused on consumer-centered care and individual responsibility, employers and consumers are demanding the kind of information used in making other types of purchasing decisions. Access to information on quality and price is crucial to helping employees at CCA and other companies make the best decisions about where to seek the care that best matches their individual priorities and preferences. >>



Trish Barnard, benefits director at CCA, the nation's largest provider of private corrections management services.

MYTH BUSTER

By looking at both indicators, a consumer needing a pacemaker implant, for instance, could determine that there might be four hospitals in his area that receive three quality stars for that procedure, but each offers a different price range – from as low as \$12,000 to \$17,000 to as high as \$25,000 to \$33,000. Or, a CT scan, whose quality won't typically vary from one location to the next, might cost closer to \$500 at one site and upwards of \$1,000 at another.

"The idea is fairly simple, which is to create a marketplace for consumers in which they can evaluate health care services like any other consumer good. In this case, they're trying to purchase something to alleviate an illness or a burden or a health issue they might be having," said Tom Valdivia, M.D., chief health consumer officer for Definity. "As with any consumer marketplace, people want to be able to assess their potential purchases in a straightforward way."

Barnard agreed. "Being able to compare hospitals side by side on cost and quality is great," she said. "You would do the same thing if you were buying a dishwasher. Health care is much more important, and it impacts your life and the lives of your family members so much more than that."

Today, Dr. Valdivia added, "very few consumers would be able to compare the care delivery between two hospitals. Although they might have some very large-scale sense of their reputations, in most cases the only comparisons are based on anecdotal information from family, friends and hospital literature. We're trying to put some real concrete data in front of consumers." >>

Already, CCA is taking some first steps in that direction. For instance, through its relationship with Definity Health, a unit of UnitedHealth Group, an online Hospital Buyer's Guide featuring quality and cost data has been available to CCA employees in a consumer-driven health plan (CDHP). Trish Barnard, benefits director at CCA, the nation's largest provider of private corrections management services, said the tool is most helpful to employees in urban areas, where the information is most comprehensive.

"Employees would not be able to easily figure out this part of the equation on their own, as it's not something that they are used to thinking about or that has been highly publicized in the past," Barnard said. "It would be unfair to say to them 'manage your health care better,' and not give them the tools and information they need to do it."

Through the *Buyer's Guide*, employees can compare hospital quality and cost efficiency ratings within their regions. Ratings are displayed for specific procedures at individual facilities to make the information as useful as possible. Quality ratings are marked by one, two or three stars, which are based on indicators including the number of patients seen each year, mortality rates, the number of major complications and ICU staffing levels. The criteria include measures from the Agency for Healthcare Research and Quality and The Leapfrog Group.

At the same time the quality measures are displayed, CCA employees also can view cost-efficiency ratings, denoted by one, two or three dollar signs, which represent expected cost ranges. The designations are based on a combination of factors – including average billed charges, network discounts and lengths of stay – making the information more indicative of actual costs a consumer would experience than providing data for separate components of care.

And trying to ensure the information is meaningful. Unlike some other tools that rate hospitals as a whole, the *Buyer's Guide* allows consumers to rank hospitals by quality and price for dozens of separate procedures. "Instead of taking the view that everything inside the hospital is of equivalent capability, we say a hospital is like any other store. It may be good in cardiology, but not as good in OBGYN care," Dr. Valdivia explained.

The *Buyer's Guide* also provides quality-enhancing and cost-saving tips. For instance, an individual looking up hospitals that provide cholesterol tests would learn that taking Niacin is an inexpensive way of lowering cholesterol. And those investigating a balloon angioplasty would be told to alert their doctors if they're allergic to shellfish or substances that contain iodine.

Barnard anticipates that as the *Buyer's Guide* continues to expand to capture additional procedures and hospitals, the information will become increasingly valuable. "I think at this point, it's already a pretty good myth buster," she added. "If you've lived in the same area forever, you have in your mind where the best place is to have a baby, or to have heart surgery or another procedure. When you look at the *Buyer's Guide*, sometimes you get surprised by what you see. Hospitals that are great at one thing may not be great at another, and cost and quality do not always go hand in hand."

PREMIUM POWER

Yet Barnard, Dr. Valdivia and other industry leaders say the *Hospital Buyer's Guide* is just one step in an industry-wide march toward greater transparency. Later this year, Definity expects to launch a similar resource that allows consumers to evaluate physicians as they now do hospitals.

While the *Buyer's Guide* is currently available to Definity Health customers, the UnitedHealth PremiumSM designation program has provided information about quality and cost through the myuhc.com Web site to UnitedHealthcare's broader health plan population of 23 million consumers. By the end of 2006, the two tools will be integrated so that all myuhc.com users will have access to a tool that is powered by a combination of the information that currently supports the *Buyer's Guide* and the UnitedHealth Premium designation program.

For several years, the UnitedHealth Premium designation program has provided quality and efficiency data on hospitals that provide cardiac services. More recently, it has expanded in a growing number of regions to include similar information about physicians in 19 specialties. Currently, the hospital designations – which include one star for quality and a two stars to denote both quality and efficiency – are available nationwide. The information about physicians is available in 49 markets as of February 2006 and is being extended to additional parts of the country throughout the remainder of the year. >>

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Hospital Buyer's Guide Results

Print Help

Procedure: Knee Replacement (total)

Cost Saving Tips
Be sure to see an **in-network provider whenever possible**. This saves you money [more >](#)

Quality Tips
More is better! In general, hospitals and physicians that frequently treat a condition tend [more >](#)

Search returned **3 in-network** result(s).

Average cost of Knee Replacement (total) in your search area:
In Network Facility \$10,762 [What's included in this cost?](#)
Out of Network Facility \$19,789

ONLY FACILITIES WITH QUALITY OR COST ARE SHOWN

	Distance	Facility Name	Patients Per Year	Quality	Cost Estimate
<input type="checkbox"/>	15.37 miles	Metropolis Hospital 640 Crusader Drive Gotham City, NY 11970 555.555.1234 Map Directions	176	☆☆☆ Quality details	\$\$\$ \$10,450 -\$12,750 comparison alert
<input type="checkbox"/>	14.4 miles	Arkham Hospital 1920 Jeremiah Lane Arkham, NY 11929 555.555.5678 Map Directions	418	☆☆☆ Quality details	\$\$\$ \$8,100-\$10,449 comparison alert
<input type="checkbox"/>	12.49 miles	Federal Works Hospital 640 Davis Avenue Barr, NY 11985 555.555.9012 Map Directions	170	☆☆☆ Quality details	\$\$\$ \$12,751 -\$15,000 comparison alert

An individual researching where to have knee replacement surgery performed might turn to the *Hospital Buyer's Guide* to find results similar to those provided for the fictional facilities above. The columns on the right provide a look into the cost, quality and other data that can inform their decisions.

Designation as a UnitedHealth Premium physician or cardiac specialty center is an objective process based on guidance from industry-leading organizations, including the National Committee for Quality Assurance, The American College of Cardiology and the Ambulatory Quality Care Alliance. Physicians and hospitals must first meet the quality criteria in order to receive the designation and be evaluated for cost efficiency. Those who meet efficiency benchmarks receive a second designation.

The goal is to connect consumers with physicians and hospitals that are adhering to evidence-based medicine. A number of employers have used the information to offer incentives such as benefit differentials to encourage their workers to choose the designated facilities and doctors.

For instance, General Electric, which worked with UnitedHealth Group to refine the program, offers a benefit incentive to workers in the Louisville/ Lexington, Ky., region who have their cardiac surgery performed at hospitals that are designated as meeting quality and efficiency standards. "We continually remind our employees that where they receive care is their choice and a key factor in staying healthy," said Ginny Proestakes, program leader for GE's Group Health Program.

"An important component of quality is choosing the right physician and hospital," Proestakes added. "Because UnitedHealthcare has done the homework, evaluating hospitals and physicians against strict quality and efficiency criteria, our employees can make informed choices on who can best provide their care and where they should receive it. In addition, we believe that the program's designation process promotes transparency in the market and will ultimately increase overall health care quality."

Dr. Valdivia said creating transparency should be one of the top goals of any consumer-focused company. "Of equal or greater importance is getting the information to consumers in a way and at a time and place that is most useful to them," he added. "As consumers take more responsibility for their health and the health care services they receive, they will need information to inform their decisions, and they'll want to understand how cost and quality are impacted by their selection of health care services and providers. That information helps consumers make their health care more predictable, which is of great value, especially when the health care system can seem so complicated." ■

VITAL Signs

Company: Corrections Corporation of America

Headquarters: Nashville, Tenn.

Number of Employees: 16,000

Core Business: Corrections design, building and management

Stat of Note: Through expanded CDHP opportunities this year, roughly 13,000 CCA employees now have access to the *Buyer's Guide*.

Company: GE

Headquarters: Fairfield, Conn.

Number of Employees: 300,000

Core Business: A diversified company specializing in areas including energy, plastics, news and medical imaging

Stat of Note: GE also has been instrumental in the development of Leapfrog Hospital Quality and the NCOA recognition-based Bridges to Excellence programs.