

Vanderbilt Center for Better Health

Defining Florida's Transparency Horizon for Health Care

A Synthesis Report for the Agency for Health Care Administration
generated from the participants work at the Florida Long Range
Planning Transparency Workshop held in Clearwater, Florida, on
June 19-20, 2007

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Executive Summary

This report synthesizes the work accomplished during the Agency for Health Care Administration's sponsored long range planning workshop held in Clearwater, Florida, on June 19-20, 2007.

Documentation for this session includes a web-based journal of the moment by moment efforts of the participants (see http://www.mc.vanderbilt.edu/vcbh/ds/070619_Florida/) and the *Defining the Horizon of Transparency in Health Care* summary report.

By synthesizing the prior summary work, this report's aim is to:

- Standardize language used by participants to ensure consistent communication,
- Restate the major resources participants at the session believe are necessary to achieve Florida's ambitious State agenda,
- Categorize and define the common themes identified by the participants,
- Identify key transparency options and fundamental choices, and
- Propose next steps for moving forward.

Florida's Transparency Background

The Agency for Health Care Administration (The Agency) is statutorily mandated to offer Florida consumers a state of the art website that provides information about, but not limited to, the quality of care, costs and services available in hospitals and ambulatory surgery centers. To meet this mandate, the Florida Center for Health Information and Policy Analysis (the Center), with assistance and guidance from the State Consumer Health Information and Policy Advisory Council (the Advisory Council) and its technical workgroups, developed www.FloridaHealthStat.com, a website where health data can be found for licensed health care facilities and providers as well as a variety of other information.

A second web site www.FloridaCompareCare.gov was developed as an expansion of www.FloridaHealthStat.com in response to the Affordable Health Care for Floridians Act of 2004. This expansion included the planning, development and implementation of a consumer-centric transparent health care comparison tool with public reporting of performance measures and the dissemination of consumer health care information.



Both of these sites are resources created to achieve the broader goal of “transparency” in health care delivery. Advocates of transparency believe that finding ways to make costs and quality of health care open and apparent to consumers improves quality through greater clarity and public accountability. As the point of access for health information, the Agency’s sites can become the trusted source of information for citizens.

This work, along with other Agency efforts position Florida as a leader in Health Care transparency efforts nationally. As a leader, Florida continues to face the leader’s challenge of learning and applying new information in rapid cycles; making decisions based on the best information available; disrupting well established market and industry relationships; fostering collaboration in traditionally adversarial relationships; all within a politically and economically challenging period for Florida.

Florida's Transparency Challenge

In the continuing evolution of health information technology adoption by state governments as a resource to impact cost and quality outcomes, Florida's success as a leading adopter has placed it squarely at the cutting edge of policy decisions.

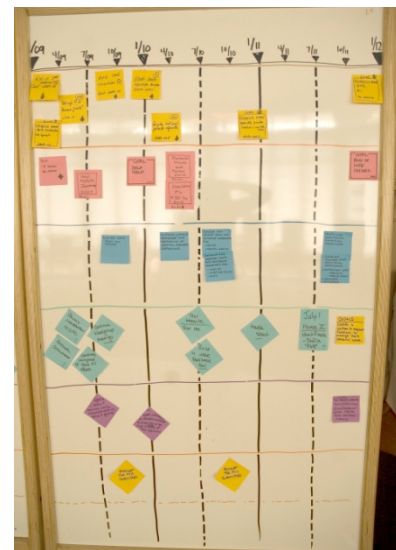
Other organizations working on the transparency agenda include the Federal Government through Executive Order and the Department of Health and Human Services' Agency for Healthcare Research [AHRQ] and Quality and Centers for Medicare and Medicaid Services [CMS]; the National Quality Alliance Steering Committee [AQA & HQA]; the Joint Commission [JCAHO]; individual State Governments; the Leapfrog Group, and Health Plans.

As a recognized leader nationally in pushing transparent health care, Florida's decisions are viewed as leading examples for other states and these organizations. During the workshop, the participants identified five sets of resources to turn the transparency strategy into meaningful decision and health maintenance resources for Floridians.

Resources developed during the workshop

The five major resource services the Advisory Council identified during the workshop that could enable Florida's ambitious agenda are,

- **Resources to assist individuals in managing their personal health.** These resources would serve as a trusted resource based on medical evidence and consumer-friendly information to help manage the health of the individual and their family members.
- **Resources to help consumers understand trade-offs in price and quality when such trade-offs exist.** These decisions require a clear understanding of the issues and would encompass a broad definition of quality that includes timeliness, accessibility and duration of care.
- **Resources to strengthen relationships among consumers and providers.** These resources would help Floridians match their health care needs with clinicians and other health related providers with the appropriate degree of skills and experience. These resources would both help Floridians incorporate cost and quality into their decision-making and simplify access and communication with these providers.



- **Resources that could be individualized to inform Floridians on cost and quality data available directly from or through the Agency.** Ideally this information would be available in two formats. The first format would be a general format summarizing general information; the second format would be personalized to the needs and preferences of the individual making the query and may include alerts and real-time updates of information relative to their health care needs.
- **Resources specialized for populations of Floridians with chronic or acute illness or those seeking elective surgery or other specialized medical procedures.** These resources would provide a consistent method for individuals to compare risk-adjusted outcomes by provider and would be made available in a form meaningful to individuals needing this information.

These resources focus on specific needs the Advisory Council believes will be necessary to improve care in Florida. In addition to identifying the resources, the group also identified a strategic timeline that could be used to implement any one resource. These timelines are presented in the Summary report for the session and are not represented here.

Looking across these five resource areas, common concepts and ideas emerged that Florida could address while moving forward. These common concepts describe the characteristics for competition in the Florida health care market, the planning timeframes to systematically move forward; and the cross resource themes that will enable progress while simultaneously not limiting future choices.

Planning timeframe

The plans developed by the Advisory council during the session contained time horizons termed as Immediate (FY2008-2009), Intermediate (FY2009-2010), and Long-term (FY2011 and onward).

Efforts in the immediate time horizon focus on three paths; continued assessment and consensus building efforts; initiation of demonstration, or pilot, projects to validate key transparency hypothesis, and capturing early wins on implementation projects that: a.) do not require fundamental change in resource allocations or legislated authority, and b.) have broad agreement among the impacted stakeholders.

The intermediate time horizon builds on this early stage work by more broadly implementing pilot projects which validate their hypothesis; by expanding initial resource offerings as more health care organizations move on-line; and by correcting course based on consumer usage patterns and feedback.

Long-term horizon efforts are intended to drive changes across the large segments of the health care market. The breadth and complexity of the changes will require

sufficient socialization and stakeholder input that their timeline will reach into double digit years for full implementation. This work must start now and have milestones associated with these longer term efforts that build into the Immediate and Intermediate time horizon projects.

Immediate FY2008-2009	Intermediate FY2009-2010	Long -term FY2011 and Beyond
<ul style="list-style-type: none"> • Continue Assessment & Consensus Building • Initiate pilot projects • Capture early wins 	<ul style="list-style-type: none"> • Builds on previous work • Broadly implement pilot projects which validated their hypothesis 	<ul style="list-style-type: none"> • Projects to drive changes across large segments of the health care market • Breadth and complexity require long socialization timeframes

Emergent Themes

Looking across the five resources the Advisory Council recommended, the following themes emerged. For each cross-referenced theme, the activities identified by the participants during the session for their resource are identified.

- **Agency operations and governance**
 - Conduct a state-wide health care summit to discuss coordination of services by FY 2008-2009 sponsored by governor
 - Expand Advisory Council
 - Develop a legislative agenda based on needs
 - Develop a communication strategy and educational agenda
 - Identify technology requirements and standards
 - Develop cost estimates and budgets to implement and operate information technology
- **Collaborate across agencies for effective health information exchange**
 - Identify best practices in state and nationally related to personal health management
 - Inventory what other agencies are doing to facilitate personal health management
 - Address KidCare eligibility
 - Develop and refine a system to share data among government health organizations

- Work with the Attorney General's Office to explore the extent to which www.MyFloridaRx.com can include the price the State pays to various pharmacies for prescription drugs.
- **Collaborate with all health care providers, payers, and intermediaries**
 - The State can lead by example in being transparent as a health care purchaser and payer on performance measures
 - Links to healthcare associations, health councils, and federal government
 - Identify "neutral" objectives that engender collaboration on one or two major areas for which there is little debate. Consider a means by which those who submit data will not be penalized initially (similar strategy for those who report medical errors)
 - Establish links among DOH websites and alternative out-patient sites as well as physicians by specialty with objectives set by 2008 and implementation goal of 2011
 - Eliminate duplicate data collection and unnecessary duplicate storage and dissemination requirements
 - Develop individual provider quality information by 2010-2011
 - Make all data compatible with the Agency and other web sites (link with standards)
 - Determine what "cost" means – what is an "average charge"
- **State legislation and policy**
 - Support for state-wide use of electronic health record use by 2013
 - Support for a specialty provider location network for non-urgent care by 2011
 - Short-term need for funding support for data transfer
 - Develop legislation to authorize the electronic exchange of health information between health care providers and facilities
- **Florida CompareCare (new FloridaHealthFinder.gov) Website and resources**
 - The Agency needs legislative direction to collect data (physician data, clinic data, clinical lab data, etc.)
 - Advisory work group schedule to focus on site
 - Define what we need to know ; where and when to find it
 - Determine big goals and plan backwards
 - Links to other agencies with reciprocal links back to the Agency

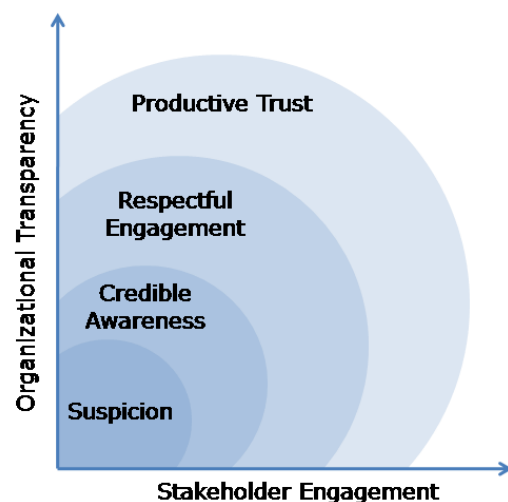
Florida's Transparency Choices

Moving forward, Florida must create or amend state laws, regulations, and policies to achieve the health care market they desire. Building towards this market vision will require the Agency to execute on several strategies while monitoring the inherent tension of change associated with transparency. Understanding the two predominant perspectives on transparency will aid Floridian's during their decision making process – how transparency enables trust, and how it creates consumer centric market efficiency.

Transparency as a tool to enable trust

Transparency is actively sought after by individuals and organizations that want to engender a productive relationship with their broadest stakeholder community. These organizations view transparency as a key strategy to ensure their organization is seen as one embodying integrity, credibility, and respect.

Organizations embodying this perspective use transparency to ensure their employees, shareholders, suppliers, and customers understand know they are interested in their active participation in achieving long term success. Whether related to financial statements, product safety, governance, performance, information security, etc., leaders engage in active dialogs with their stakeholders. These dialogs are intended to move the relationship between the organization and one or all of its stakeholder communities from routine topic awareness to active participation in shaping the organizations stance on a topic. This engagement occurs through the way in which the organization governs itself; the activities it sponsors to engage specific stakeholder communities; and the consistency and relevance of its performance reporting.



This form of self initiated transparency depends on the quality of the information (consistent, accurate, relevant, timely, and auditable); the organization's commitment to improving performance by addressing collaboratively defined challenges; and by engaging in a collaborative dialog that is viewed as an honest interaction of ideas and perspectives.

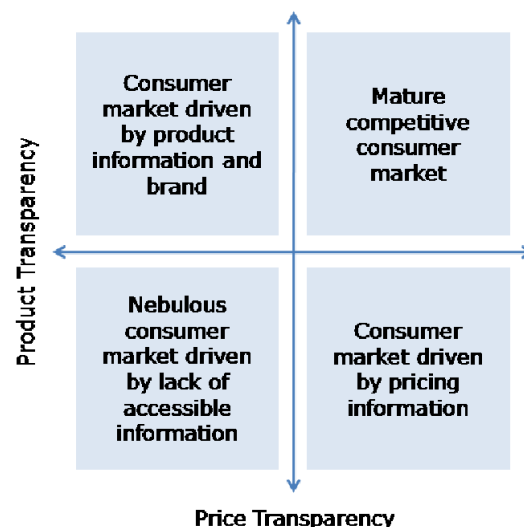
Not all individuals, organizations, or markets value this approach because of the value they can capture by perpetuating non-transparent practices which lead to an information advantage.

Transparency as a tool for consumer centric efficiency

The second perspective on transparency relates to how transparency creates more efficient markets for consumers. From this perspective, transparency is the nemesis of an organization benefiting from a specific information advantage over another organization. An information advantage traditionally exists in one of three forms – an access advantage, a quality advantage, or an understanding advantage.

In the case of an access advantage, the real estate market prior to the internet serves as an example. In that market, consumers hired an informed professional to facilitate the process of selling or purchasing a home. Prior to the on-line real estate market, agent's had information the consumer could not easily access. With the introduction of the on-line real estate tools individuals can access the same market information as their realtors. These new resources provide consumers with access to information in traditional (REALTOR.com, Yahoo real estate, etc.) and non-traditional (zillow.com) forms to understand the market.

A quality advantage occurs when one organization's information is timelier or provides higher fidelity within the context of a specific situation. An example is the Travel Agent market before the advent of internet travel sites like Priceline.com, Expedia.com or Orbitz.com. Prior to these travel solutions, individuals worked with travel agents and airline representatives to obtain necessary information to make travel trade-off decisions. Travel agents were information brokers with higher fidelity information in comparison to travelers. The quality of the information Travel Agents had provided them with an advantage that does not exist today because travel sites present the same fidelity information. These sites compete on different business models to deliver the same service, and leverage the transparency in the industry to compete on price, product information, and customer service. Travel agents have learned to compete on customer service and broader products in this new, and arguably more consumer efficient, environment.



The last advantage is based on an individual's ability to understand the quality information they can access. Today individuals can easily access on-line financial information like, Schwab.com, TDWaterhouse.com, or E*trade.com. In spite of this access to financial data and trading markets, no definitive study has revealed that consumers in general are making better investment decisions. In today's on-line markets, having access to high quality information has not translated into better

personal financial health. The advantage remains with self educated amateur and professional investors who understand how to apply the information they can access.

Competition characteristics

In making choices and moving forward, Florida will need to develop a common set of characteristics, or principles, which will guide the advisory council. The workshop participants described characteristics that should underpin Florida's future health care market. These characteristics are listed below and will need to be ratified before it is applied in the decision making process.

- No Florida citizen should be at an information disadvantage when it comes to managing their health.
- Florida citizens need to act to become more self educated and aware of methods for managing their own health.
- Competition in Florida's market should be defined in terms consumers can understand and apply to their health management.
- Organizations participating in Florida's health care market should contribute to, and have access to, a trusted set of data and information, "the source of truth" from which comparisons can be made to inform decisions.
- Florida's health market will be more efficient when the best available information is used to make decisions by patients and their clinicians.
- Florida needs to ensure appropriate separation between its government roles as "payer," "information broker," and "policy maker."
- Florida's laws, regulations, and policies should provide for default actions that are in the best interests of an individual's health.

Organizational and implementation strategies for Florida

The inherent benefits and challenges in facilitating the adoption of transparent practices in Florida's health care market will require the Agency and legislators to focus on executing specific strategies that are broadly communicated and continuously supported.

The Advisory Council's work during the 2-day session provided them multiple opportunities to identify organizational and implementation strategies for the Agency. These strategies are critical to the long term success of the transparency movement in Florida.

- Lead the transparency movement by example, both in how the Agency operates, and through the transparency related efforts of other government

agencies (e.g. publishing differential payments under Medicaid to different providers)

- Advertise the AHCA web sites to promote consumer awareness of tools currently available. Specifically emphasizing the world class educational component with the inclusion of the ADAM system that demonstrates the Agency's dedication to serving the health care consumer and promoting health literacy through the Center.
- Become the trusted resource to Floridians who are managing their health by providing a focused, effective web site with non-controversial, coherent resources.
- Start with clearly scoped information collaborations among traditional competitors that provide benefit to both as a starting point
- Engage a larger population of advisors on the Advisory Council to include other state departments and agencies
- Engage with consumers, through passive site monitoring and active user input, to proactively manage the usefulness of resources made available on the site.
- Focus on efforts appropriate to a government agency while simultaneously enabling the open market to create additional value for consumers.

Fundamental choices for transparent health care in Florida

Understanding where Florida wants to go; the resources desired for its citizens and the type of competitive market it wants; and how it wants to get there; enabling trust, driving consumer centric efficiency, and focusing on defined goals; there are some fundamental decision on where to move next.

The following items each describe a fundamental component necessary for a transparent consumer centric health market. Fully developing any one resource defined by the Advisory Council will require aspects of several of these components. Each will require input and collaboration across the continuum of service providers supporting Florida's health care industry.

- **Educating consumers for health literacy.** Health literacy constrains any future state health care system. Educating Floridians to act in their own best long-term interests through the new resources made available through this work will be paramount to continued improvement. The web sites (www.FloridaCompareCare.gov, www.FloridaHealthStat.com) already developed should continue to be made relevant to consumers as their literacy levels advance.

We recommend a continued focus in areas of education that consumers find useful. Efforts should emphasize the resources an individual needs to manage their health. As the Agency learns which tools and resources are most valued by consumers, they will need to develop strategies to understand how these needs can be satisfied - government or the open market.

- **Access to useful information.** The Council's primary focus is on the use of Internet technologies and Web services. This is an appropriate initial emphasis because of the relative low cost and growing access to these technologies in the population. In addition, this emphasis allows the Agency and other groups to focus on the quality and types of information integrated across disparate sources separate from its presentation. But the Council realizes that information in a computer – an essential pre-requisite – does not ensure that this information will be accessed at critical moments when health decisions must be made.

We recommend a continued effort to expand data sharing among agencies. The Agency should strengthen its basic infrastructure to further support cross-agency data sharing, with appropriate controls for access, authentication, and privacy protection. This strengthened infrastructure is vital to developing new health care industry performance measurement strategies

- **Choices, expanding the options.** Improving the nature of reported cost and quality information will not impact individual decision-making if one has no options but the status quo. Improvement in quality and cost of services requires a sufficient number of alternative delivery organizations who compete with one another over quality and cost. In many emergent situations, an individual in a remote area does not have the luxury of choosing among multiple alternatives because of the urgency of their need. Similarly, a disabled individual may have to make do with the nearest health care facility simply because of the time and effort required to obtain care in a competing organization some distance away.

We recommend the Agency recognize where communities have limited choice, and take actions to expand options.

- **Product (Service) definition and transparency to consumer.** Often price and quality information are based on discrete episodes or procedures and not on the overall management of a disorder as defined by the individual. For example, an individual seeking treatment of an incapacitating hip disorder seeks a safe surgical intervention, post-operative care, and full rehabilitation.

Often price and quality information are expressed only for the surgery or rehabilitation and not for the entire episode of care defining the individual's needs.

We recommend a new effort to develop a consumer-centric framework to facilitate the consumers understanding of price and quality information for their health management.

- **Total price transparency to consumers.** Essential in any decision making scheme is the ability for consumers to understand and weigh the quality and price before a decision is made. Often the true cost of a medical product or service is obscured by co-payments, rebates, differential pricing schemes, or other intermediate transaction. These impediments conceal from the individual and from other payers the true cost of goods and service and hence make optional decision-making a conjecture at best. Two illustrative questions of the current state include:
 - What is the price for a doctor's visit if an individual goes one time in a single year and pays a \$15 co-pay but whose annual expenses include their \$1,800 insurance premium and an employer contribution of \$3,200. Their total price for care is \$5,015.
 - How can an individual understand the price of an inpatient hospital stay? Currently an individual who experiences an inpatient hospital stay requiring specialized care will likely receive multiple bills from the facility and professionals who cared for them. The total price for these services cannot be calculated until after the charges settle, and even then consumer is not always able to correlate the prices charged to the services rendered.

In both cases, the consumer is unable to weigh the price they paid, either for mitigating health care cost risk or for services rendered, prior to their purchase decision.

We recommend on-going efforts to clarify and define health care products and service in ways meaningful to consumers.

- **Clinical quality.** Quality remains an elusive concept in health care. Even the simplest metrics like surgical mortality are confounded by the claim that different surgeons and facilities care for populations with a different degree of underlying illness and hence a different risk of adverse outcome. Organizations required to make public such outcomes are concerned that these imperfections will penalize their organizations unfairly. Those who seek proactive and aggressive reporting of errors, adverse outcomes, and quality measures believe the very effort of attempting to be more forthcoming should be coupled with a degree of tolerance for values that may imply worsening

care. These concerns over quality reporting should be contrasted with internal quality efforts in manufacturing, where organizations encouraged reporting – even of bad outcomes – in an effort to improve the quality of their product. Managers in manufacturing plants knew that their initial efforts to identify errors and quality problems would be rewarded and not punished.

We recommend an incremental approach aimed at improving clinical quality through reporting of clinical quality information to providers that rates their performance relative to their peers. Technical quality information reported from the clinical settings is not useful to consumers. As consensus is reached, efforts must be made to make these metrics understandable by consumers.

- **Product and service quality to consumers.** Consumers are very capable of taking in new measures of quality and applying that information in their buying decisions. Prior to the oil embargo of the early 1970's, most consumers did not think about Miles-Per-Gallon (mpg), yet within less than a decade this indicator was critical to informing consumers buying decisions. Today's health care market, through organizations like, the Centers for Medicare & Medicaid (CMS), the Joint Commission (JCAHO), and the Institute for Health Improvement (IHI), are all working to define these key indicators that will become the basis for future consumer decisions.

We recommend collaborating with the other organizations pursuing consumer quality metrics to discover what generalized quality information will support consumer's health related decision making.

All of these factors are fundamental to the efficient operation of a market to support personal health management, in which supply and demand are unregulated except through commonly accepted laws, regulation, and policies.

The Agencies next round of work should be to define which of these factors they want to focus on.

Possible road blocks, impediments, and concerned parties

Florida's transparency movement will face challenges from any organization sensing a displacement within their current business model. Using this rule and applying the three information advantage concepts to the general market, illustrative barriers can be identified that include:

- A natural tendency for acrimony among providers, payers, and other intermediaries in response to the fundamental fear of change intended to drive efficiencies into Florida's health care market

- Resistance to developing methods that use self-reported information to force compliance and enact punitive measures. This is an equally true concern of individual citizen's and health care organizations.
- The real potential for state leadership to send inconsistent messages regarding the purpose and scope of the transparency effort.
- A lack of legislative authority within the Agency to drive this change initiative into the market and throughout other state agency markets.
- State budget concerns could derail the expansion of transparency related resources if the value is not sufficiently well defined and demonstrated.
- Metrics for performance – organizations, individuals, and program

Next Steps

Moving the transparency agenda forward in Florida will require the Agency, working through its broader stakeholder community, to begin the next iteration of detailed planning and resourcing exercises. As presented in this paper, these steps include:

- Ratifying the competition characteristics of a future health care market in Florida through a dialog that engages the necessary stakeholders
- Synchronize the planning timeframe identified by the Advisory Council with the state's legislative and budget processes to ensure the longer range plan is feasible
- Identifying the quick wins within the emergent themes and act on them while moving the broader transparency planning forward
- Ratify and implement the organizational and implementation strategies identified by the Advisory Council
- Prioritize the fundamental factors Florida wants to address based on the planning timeline they have defined, and who they want to include in the process for each factor
- Completing an analysis of the potential benefits and road blocks to implementing the transparency agenda within the state