

ALIGNING FORCES FOR QUALITY

Engaging consumers with a
high-value health care system:
Public reporting of costs and
resource use

American Institutes for Research®

Objectives

- Review how consumers can use cost and resource use information
- Discuss 3 factors that can impact how effectively your Alliance engages consumers with this information
 - For each, discuss what your Alliance can do TODAY to address this factor and bolster its efforts to engage consumers

Before you leave today...

Please pick up these new products from AIR:

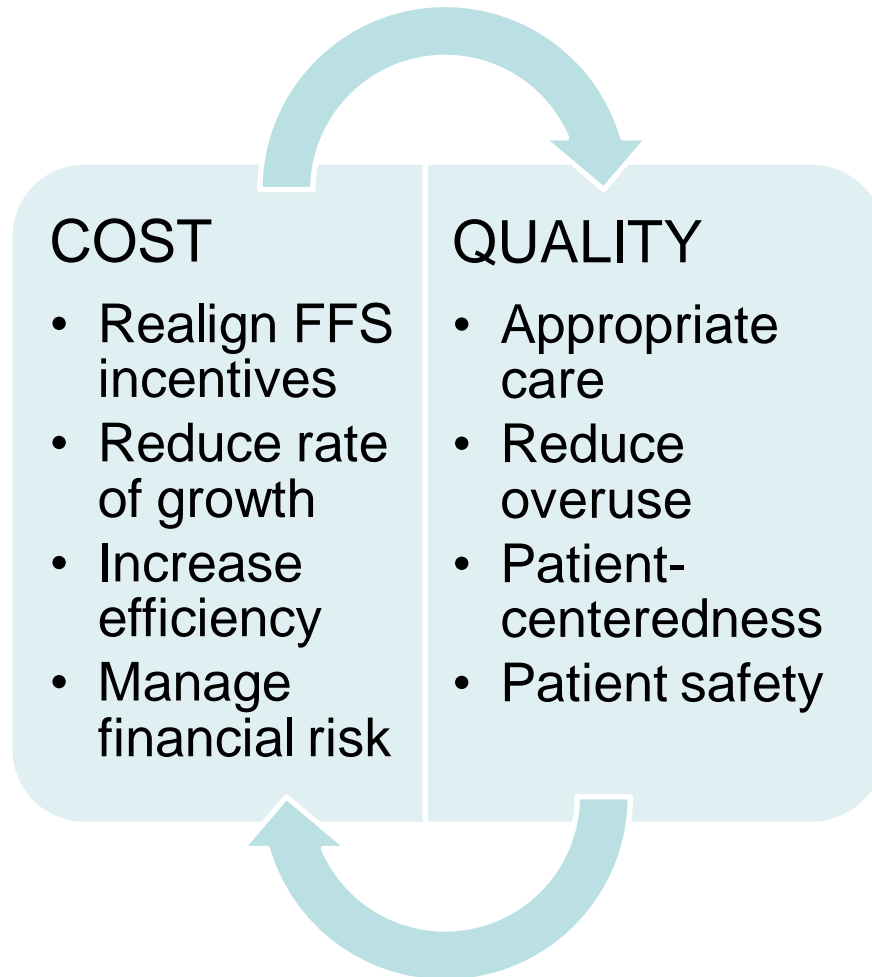
(Will insert graphics of the three products here)

Why is this important?

Health reform and payment innovations:

- Expected to reshape health care delivery by aligning provider, purchaser and consumer incentives
- Will rely on public reports—such as those published by the Alliances—to support consumer health care choices
- Success of efforts will hinge on how well consumers understand and apply information from reports to health care decisions

Payment Reform's Dual Goals



Adapted from Payment Reform: Analysis of Models and Performance Measurement Implications, RAND, 2011

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How can consumers use information on costs and resource use?

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Consumers can use cost and resource information to ...

- **Make better health choices**

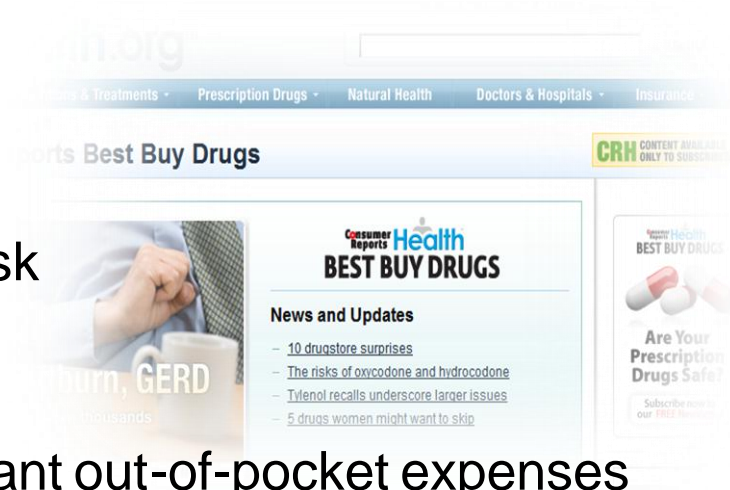
- Price not a proxy for quality
- Reduce exposure to unnecessary risk

- **Shop for medical care**

- Especially those exposed to significant out-of-pocket expenses

- **Understand and navigate changes to benefit design**

- Consumers must be able to understand and use this information for reforms to be successful



Factors that impact how effectively consumers engage with cost and resource use information



1. The knowledge, attitudes and beliefs of consumers
2. How incentives are aligned in your community
3. How you talk about and display the information on your public reports

Knowledge, attitudes and beliefs: What are they?

- Higher priced providers give better quality care
- More care is better
- Providers have my best interests at heart and should not be questioned
- Cost should not be a consideration when it comes to my health care

Carman KL, Maurer M, Yegian JM, Dardess P, McGee J, Evers M, Marlo KO. “Evidence that Consumers are Skeptical About Evidence-based Health Care.” *Health Affairs*. 2010 June; 29(7): 1400-1406.

What underlies consumer beliefs?

- Traditionally have been shielded from costs and variations in the costs of care
 - Tend to focus on what they pay, instead of total bill
 - Have neither benefitted from nor paid for increases or decreases in cost or resource use
- Remain rooted in traditional expectations about doctor-patient relationship and medical care system
- Marketing messages from media and health care industry emphasize benefits of technology and more care, play down drawbacks

How consumer beliefs impact how they engage with cost information

- May have varying levels of interest depending on exposure to out-of-pocket costs
 - Less exposure means less likely to be aware of “cost problem” – on individual and societal level
- May not understand individual role in helping to manage costs
- May not know risks of unnecessary or inappropriate care
- May misuse or misinterpret information

What you can do TODAY: Build consumer knowledge

- Invest in **knowledge-building** efforts directed at consumers that:
 - Address ingrained knowledge, attitudes & beliefs and anticipate how they may impact choice
 - Convey that “cost problem” affects each of us and all of us despite good coverage and low out-of-pocket costs
 - Let different segments of consumers know how they can use the information to benefit themselves and society

Factors that impact how effectively consumers engage with cost and resource use information



1. The knowledge, attitudes and beliefs of consumers
2. How incentives are aligned in your community
3. How you talk about and display the information on your public reports

Alignment of incentives: What is it?

- Aligning provider and consumer incentives so both are inclined to make choices that encourage high quality, efficient care
 - Payment reform adjusts incentives on the provider side
 - Bundled payments for episodes of care
 - Payment for full spectrum of care for patients (via ACOs)
 - Network design and benefits design adjust incentives on consumer side
 - Ex. Value-based insurance design

Value-based Insurance Design (VBID)

- Gives consumers with low out-of-pocket costs reason to understand and use cost and quality information
- Sets consumer cost sharing based on clinical value of services
- Research shows alignment of incentives can impact use of services and medications

<http://www.sph.umich.edu/vbidcenter/publications/pdfs/whitepaper33010.pdf>



Service	Cost burden to state employee
<p><u>Tier 1:</u> Services required for 6 chronic conditions and proven preventive services</p>	<p>Zero or low out-of-pocket costs</p>
<p><u>Tier 2:</u> Majority of services covered</p>	<p>Standard deductible and coinsurance</p>
<p><u>Tier 3:</u> Services nationally recognized as overused and driven by provider preference or supply rather than evidence-based need</p>	<p>Substantial cost-sharing</p>

<http://www.orhealthleadershipcouncil.org/value-based-benefits>

What you can do TODAY: Aligning incentives

- Invest in **political-will building** efforts:
 - Convene stakeholders early and often
 - Work with business coalitions representing multiple employers
 - Helps leverage the purchasing power of participating employers
 - Can add efficiency to implementation of VBID
 - Develop effective communications to convey purpose and benefits of VBID to your community's stakeholders

Factors that impact how effectively consumers engage with cost and resource use information



1. The knowledge, attitudes and beliefs of consumers
2. How incentives are aligned in your community
3. How you talk about and display the information on your public reports

How do the displays we use in our reports impact consumer engagement?

Choice of displays and labels:

- Determine how easy it is for consumers to process, interpret and use information
- Present an opportunity to address knowledge, attitudes and beliefs
- Have an impact on political feasibility

What you can do TODAY: Displays

- If possible, combine cost and quality information
 - Cost can be a “gateway” to quality information
 - Gets consumers to understand cost/quality relationship differently
- Use best practices to reduce consumers’ cognitive burden
- Test your displays with consumers
- Seek guidance on how to display and label your measures

How does the language we use in our reports impact consumer engagement?

Choice of language:

- Can have unintended implications
 - Ex. Consumer do not react positively to word “value”
 - Framing as a gain (better buy) or loss (waste or exposure to risk) will likely elicit different reactions
- Can establish context for consumer
 - Educate about individual and societal cost problems
 - Address beliefs and misconceptions (more is not better, etc.)

What you can do TODAY: Using Language In Your Reports

- Provide compelling reasons for consumers to use your report
- Establish proper context for your measures
- Write in “plain” language
- Test language with consumers
- Seek guidance on how to talk about efficient care

Achieving Your 3.0 Goals

- Please see the “11 Ways...” document for even more tips on how to engage consumers with cost information
- Following these tips will help consumers understand and use the information and your community:
 - Reduce overuse
 - Get a better handle on costs and resources
 - Deliver safer, appropriate, patient-centered care

What's next...

AIR will be conducting research on:

- Consumers' perceptions of cost and resource use information
- Consumers' behaviors when presented with cost and resource use information
- Real-world approaches to maximizing consumer understanding and application of cost and resource use information to their health care decision-making

Questions?



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