

Testimony of Nancy A. Giunto, Executive Director of the Washington Health Alliance

Washington State Senate Health Care Committee Hearing on Senate Bill 5084

February 10, 2015

Thank you, Sen. Becker and honorable members of the committee. As executive director of the Washington Health Alliance, I welcome this opportunity to testify in support of Senate Bill 5084.

The Alliance is a multi-stakeholder non-profit organization that brings together those who give, get and pay for health care who are committed to creating a high-quality, affordable system for the people of Washington state. Since our founding 10 years ago, we have focused on performance measurement and reporting using claims data, building the infrastructure that helps pave the way for the current legislation.

Over the past decade, we have engaged in a painstaking, collaborative process to ensure that our performance measurement activities have the buy-in of providers, health plans and purchasers. As a result, the Alliance's Community Checkup website, where we publish our reports, is respected as a fair and objective resource for information about quality of care and patient experience. In fact, Washington is one of only two states that receives an "A grade" for physician quality transparency and this grade is based on the Alliance's work. Unfortunately, the same organizations give Washington an F for price transparency.

We have heard loud and clear from the businesses that they want multi-payer information about health care costs to make better decisions about benefit strategies. The current lack of cost transparency hinders the ability of purchasers—the people who are footing the largest part of the health care bill—to drive change in the market. That includes the State of Washington, which is a major purchaser of care, spending \$10 billion per year. The lack of transparency also hinders consumers, who are increasingly bearing a larger share of costs.

We share your belief that patient privacy is a crucial component of the APCD. The Alliance believes that every patient has the right to be certain that their medical details are confidential. We work diligently to ensure that direct patient identifiers and indirect patient identifiers are never compromised. The system that we use offers state-of-the-art encryption and security technologies and protocols to ensure that patient data remains confidential, yet is accessible to authorized users.

In the eight years that the Alliance has operated the voluntary APCD in Washington, there has never been a breach of confidential information.

SB 5084 is a step forward in correcting the challenges of transparency. We know from the experiences of other states that APCDs can be a market-oriented solution for measuring the cost of health care. For example, publishing cost information from New Hampshire's APCD helped change market dynamics.

Employers became more receptive to new benefit designs and higher-priced hospitals introduced lower-priced alternative care settings and renegotiated lower payment rates for certain services.

Although we do support this bill, it is not everything the Alliance would have hoped for. There are significant restrictions in the bill that limit the amount of transparency that we will see from the APCD, particularly regarding cost. Other states have been much bolder in addressing this issue. Washington state is usually at the forefront of advances in health care system transformation. While this bill is a step forward, it is not the quantum leap that we and the rest of the nation have come to expect from our state.

Still, this legislation would be an advance from the current status quo. Purchasers, providers and consumers will be able to have a somewhat greater understanding of the market landscape to make decisions. The Alliance remains fully committed to moving our score on price transparency from an F to an A over time. We are confident that by working together, we can reshape the market for the better, encouraging all the stakeholders in our system to strive toward and reward high-value, high-quality health care.

Thank you.

The following organizations sent representatives to support SB 5084:

- AARP
- American Civil Liberties Union of Washington
- American Cancer Society Cancer Action Network
- Amerigroup
- Association of Washington Business
- Association of Washington Cities
- Association of Washington Healthcare Plans
- Columbia-Snake River Irrigators Association
- Coordinated Care
- Economic Opportunity Institute
- Foundation for Healthy Generations
- Group Health Cooperative
- King County
- Lifelong AIDS Alliance
- Molina Healthcare of Washington
- National Federation of Independent Business
- Office of the Insurance Commissioner
- Premera Blue Cross
- Providence Health and Services
- Regence
- SEIU Healthcare 1199 NW
- The Everett Clinic
- United Healthcare
- Washington Academy of Family Physicians
- Washington Advocates for Patient Safety
- Washington Community Action Network
- Washington Food Industry Association
- Washington Health Alliance
- Washington Retail Association
- Washington Roundtable
- Washington State Association of Local Public Health Officials
- Washington State Medical Association
- Washington State Nurses Association
- Washington State Office of the Governor
- Washington State Pharmacy Association