

Health Care Transparency: Empowering Consumers To Save On Quality Care

Today, President Bush Signed An Executive Order To Help Increase The Transparency Of America's Health Care System – Empowering Americans To Find Better Value And Better Care. To spend their health care dollars wisely, Americans need to know their options in advance, know the quality of doctors and hospitals in their area, and know what procedures will cost. When Americans buy new cars, they have access to consumer research on safety, reliability, price, and performance – and they should be able to expect the same when they purchase health care.

This Executive Order Directs Federal Agencies That Administer Or Sponsor Federal Health Insurance Programs To:

- 1. Increase Transparency In Pricing.** The Executive Order directs Federal agencies to share with beneficiaries information about prices paid to health care providers for procedures.
- 2. Increase Transparency In Quality.** The Executive Order directs Federal agencies to share with beneficiaries information on the quality of services provided by doctors, hospitals, and other health care providers.
- 3. Encourage Adoption Of Health Information Technology (IT) Standards.** The Executive Order directs Federal agencies to use improved health IT systems to facilitate the rapid exchange of health information.
- 4. Provide Options That Promote Quality And Efficiency In Health Care.** The Executive Order directs Federal agencies to develop and identify approaches that facilitate high quality and efficient care.

The Federal Government Is A Major Participant In The Health Care Market. Medicare beneficiaries, health insurance beneficiaries at the Department of Defense and Department of Veterans Affairs, and Federal employees represent about one-quarter of Americans covered by health insurance. This Executive Order builds on the Federal government's existing efforts to release Medicare payment information for individual health care providers.

Consumers Will Receive Information Through A Collaborative Process. The Federal government will work collaboratively in this process, building on efforts by quality alliances that include a broad range of health care stakeholders to improve quality and cost information. Measures of quality at the provider and health plan level will be developed from private and government sources and will not involve developing or releasing data at the individual patient level. Participation in this process in each area will be governed by various regional stakeholders, including local providers, employers, and health plans and insurers. Consumers will be able to access information from a variety of potential sources, including insurance companies, employers, and Medicare-sponsored websites.

The President Has A Clear Agenda To Make Health Care More Affordable

The President's Health Care Agenda Includes:

- **Allowing Small Businesses To Form Association Health Plans (AHPs).** The President has called on Congress to allow small businesses and civic and community groups to form Association Health Plans (AHPs), which would allow these groups to join together across State lines to purchase health insurance. This would give them the same advantages, administrative efficiencies, and negotiating clout enjoyed by big companies and labor unions.
- **Passing Medical Liability Reforms.** The President has called on Congress to pass medical liability reforms that would help injured patients get quick compensation for economic losses while reducing frivolous lawsuits. Frivolous lawsuits and excessive jury awards limit access to health care by driving providers out of many communities. They also increase patients' costs by forcing doctors to practice defensive medicine.

- **Expanding Health IT.** In 2004, the President launched an initiative to make electronic health records available to most Americans within the next 10 years. The Administration is working to expand the use of health IT to increase efficiency, reduce medical errors, and improve quality of care while protecting patients' privacy and personal information.
- **Expanding Health Savings Accounts (HSAs).** In December 2003, the President signed legislation establishing HSAs that allow Americans to save tax-free dollars to pay for out-of-pocket medical expenses and save for future longer-term costs. HSAs give Americans more control over their health care spending, leading to better treatment at lower costs.