INTRODUCTION TO FAIR HEALTH: Bringing Transparency and Integrity to the Healthcare Industry

Presentation to the Virginia Workers' Compensation Committee

July 1, 2015

Prepared for the Virginia Workers' Compensation Committee.
Information may vary based on time periods, geographic regions and other factors.

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www.fairhealthconsumer.org
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Overview

- FAIR Health Background
- Uses of FAIR Health Data
- Data Sources
- Benchmark Development
- Virginia-Specific Data
- Neutrality and Stakeholder Acceptance

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The FAIR Health Mission

- **MISSION:** to bring clarity to healthcare costs and health insurance information
- **ACTION:** fulfills mission with robust data products, award-winning consumer tools and research platform
- **ORIGINS:** established as conflict-free, independent, national not-for-profit
- **IMPACT**: widespread impact on diverse stakeholder groups, including state leaders

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FAIR Health Database

18B+

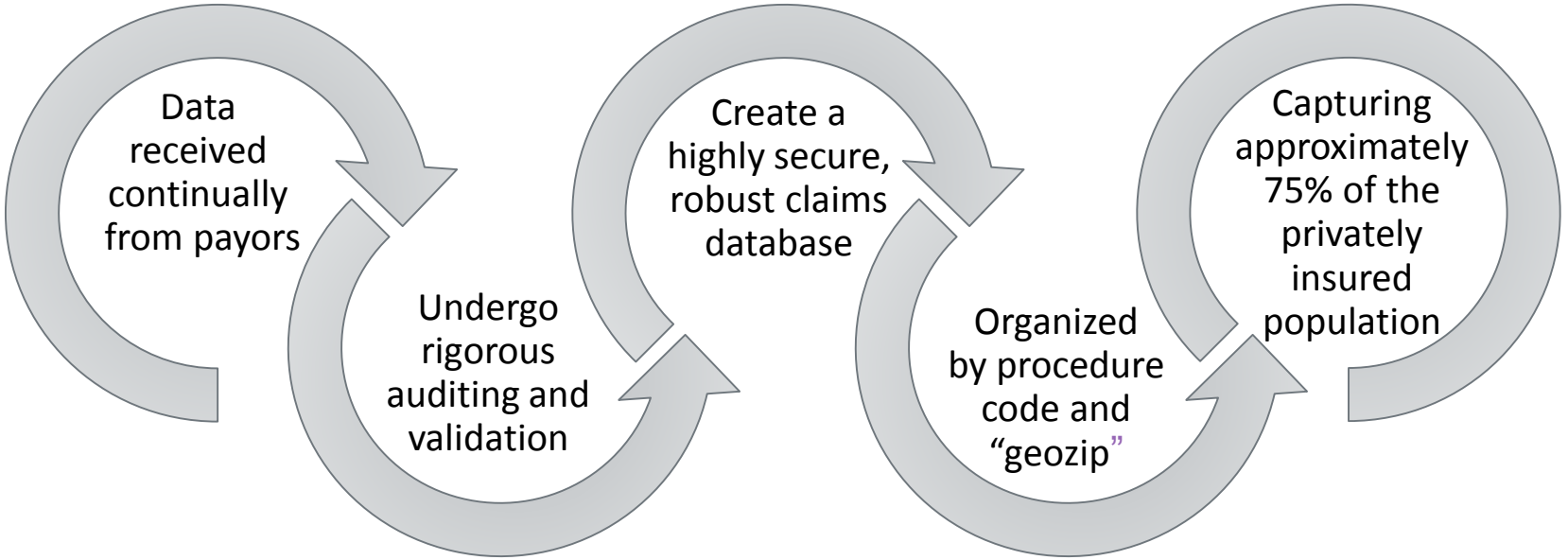
Medical & Dental Procedures Performed Since 2002 Nationwide

151M

Covered Lives from Contributors

491

Geozips reflecting all 50 states



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Universe of Stakeholders

- Government
- Researchers
- Payers
- Employers
- Healthcare Systems/Facilities
- Healthcare Professionals
- Bill Review Companies
- Consumers
- Unions

- Consultants
- Pharma
- Actuaries
- Brokers
- DME Companies
- Think Tanks
- Investment Analysts
- Litigation Support
- Trade Associations

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Data Used in State Programs

- Alaska
- Arizona
- California
- Georgia
- Indiana
- Kentucky
- Minnesota
- Mississippi
- New Jersey
- New York
- North Dakota
- Pennsylvania
- Wisconsin

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Usual and Customary Cost ("UCC"): NY Statute

Codified definition

- 80th percentile of charges for a particular service in a particular geographic area
- As reported in a benchmarking database maintained by a conflict-free not-for-profit organization

FAIR Health officially recognized as fulfilling statutory requirements

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Example for the Nation

"More states need to follow New York's pioneering law, which consumer advocates have praised as the toughest in the nation. Patients everywhere need similar protection from unexpectedly high bills."

From *The New York Times* – September 24, 2014

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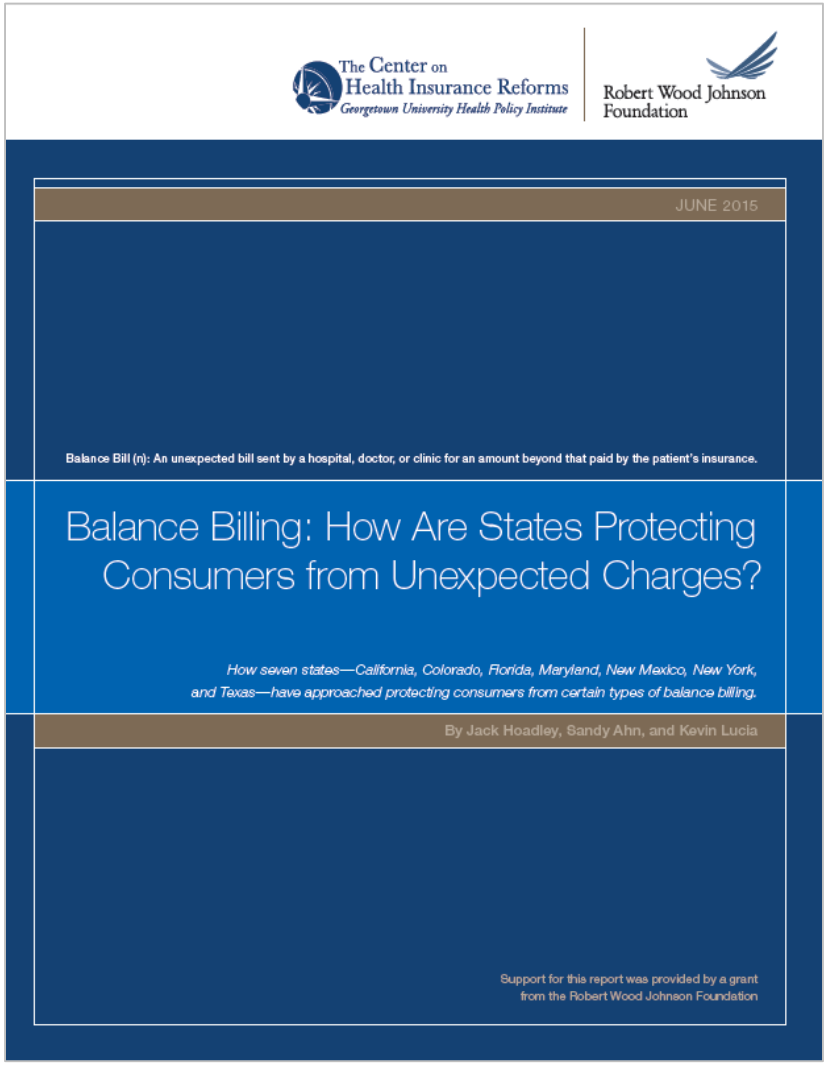
Laboratory of Reform in the States



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Data Products

Product Modules:
Medical/Surgical
Allowed Medical
Dental
Inpatient Facility
Outpatient Facility
Anesthesia
HCPCS
Ambulatory Surgery Center
Medicare GapFill PLUS™
FH® Customs:
Data Analytics & Visualizations
Interactive Data Dashboards
FH NPIC® Database (record level data)

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Additional Uses of FAIR Health Data

Management and Operational Support

- Plan, Benefit and Provider Network Design
- HR/Benefits Administration
- Premium Rate Review
- ACO/Bundled Payment Modeling
- Support Public/Private Exchanges
- Management of CDHPs/HSAs
- Value "Add-ons" for Plan Members
- Strategic Planning
- Fraud Detection

Fee Schedules and Reimbursement

- In/Out-of-Network Provider Fee Schedules
- Balance Billing Negotiations with Providers
- Dispute Resolution
- Reference Pricing
- Auto Liability Fee Schedules
- Workers' Compensation Fee Schedules
- Medicare Gap Fill
- Medicaid Reform

Public Health and Consumer Engagement

- Consumer Transparency Tools
- Educational Materials
- Public Health/Education Campaigns
- Advocacy Materials

Policy and Research

- Health Economics and Policy Research
- Evaluate Legislative and Regulatory Action
- Analyzing Health and Cost Disparities
- Statutory Benchmark for State Programs
- Market Research

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Broad Acceptance of FAIR Health Data

FAIR Health is a neutral, unbiased source of data

WebMD Better information. Better health.™

U.S.News & WORLD REPORT

FOX BUSINESS

THE WALL STREET JOURNAL.

Bloomberg

MarketWatch THE WALL STREET JOURNAL

The New York Times

Forbes

Los Angeles Times

USA TODAY

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Healthcare Informatics Healthcare IT Leadership, Vision & Strategy

ConsumerReports

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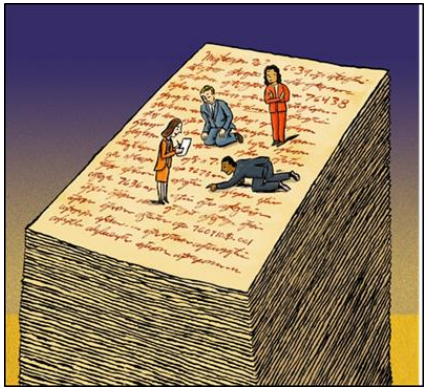
Source of FAIR Health Data

- Charge data are contributed by approximately 60 payors nationwide
  - 24 contribute claims for services performed in Virginia
  - Actual charges: non-discounted fees-for-service
  - Each charge includes zip code where service was performed
- Incentives provided to encourage data contribution
  - Credits applied to data products
  - Complimentary reports and custom analytics
- Represents all of the payors' data for the submission period
- Submissions are received on a continuous rolling basis
- Benchmark products are refreshed twice yearly



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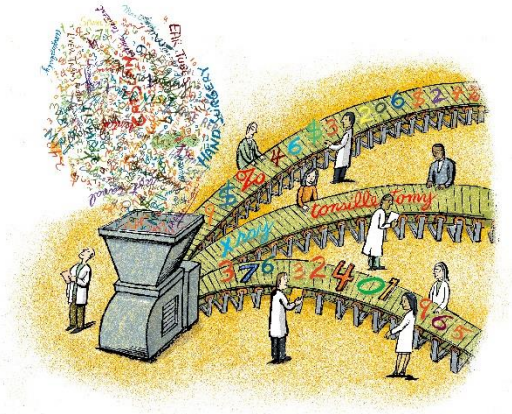
How Data are Arrayed

- Data are organized by claim type (medical surgical, anesthesia, dental, HCPCS, outpatient facility, inpatient facility)
- Benchmarks are calculated for each procedure code and geographic area
- Benchmarks are provided at multiple percentiles
  - Standard percentiles: 50, 60, 70, 75, 80, 85, 90, 95
  - Data can be provided for a wider range of percentiles upon request
  - Organizations have the flexibility to choose percentiles that best meet their needs



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FAIR Health and CMS: A Comparison

Category	FAIR Health Data	Medicare Fee Schedule
Pricing	Mirrors the healthcare market	Fees established to meet national budget and policy objectives
Geography	Benchmarks can be established separately for each of the 15 Virginia communities	Two GPCIs in Virginia • DC and MD/VA suburbs • Rest of Virginia

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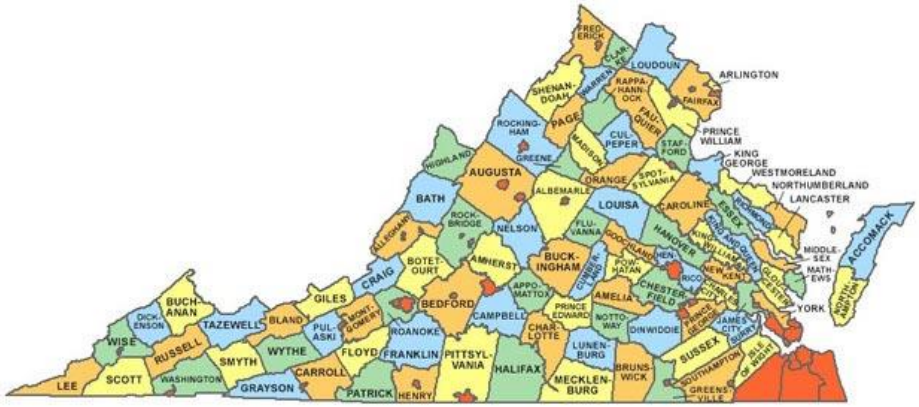
Virginia Claims

- 26.5 million Virginia claims support the most recent release of our medical/surgical product
  - Represents 12-months of claims activity
- 24 payors and TPAs are currently contributing claims for services performed in Virginia



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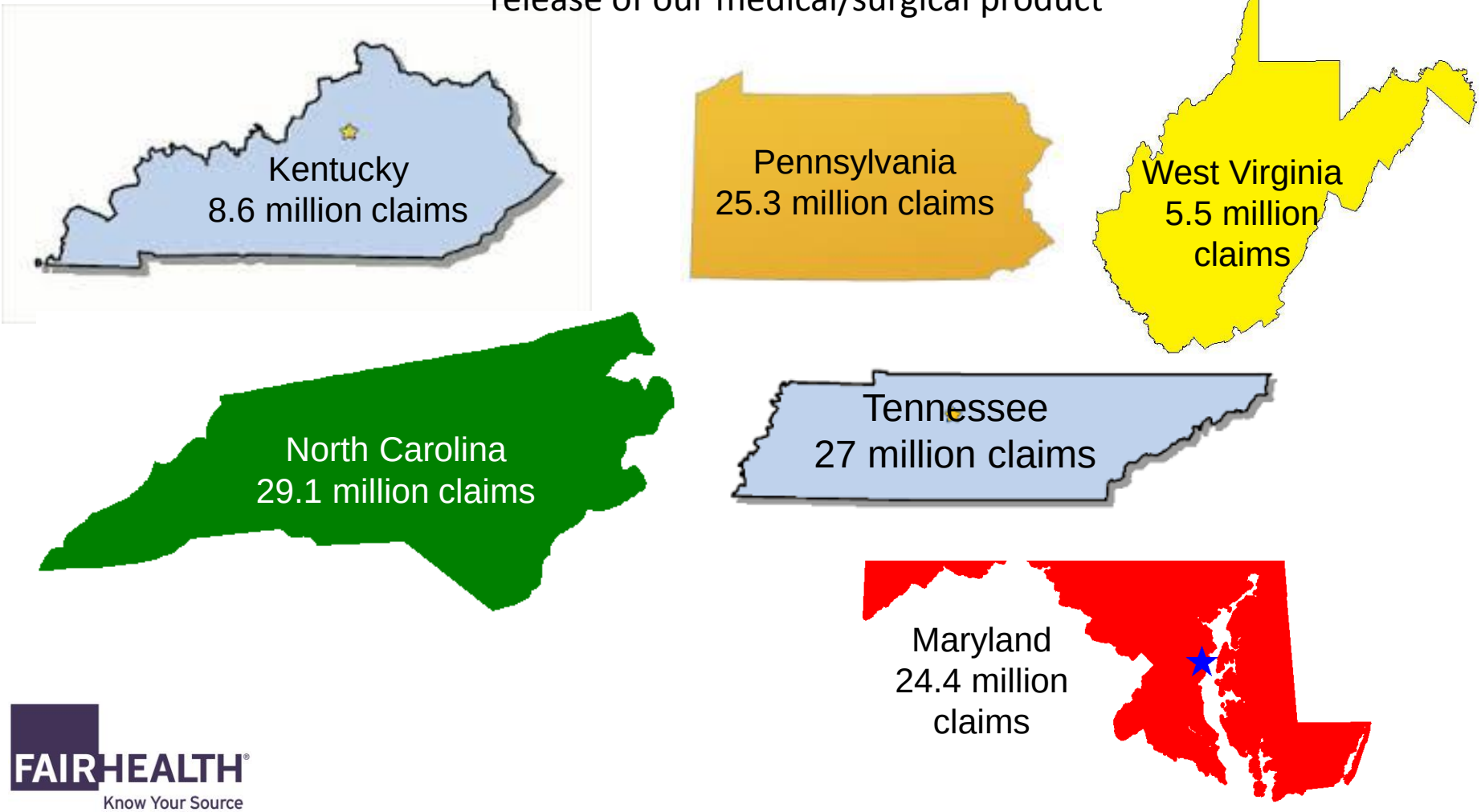
Data from Surrounding States

12-months of data supporting the most recent release of our medical/surgical product



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Virginia Communities

FAIR Health currently creates custom products to support Workers' Compensation claims administration in the Commonwealth of Virginia

- FAIR Health data are organized by procedure code & zip code
- In FAIR Health's standard products, zip codes nationwide are combined into 491 geographic areas, called geozips
- We create custom benchmark products to support Workers' Compensation claims administration and dispute resolution in the Commonwealth
  - Data re-organized into Virginia's 15 economic communities

Community Planning District(s)	
1	Districts 1 and 2
2	District 3
3	District 4
4	District 5
5	Districts 11 and 13
6	District 12
7	District 6
8	District 7
9	District 16
10	Districts 9 and 10
11	District 8
12	Districts 17 and 18
13	Districts 22 and 23
14	Districts 14 and 15
15	District 19

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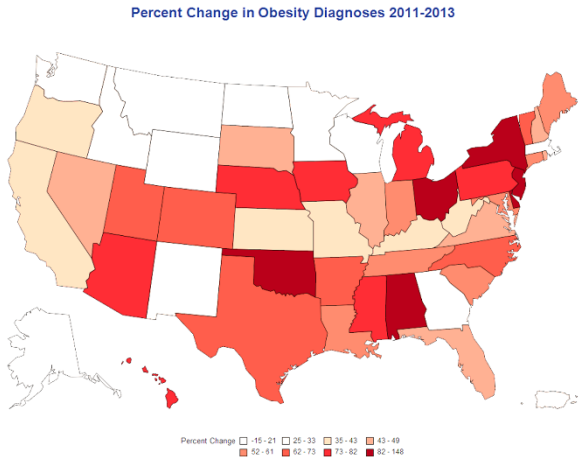
Data for Research

Sample studies supported by FAIR Health data:

- Changes in Emergency Department utilization post ACA
- Costs associated with treatments & conditions (episodes of care)
- Impact of policy and marketing campaigns on procedures identified as overused (e.g., Choosing Wisely campaigns)
- Cost and utilization trends by place of service
- Utilization impact of policy adoption and public health intervention



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Data for Providers

Available by clinical specialty and geographic area

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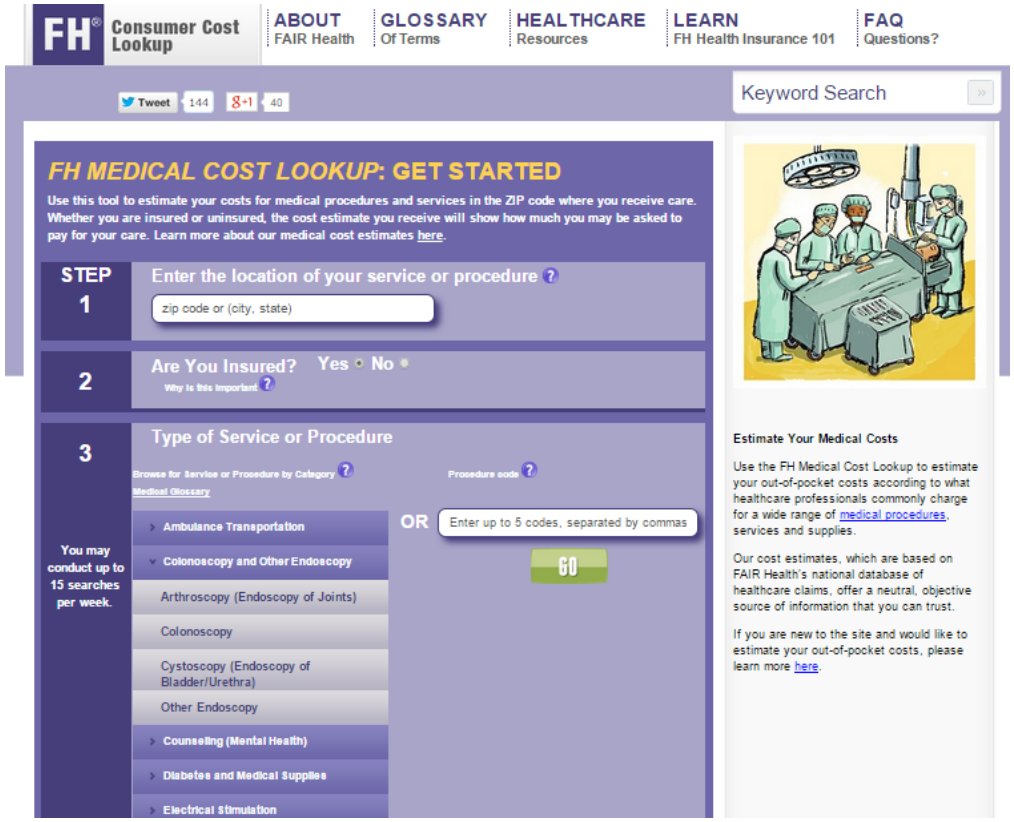
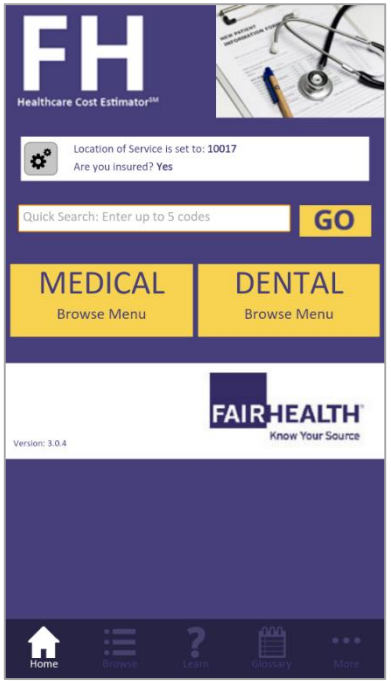
Consumer Cost Transparency Tools

Estimate Out-of-Pocket Costs





Online in English and Spanish:

www.fairhealthconsumer.org

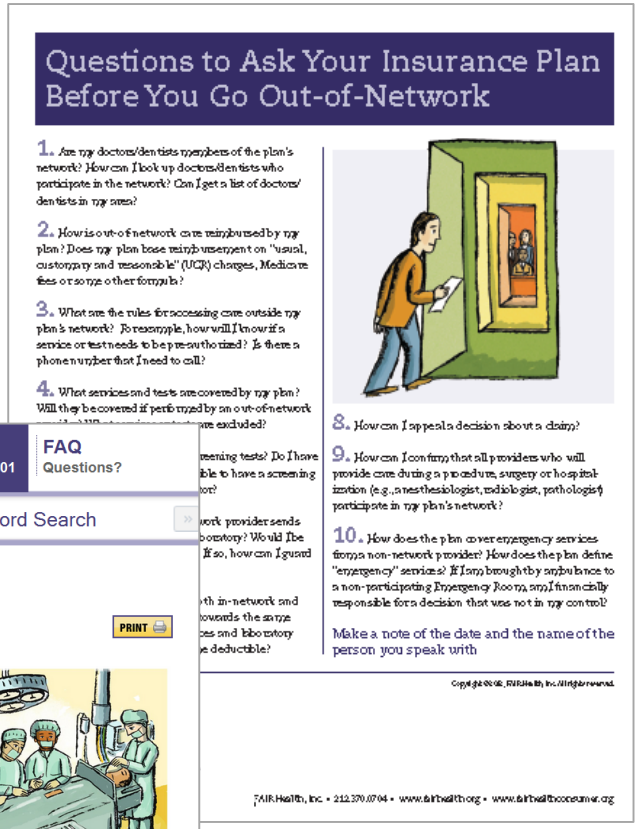
www.consumidor.fairhealth.org

Mobile App:

IOS

Android

Consumer Education



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Awards and Recognitions

- **White House Summit on Smart Disclosure**
  FAIR Health Consumer Website Recognized as example of Smart Disclosure for consumers by White House. FAIR Health invited to present at National Archives before 75 federal agencies.
- **Utilization Review Accreditation Commission (URAC)**
  FAIR Health received the award for *Best Practices in Health Care Consumer Engagement and Protection* at the 2013 Quality Summit Innovations Exchange.
- **Strategic Health Care Communications**
  FAIR Health awarded the eHealthcare Leadership Awards for three consecutive years, since 2012.
- **appPicker**
  FAIR Health mobile app selected as one of best healthcare apps in 2014.
- **Agency for Healthcare Research and Quality (AHRQ)**
  FAIR Health Cost Lookup listed as "*Quality Tool*" on AHRQ Health Care.

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Thank You

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