

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

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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.*

**FAIRHEALTH**<sup>®</sup>

Know Your Source

[www.fairhealth.org](http://www.fairhealth.org)  
[www.fairhealthconsumer.org](http://www.fairhealthconsumer.org)  
[www.consumidor.fairhealth.org](http://www.consumidor.fairhealth.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



# 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



# FAIR Health Database

**18B+**

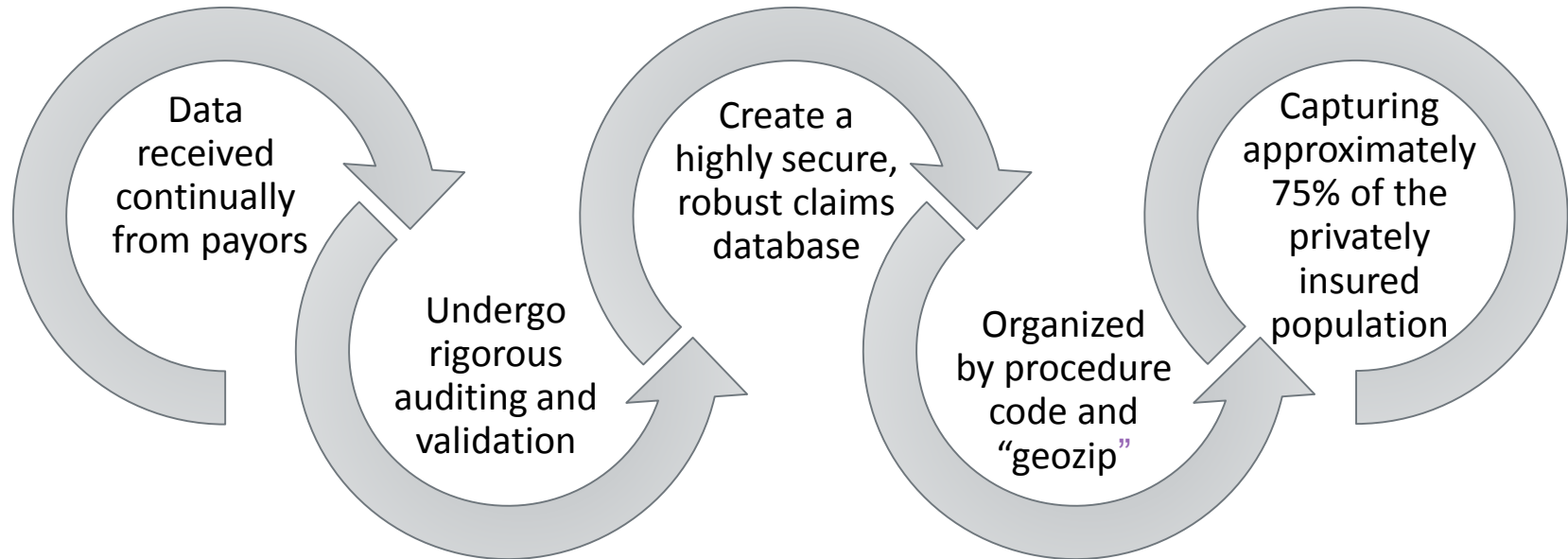
Medical & Dental  
Procedures Performed  
Since 2002 Nationwide

**151M**

Covered Lives from  
Contributors

**491**

Geozips reflecting  
all 50 states



# 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



# Data Used in State Programs

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



# Usual and Customary Cost (“UCC”): NY Statute

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## Codified definition

- 80<sup>th</sup> 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***



# Example for the Nation


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**“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**



# Laboratory of Reform in the States



The Center on  
Health Insurance Reforms  
*Georgetown University Health Policy Institute*



Robert Wood Johnson  
Foundation

JUNE 2015

**Balance Bill (n):** An unexpected bill sent by a hospital, doctor, or clinic for an amount beyond that paid by the patient's insurance.

## Balance Billing: How Are States Protecting Consumers from Unexpected Charges?

*How seven states—California, Colorado, Florida, Maryland, New Mexico, New York, and Texas—have approached protecting consumers from certain types of balance billing.*

By Jack Hoadley, Sandy Ahn, and Kevin Lucia

Support for this report was provided by a grant from the Robert Wood Johnson Foundation

# 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)

# 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

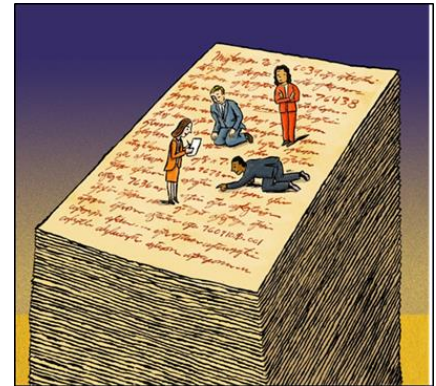
# Broad Acceptance of FAIR Health Data

*FAIR Health is a neutral, unbiased source of data*



# 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



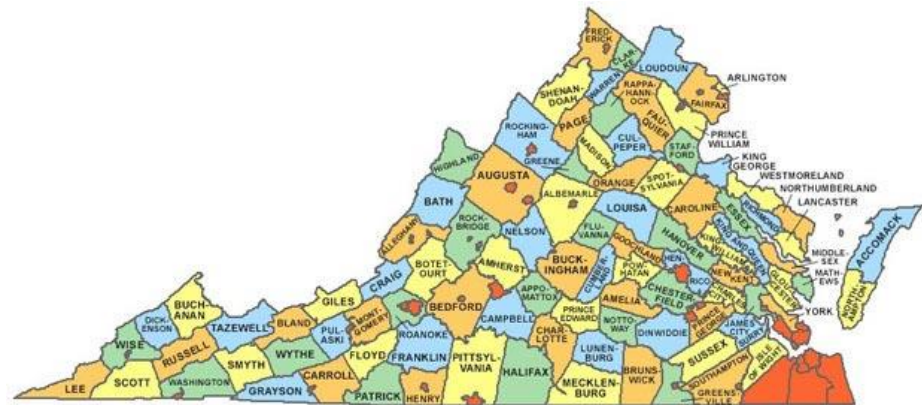


# FAIR Health and CMS: A Comparison

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 <ul style="list-style-type: none"> <li>• DC and MD/VA suburbs</li> <li>• Rest of Virginia</li> </ul>

# Virginia Claims

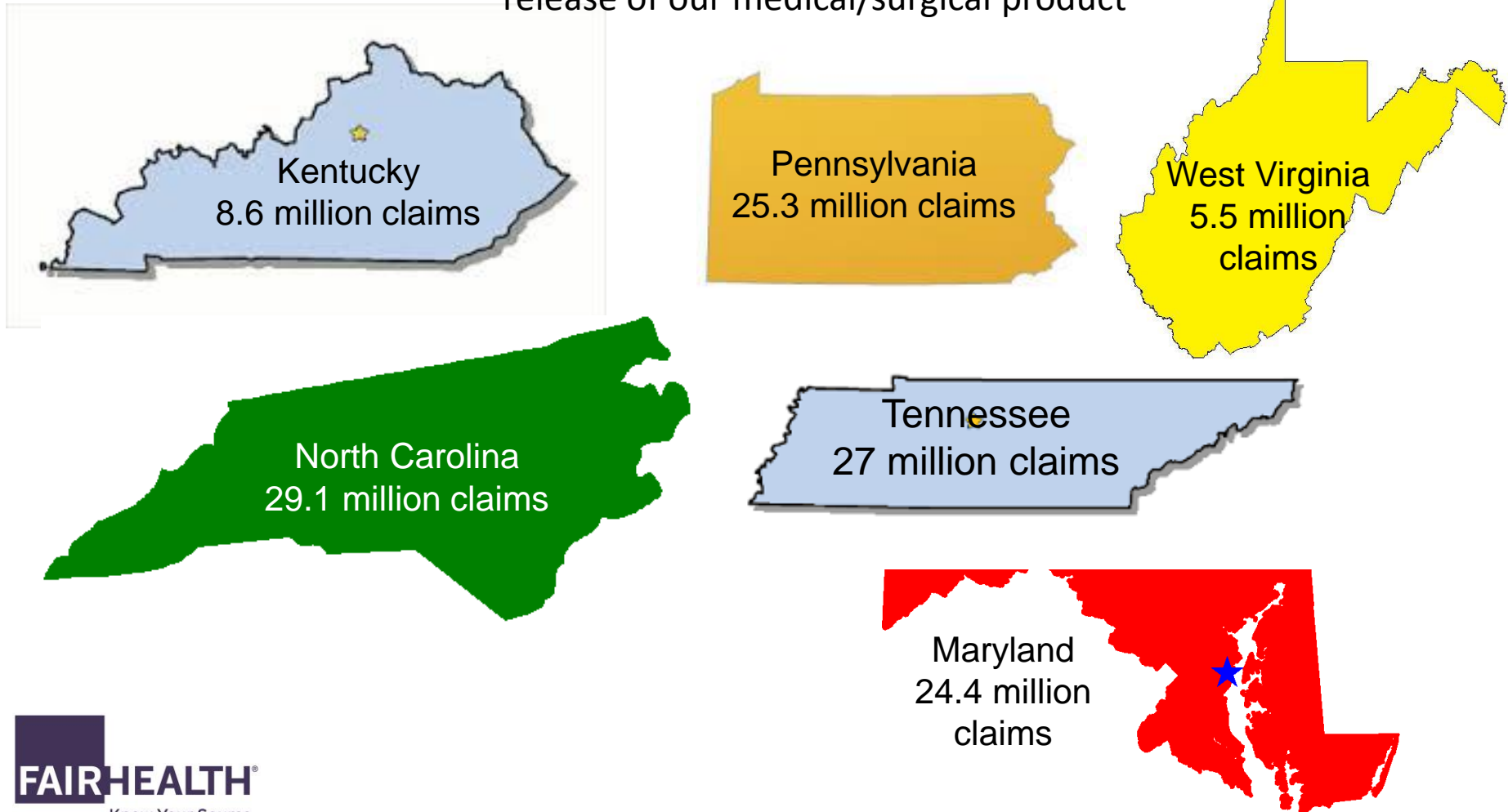
- 26.5 million Virginia claims support the most recent release of our medical/surgical product
  - Represents 12-months of claims activity
- 24 payors and TPAs are currently contributing claims for services performed in Virginia





# Data from Surrounding States

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



# Virginia Communities

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

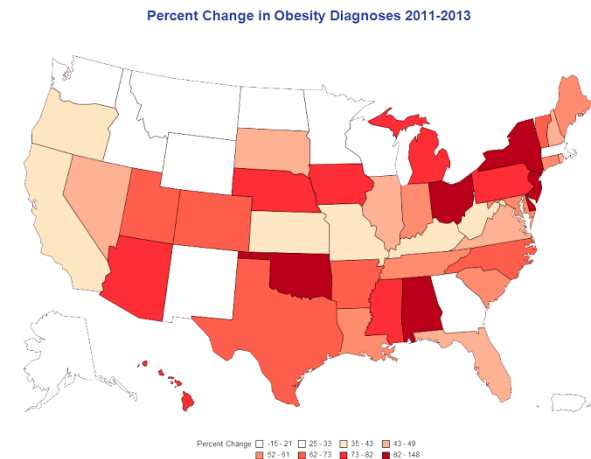
- FAIR Health data are organized by procedure code & zip code
- In FAIR Health's standard products, zip codes nationwide are combined into 491 geographic areas, called geozips
- We create custom benchmark products to support Workers' Compensation claims administration and dispute resolution in the Commonwealth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

# 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



# Data for Providers



## FH FEE ESTIMATOR<sup>®</sup>

For Healthcare Professionals

email  

password  
1 item [LOG IN](#)  
forgot your password?

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### FH Fee Estimator for Healthcare Professionals

Understanding local market trends can help practices ensure their long-term success. Focus on patient care and let the data inform practice business strategies.

● ○ ○ ○


ABOUT FH FEE ESTIMATOR

HOW IT WORKS

WHY FAIR HEALTH?


PATIENT MATERIALS

**License charge data in two ways:**



**Download benchmark fees**

- Single or multiple specialties
- Excel and CSV formats available



**Become an online user**

Flexible options for accessing data:

- Access data anytime, anywhere
- View and print data points as-needed
- Refresh data mid-year
- Easy-to-use online workbook

**FH Fee Estimator**

ORDER NOW!

**Request More Information**

Email: [info@fairhealth.org](mailto:info@fairhealth.org)

Call: (855) 301-FAIR (3247)

**Instant access to benchmark charge data**

The FH Fee Estimator provides access to data contained in a database of billions of billed services in 491 distinct geographic areas across the U.S., ensuring that data are relevant to local practices and those operating in multiple regions. Charges in the database are an aggregation of non-discounted fees-for-service as reported by healthcare professionals on claims submitted to private insurers, and include claims from private insurance plans representing over 150 million participants. FH Fee Estimator data are continually refreshed on a rolling 12-month basis.

Based on a database of over 18 billion non-discounted fees billed by healthcare professionals for thousands of medical and dental procedure codes, the FH Fee estimator provides benchmark

*Available by clinical specialty and geographic area*

# Consumer Cost Transparency Tools

## Estimate Out-of-Pocket Costs

The screenshot shows the desktop version of the FH Medical Cost Lookup tool. At the top, there is a navigation menu with links for 'ABOUT FAIR Health', 'GLOSSARY Of Terms', 'HEALTHCARE Resources', 'LEARN FH Health Insurance 101', and 'FAQ Questions?'. Below the menu is a 'Keyword Search' bar. The main content area is titled 'FH MEDICAL COST LOOKUP: GET STARTED' and includes instructions: 'Use this tool to estimate your costs for medical procedures and services in the ZIP code where you receive care. Whether you are insured or uninsured, the cost estimate you receive will show how much you may be asked to pay for your care. Learn more about our medical cost estimates here.' The interface is divided into three steps:
 

- STEP 1:** 'Enter the location of your service or procedure?' with a text input field for 'zip code or (city, state)'.
- STEP 2:** 'Are You Insured?' with radio buttons for 'Yes' and 'No'.
- STEP 3:** 'Type of Service or Procedure'. It offers two options: 'Browse for Service or Procedure by Category?' with a 'Medical Glossary' list (including Ambulance Transportation, Colonoscopy and Other Endoscopy, Arthroscopy, Cystoscopy, Other Endoscopy, Counseling, Diabetes and Medical Supplies, and Electrical stimulation) and 'Procedure code?' with a text input field for 'Enter up to 5 codes, separated by commas' and a 'GO' button.

 To the right of the steps is an illustration of surgeons in an operating room and a section titled 'Estimate Your Medical Costs' which explains that the tool uses FAIR Health's national database of healthcare claims to provide neutral, objective cost estimates.

The screenshot shows the mobile app version of the FH Medical Cost Lookup tool. It features the 'FH Healthcare Cost Estimator' logo at the top. Below the logo, there is a settings area where 'Location of Service is set to: 10017' and a question 'Are you insured? Yes'. A 'Quick Search' bar allows users to 'Enter up to 5 codes' with a 'GO' button. Two large yellow buttons labeled 'MEDICAL Browse Menu' and 'DENTAL Browse Menu' are visible. The bottom of the screen has a dark navigation bar with icons for 'Home', 'Browse', 'About', 'Glossary', and 'Help'.

Online in English and Spanish:

[www.fairhealthconsumer.org](http://www.fairhealthconsumer.org)

[www.consumidor.fairhealth.org](http://www.consumidor.fairhealth.org)

Mobile App:

IOS

Android

# Consumer Education

**FAIR Health Consumer Cost Lookup**

English | Español

WHO We Are | GLOSSARY Of Terms | HEALTHCARE Resources | LEARN Reimbursement 101 | FAQ Questions?

Bringing Fairness and Transparency to Health Insurance Information

Keyword Search

## Out-of-Network Docs at In-Network Hospitals

**I Stayed in My Network...Why Did I Get a Bill?**

You're scheduled for surgery, and you've done your homework. You know that your doctor is admitting you to a hospital in your plan's network. You've checked that the surgeon participates, too. Your insurer has pre-authorized the service. You've got aside money to cover your co-payment. So, there shouldn't be any surprises, right?

Even if your hospital participates in your health plan, that doesn't mean that all the providers working there do, too. If you need surgery, or have a serious illness, there may be several providers involved in your treatment. And each of them may contract separately with insurers.

When you receive treatment in a hospital, be aware that you may get a bill from providers who don't participate in your network, such as:

- Radiologists
- Anesthesiologists
- Pathologists
- Surgeons assisting your

**What Can I Do?**

Your plan may not cover any or they may cover part of the cost. You may have to pay the difference to your provider for the difference between what your plan covers and what the provider charges.

The best way to try to avoid this first. Find out if all the providers you schedule your procedure. While you could try to negotiate with providers, they are under no obligation to do so.

**What about Emergencies?**

## Questions to Ask Your Insurance Plan Before You Go Out-of-Network

1. Are my doctors/dentists members of the plan's network? How can I look up doctors/dentists who participate in the network? Can I get a list of doctors/dentists in my area?
2. How is out-of-network care reimbursed by my plan? Does my plan base reimbursement on "usual, customary and reasonable" (UCR) charges, Medicare rates or some other formula?
3. What are the rules for accessing care outside my plan's network? For example, how will I know if a service or test needs to be pre-authorized? Is there a phone number that I need to call?
4. What services and tests are covered by my plan? Will they be covered if performed by an out-of-network provider?

**FAIR Health Consumer Cost Lookup**

ABOUT FAIR Health | GLOSSARY Of Terms | HEALTHCARE Resources | LEARN Reimbursement 101 | FAQ Questions?

Bringing Fairness and Transparency to Health Insurance Information

Keyword Search

## Understanding Anesthesia Reimbursement

Most people think of the anesthesiologist as the person who puts them to sleep before surgery and wakes them up when it's over. That's true, but they actually do much more. During and after your surgery, the anesthesiologist makes sure you are comfortable, that your breathing, heart rate and blood pressure are steady, and that you aren't feeling any pain.

If you're going to have surgery, or another procedure that requires anesthesia, it's important to understand how these services work. That's because they are often billed and paid separately, and are administered by specific providers who may not be affiliated with your hospital or your doctor's practice. For example, even if you have surgery at an in-network hospital, the anesthesiologist still may not be part of your plan's network.

**Make sure you find out beforehand:**

- Whether the anesthesiologist who will provide your care is in your plan's network
- How much she or he will charge, and
- How much your plan will cover.

That way, you'll have an idea of how much you can expect to pay.

**What Services Will I Need?**

Anesthesia is usually used to block pain, relax you, or control your level of consciousness during surgery or other complex medical procedures. You may need anesthesia even if you're not in the operating room. An anesthesiologist might treat you for pain management for an acute illness, a chronic condition like cancer, during childbirth or for outpatient tests like endoscopies.

8. How can I appeal a decision about a claim?
9. How can I confirm that all providers who will provide care during a procedure, surgery or hospitalization (e.g., anesthesiologist, radiologist, pathologist) participate in my plan's network?
10. How does the plan cover emergency services from a non-network provider? How does the plan define "emergency" services? If I'm brought to an ambulance to a non-participating Emergency Room, am I financially responsible for a decision that was not in my control? Make a note of the date and the name of the person you speak with.

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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.



# Thank You

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Root Canal \$ Appendectomy\$ Spinal Tap \$ Cavity filling \$ Check up \$  
 Cholecystectomy \$ Hand Surgery \$ Sprained ankle \$ Liver Transplant\$ Neurosurgery\$ Mastectomy\$  
 Childbirth \$ Heart attack \$ Stroke \$ Diabetes treatment \$ Cataract Surgery \$ Knee Surgery \$  
 Broken Arm \$ ARTHROSCOPY \$ Tonsillectomy P E T scan \$  
 Hospital stay \$ Hip replacement \$ Alzheimers treatment\$ Emphysema \$ Ambulance\$ Anemia\$  
 Mammogram \$ MRI\$ CAT Scan \$ Colonoscopy \$ cancer treatment\$  
 Dental checkup \$ Heart Surgery \$ Ear Tubes \$ Teeth Cleaning \$ Emergency Surgery \$  
 ER visit\$ Xrays \$ Knee Replacement Surgery\$  
 Immunization \$ Pneumonia \$ Broken bones \$ Plasmapheresis \$ Angioplasty\$ hysterectomy\$

