



# Wisconsin Medical Society

Your Doctor. Your Health.

TO: Assembly Committee on Health and Healthcare Reform  
Representative Leah Vukmir, Chair

FROM: Mark Grapentine, JD – Senior Vice President, Government Relations  
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DATE: February 12, 2008

RE: Society informational testimony on LRB 3900/2 – Cost Transparency

On behalf of more than 11,000 members statewide, the Wisconsin Medical Society thanks you for this opportunity to share our thoughts on LRB 3900/2, relating to health care price transparency and other issues.

### **Transparency Overall**

The decision to register for information only on the bill as currently drafted was reached with difficulty, as the Society's members have concerns with the legislation before you. Society physicians from across the state wish to make one point very clear: the best patient is an informed patient, and the Society supports transparency. Patients need more than cost information, however – for transparency to be effective, it must encompass quality as well; a combination of cost **and** quality transparency leads to what the Society believes is needed: the capability to assess health care value.

Transparency regarding the costs of health care-related items is certainly needed. However, cost transparency on its own may not accomplish the laudable goals the bill's author expresses. The bill can be interpreted to require significant additional administrative burdens for physicians and their staffs in complying with the bill's mandates. While we believe that transparency can be within the public interest, this does not end the discussion. Cost transparency standing alone must be weighed against those additional burdens to determine if the health care system benefits overall. While we are still discerning the administrative effects of this bill draft, our preliminary calculations at this time point toward too much additional administrative burden for physicians resulting in too little helpful information for the patient. These additional burdens will also distract physicians from efforts currently underway to utilize an evidence-based method for measuring quality, which will help the patient determine health care value.

### **Concerns Specific to the Draft**

On February 8, the Society's Council on Legislation, made up of physicians from a variety of specialties from around the state, reviewed three versions of transparency-related legislation currently before the Legislature, including the current draft before this committee today. Council members had numerous concerns:

- While physicians appreciate the recognition that they are usually the integral contact point for diagnosing and recommending care (sometimes referred to as being the “quarterback” for a patient’s care), this does not mean a patient’s physician is able to easily provide a list of all possible care that might arise for a patient’s needed treatment (as required whenever the “course of treatment” is in question, as defined in the bill). The physician’s primary role is that of diagnosing and treating the sick and helping those who are healthy maintain that status. Requiring the physician to predict and gather a myriad of cost information data could be an administrative burden far greater than the author intends.
- As noted above, the bill’s focus on an entire spectrum of care rather than individual procedures, etc., is a better way to guide the consumer toward a total cost that is likely to be incurred for what is commonly referred to as an “episode of care.” That said, requiring the physician to predict the entire episode’s requirements and subsequent costs is likely quite onerous and does not reflect the possibility that as time passes, a patient’s treatment needs may change. The draft acknowledges this possibility by terming the calculation an “estimate” of what is “reasonably anticipated.” However, it bears noting that if the physician were to opt for the single, fixed price estimate, that estimate would be binding no matter what course of treatment is eventually needed (page 10, lines 7-11).
- Cost information alone provided to the patient may not actually assist in reaching a value-based health care decision. While the bill does require inclusion of any quality information currently disclosed to the public in some limited instances (page 9, lines 3-4), the science of measuring the quality of physician care is still in its infancy and is not suitably available for the aforementioned “value” measure. As a result, patients with the ability to choose who will provide a specific service may actually choose the more expensive option, believing the adage “you get what you pay for.” In a bill rooted in the valid belief that empowering the patient will help control health care costs, this potential certainly runs counter to intent.
- The bill’s requirements for physicians who treat patients possibly eligible for Medical Assistance is unclear. Some physicians have interpreted these sections of the bill to require that the physician (or the physician office) is once again required to embark on administrative measures outside of the typical spectrum of health care – in this case, determining whether someone is eligible for government health care assistance. Further explanation of these requirements is needed.

**Wisconsin Medical Society is Committed to Help Determining Health Care Value**

The Society is dedicated to helping find a path toward “value transparency,” and is already involved with numerous entities such as the Wisconsin Health Information Organization (WHIO), the Collaborative on Healthcare Quality and the Society’s Physician Cabinet to help Wisconsin measure value. We would readily accept any expertise the state can offer. That said, it is important that policymakers and other stakeholders have further discussions on whether legislation is actually helpful in this area and to determine the best strategy for assisting the patient in accessing useful information.

Thank you again for this opportunity to provide the Society’s opinions on LRB 3900/2.