

San Francisco Chronicle

Health reform must make sure care cost and quality are made public

By Bill Novelli, Peter V. Lee, James A. Guest

The current debate on health care reform in California seems to take for granted that the price of care and coverage will keep going up and that Californians will continue to pay - no questions asked. Unfortunately, as negotiations on health care legislation move into the final stages, hospitals continue to oppose the kind of performance transparency that is critical to improving health care quality and controlling costs.

That is why AARP, Pacific Business Group on Health and Consumers Union, along with other consumer, purchaser and labor organizations, are working hard to make sure a final health care reform plan includes requirements that information on health care cost and quality is collected and made public.

Only through transparency can we begin to address rising costs, growing safety concerns and inconsistent quality that is the curse of our current health care system. Successful reporting of data in other states has shown that making health care information public benefits those who have insurance as well as those who do not. Research shows that making information public spurs hospitals and other providers to improve care and reduce costs. And, those changes have significant impact.

The Schwarzenegger administration estimates that eliminating hospital-acquired infections alone would save California \$3 billion per year in health care expenses. Because we lack standardized public information on the quality of care patients receive and the cost of that care - whether it's for having a baby or hip replacement surgery -

none of us knows what we are getting for our health care dollars. By making standardized cost and quality information available to patients and purchasers in easy-to-use comparisons, we can move from a system where we blindly pay for costly inappropriate care to one where patients get the right care at the right time at a fair price.

Gov. Arnold Schwarzenegger's plan has included several cost-containment measures, and he should be commended for that. And Assembly Speaker Fabian Nuñez and Senate President Pro Tem Don Perata have included our proposal for mandating that hospitals, doctors and other providers publicly report standardized health care cost and quality information in their health care reform plan (ABX1 1).

Many hospitals and other providers vociferously object to our goals and argue that reporting patient safety, medical outcomes, and cost of care data should be voluntary. The problem with voluntary efforts is that these same providers can, and do, refuse to participate.

With health care reform within reach, we must ensure that public reporting of cost and quality information from all providers is mandatory. Transparency is critical if we are to tackle the high costs of health care. When we know what we're paying for, we can make better decisions about how to spend our health care dollars. To that end, any health care reform legislation signed into law also should:

-- Stop compensating health care providers for the volume of services they provide and the tests they prescribe. Instead, we must focus on the quality and not the quantity of services.

-- Encourage care that improves patient health and lowers costs, such as focusing on prevention and management of chronic conditions.

-- Embrace health information technology to save lives and money, and to create access to important health care quality and cost information.

We know that the inefficiencies and lack of accountability built into our health care system drive costs up. We must be able to identify and reward the hospitals, doctors and other providers who use health care resources wisely and steer clear of those who don't. Without building more value into our health care system, coverage will remain unaffordable and well-meaning reform ultimately will be unsustainable.

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