AHIMA Policy Statement: Affordability

AHIMA's Position:

AHIMA supports the use of public policy to ensure that individuals have all the information they need to make informed choices about their healthcare. This includes both access to their personal health information and actionable information about the costs of their healthcare. Health information (HI) professionals have extensive knowledge and expertise to contribute to developing policies to enhance affordability and health information. While the affordability of healthcare affects many entities, including employers, governments, and health plans, AHIMA is focused on policies to enhance affordability for individuals. To support individuals in making informed decisions about their healthcare, AHIMA believes that public policy must:

1. Support individuals in accessing both their personal health information and actionable information about the costs of their healthcare.
2. Support the development of accurate, useful, real-time tools to inform individuals of their healthcare costs.
3. Find equitable solutions to prevent "surprise billing" for consumers.
4. Maintain the privacy and security of health information, including when it is shared with third parties.
5. Support education for consumers, regardless of their financial situation, on how to understand their health plan coverage and ask for the information they need to make informed decisions.

Background:

Trends in health spending. According to the federal government, health spending in 2019 was $3.8 trillion, or $11,582 per person.[1] Spending is projected to continue growing faster than the economy as a whole over the next decade, accounting for almost 20 percent of Gross Domestic Product in 2028.[2]

Trends in affordability. Most people have health coverage through either an employer or a public program, such as Medicare and Medicaid. However, in 2019, 28.9 million individuals were uninsured. In addition, as healthcare costs have risen, many employers have passed along increases to individuals through higher premiums, deductibles, and other forms of cost-sharing. According to the Kaiser Family Foundation, the average deductible for those with employer-based insurance for a single employee has increased 25 percent over the last five years and 79 percent over the last ten years.[3] Recent years have also seen an increase in high-deductible health plans. According to a recent survey, roughly half of US adults have delayed or avoided care because of cost.[4]

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[1] Available at: National Health Expenditures 2019 Highlights (cms.gov).
[2] Available at: National Health Expenditure Projections, 2019–28: Expected Rebound In Prices Drives Rising Spending Growth (healthaffairs.org).
[3] Available at: Summary of Findings – 9540 | KFF.
[4] Kirzinger A, Muñana C, Wu B, Brodie M. Data note: Americans' challenges with healthcare costs [Internet]. San Francisco (CA): Henry J. Kaiser Family Foundation; 2019 Jun 11 [cited 2020 Dec 3].

Calls for transparency. As out-of-pocket costs have increased over time, policymakers have increasingly called for transparency in healthcare costs and health plan coverage. The Affordable Care Act of 2009 included the first requirement for hospitals to make available their list of standard charges for items and services. More recently, President Trump issued an Executive Order in June 2019 on "Improving Price and Quality Transparency in American Healthcare to Put Patients First."

Growth in pricing tools. Similar to advances in the travel industry or retail shopping, technology tools have emerged to help consumers better understand healthcare prices. These tools include, for example, state hospital price comparison tools, websites, and apps that bring together price and quality information for individuals and entities that focus on a particular healthcare sector, such as prescription drugs. For a comparison of some of these tools, see: Healthcare Transparency. However, consumer use of these tools is still limited. Recent policies that require posting of price and coverage information in machine-readable formats (discussed further below) could fuel development of more accurate and personalized pricing tools.

Key Points:

Improving individuals' access to both their personal health information and actionable information about the costs of their care can improve affordability.

- Actionable information about an individual's financial responsibility for care combines information from the provider and the payer. For example, understanding an individual's out-of-pocket costs for a surgery requires combining price information from the hospital and surgeon with health plan information about what will be covered by the plan and what will be paid for by the individual. Knowing the cost of a medication requires up-to-date information on the payer's formulary (the list of covered medications and individualized cost-sharing responsibilities). Consumers should also have information about the quality of care. In certain circumstances, such as emergencies, individuals should seek immediate treatment.

- Access to personal health information can help individuals understand both the extent of their care team and the services they have already received, empowering them to engage more fully in decisions about their health and healthcare. Easy access to understandable health information can also help individuals potentially avoid repeat tests or other unnecessary care and ask about services that require pre-approval or prior authorization. Consumers may also reference their personal health information to verify the accuracy of their healthcare bills and payments by their health plan.

- Healthcare providers have been working to increase price transparency for a number of years, such as posting charges online. However, research suggests that these tools have had limited uptake so far.

- Given the complexity of both health plan coverage and healthcare services, consumers need education on how to know what their health plan covers, how healthcare bills are structured, and how to gather information to understand their personal financial responsibility. Health and insurance literacy remain key challenges facing consumers.[5]

Available at: https://www.kff.org/health-costs/issue-brief/data-note-americans-challenges-health-care-costs/.
[5] Available at: Health-Literacy-Toolkit_163.pdf (allhealthpolicy.org).

- Technology offers opportunities to provide more accurate information in real time. This includes, for example, real-time benefit tools that can access a health plan's formulary during a doctor visit so that both the doctor and the patient can know the out-of-pocket costs of alternative therapies.

As healthcare moves toward better information to support affordability, certain barriers and challenges must be addressed:

- Healthcare is complex, and not all situations allow consumers to "shop" for care. This is not only true for emergency care, but complexity can also make it hard to understand the costs of treating advanced illnesses or unexpected complications. Experts estimate that less than half of healthcare services can be considered "shoppable," meaning that they are common healthcare services that can be researched in advance.[6] Healthcare items, such as prescription drugs and medical devices, are more amenable to shopping.

- Health plan coverage and billing rules can change over time, resulting in changes in out-of-pocket costs or prior authorization rules that may take consumers by surprise.

- Understanding out-of-pocket costs can be hard. Healthcare providers maintain contracts with many different payers, and each payer may offer a range of health plans with varied deductibles and other cost-sharing arrangements.

- As we increase the use of technology to inform consumers, some people may have health conditions or personal preferences that require other forms of communication, including paper documents or phone calls. In addition, access to broadband continues to be challenging for some individuals in both rural and urban areas.

Current Situation:

The federal government has adopted a number of public policies to increase the ability of individuals to better understand their healthcare choices by making cost information more available. The argument behind these policies is that greater price and coverage transparency allows individuals to make informed decisions and creates competition, resulting in lower costs. Healthcare providers have countered that, given the complexity of care, it is challenging to know the cost of a service in advance, particularly in emergency and acute care settings. They also note that the cost to the individual will depend on the cost-sharing requirements of their healthcare coverage.

These policies include:

1. **Hospital price transparency.** Beginning January 1, 2021, CMS requires hospitals to make available on their website a consumer-friendly list of five types of charges for 300 "shoppable" services – those that can be scheduled in advance (including 70 specific services identified by the agency). Hospitals must also publish a machine-readable file that includes charges for all of the "items and services" they provide and for which they have established a standard charge. Hospitals that offer a price estimator tool that includes at least 300 shoppable services and provides consumers with an estimate of their costs will be deemed in compliance with the first requirement. The rule was

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[6] Available at: Spending on Shoppable Services in Health Care - HCCI (healthcostinstitute.org).

challenged in court, but upheld.[7] Initial experience with these new requirements suggests that hospitals face significant burden due to the wide variety of payers and health plans they contract with and the large number of items and services they provide. In addition, the regulatory specifications for the machine-readable files do not result in consumer-friendly formats. It is not yet clear if or how third parties might use the information to develop consumer-facing tools.

2. **Transparency in coverage.** In the fall of 2020, the US Departments of Health and Human Services (HHS), Treasury, and Labor collectively issued a [final rule](#) on Transparency in Coverage. The rule applies to non-grandfathered group health plans and health insurers in the individual and group markets. The rule requires plans and insurers to disclose cost-sharing estimates through an online tool or on paper when requested by an enrollee, with implementation phased in by 2024. It also requires them to publicly release negotiated rates for in-network providers, historical out-of-network allowed amounts and billed charges, and drug pricing information, beginning in 2022. It is unclear whether this rule will be challenged in court.

3. **Support for Application Programming Interfaces.** In addition to the transparency rules noted above, the federal government has instituted policies and adopted technical standards that support third-party access to provider and plan information systems through application programming interfaces, at the direction of individuals.[8] This efficient approach to accessing specific pieces of health and coverage information could support the development of tools that provide more customized information to consumers.

4. **Real-time benefit tools for prescription drugs.** In May 2019, CMS issued a [final rule](#) requiring Medicare Part D Prescription Drug programs to make available Real Time Benefit Tools that can integrate with electronic health records used by prescribers. These tools are designed to provide patient-specific price information about alternative therapies to clinicians at the time a prescription is written to allow for informed choice. The policy is effective January 1, 2021. Beyond this final rule, drug pricing and transparency continue to be a priority for policymakers, including the Biden Administration and 117th Congress.

5. **Addressing surprise medical bills.** In December 2020, Congress passed The No-Surprises Act as part of HR 133, the Omnibus Appropriations and Emergency Coronavirus Relief Act. The new legislation will protect consumers from surprise bills that arise when they go to a facility that is in-network for their health plan but are treated by out-of-network providers, leaving them responsible for unexpected cost-sharing expenses. The bill, which will be effective in 2022, protects consumers from unexpected costs from emergency services (including emergency air transport) delivered by out-of-network providers or by out-of-network facilities. It will also protect consumers from nonemergency services provided by out-of-network providers at in-network facilities and for which patients do not consent. In general, consumers' costs will be limited to cost-sharing amounts that apply to in-network services. Insurers and out-of-network providers

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[7] Available at: [New Year, New CMS Price Transparency Rule For Hospitals](#).
[8] The CMS Promoting Interoperability Program requires hospitals, physicians and other eligible clinicians to allow API access to medical records. The CMS Interoperability and Patient Access rule requires affected health plans to allow API access to a range of claims and clinical information. The ONC 21st Century Cures Act final rule outlines the technical standards and implements prohibitions against information blocking by health care providers, health IT developers, and health information networks.

will be required to negotiate payment rates, with disagreements resolved through an independent dispute resolution process. The legislation also included additional transparency requirements, such as provision of price comparison tools and advances explanations of benefits by health plans and the provision of good estimates of charges by providers. These provisions will need to be put into regulation.

As healthcare increasingly seeks to leverage better information to support affordability, AHIMA and its members are set to lend their knowledge and expertise to the conversation.