



March 23, 2018

The Honorable Bill Cassidy, M.D.
Washington, D.C. 20510

The Honorable Michael Bennet
Washington, D.C. 20510

The Honorable Chuck Grassley
Washington, D.C. 20510

The Honorable Tom Carper
Washington, D.C. 20510

The Honorable Todd Young
Washington, D.C. 20510

The Honorable Claire McCaskill
Washington, D.C. 20510

Dear Senators Cassidy, Grassley, Young, Bennet, Carper, and McCaskill:

The Healthcare Leadership Council (HLC) applauds your recent efforts to increase access to information regarding healthcare delivery and costs. Greater availability of this health data has the potential to allow for exciting new advances in the practice, delivery and administration of healthcare. HLC supports the bipartisan effort to deliver healthcare price and quality information to consumers, yet we believe price transparency is a complex issue and we encourage much deliberation and further discussion to ensure consumers are receiving relevant information.

HLC envisions a future in which public and private sector healthcare organizations securely share information in an efficient, effective manner that utilizes standard formats and is useful to consumers. HLC members have already individually proven that they can harness data to improve care and value in healthcare. Now, we see an opportunity to work collectively toward a future of better healthcare and health by improving the accessibility and quality of health data to accelerate progress in medicines, technologies, and healthcare delivery.

HLC members would like to highlight important key concepts that should be taken into consideration for any legislation addressing healthcare pricing transparency. More specifically, we would like to eliminate current regulatory barriers that create a burdensome environment in our healthcare system to provide more efficient and higher quality care.

1. Transparency of healthcare costs and payments must provide information that is of practical use to consumers to allow them to make the right health care decisions. It is critically important that consumers be able to understand any pricing information that is made available. Currently, much of the data in the Medicare claims database would not meet this test as it is not representative of the prices a consumer would pay out-of-pocket and often not representative of the actual costs billed to insurers or the Medicare program.

2. Any sharing of cost or payment data with consumers should be released alongside information on quality to drive value in healthcare. HLC members are continually innovating to drive higher quality and better value in healthcare. There is a significant risk that consumers, when given pricing information, will make erroneous assumptions about quality based on cost – defeating our efforts to drive toward better value. We urge Congress to take a thoughtful approach to the release of any cost data to ensure that consumers make a judgment based on value rather than cost.

3. Lastly, in response to current regulatory barriers that hinder providing higher quality care, HLC has convened a multisector collaborative effort that aims to modernize the current fraud-and-abuse legal framework in the context of new care delivery and payment models. Current regulatory barriers, such as the Federal Anti-Kickback Statute and the Stark Law, initially implemented to discourage unethical behavior in a fee-for-service payment model, now inhibit the integration of healthcare in a value-based payment model designed to deliver quality of care rather than quantity of care. While “exceptions” to the Stark Law and “safe harbors” to the Anti-Kickback Statute exist to protect certain financial arrangements in healthcare, these protections are narrow in scope. Eliminating these regulatory barriers will help to reduce burden, and deliver more cost-efficient and provide higher quality care. In addition to this letter, we have included an executive summary and white paper delineating the Stark Law and Anti-Kickback Statute, recent legislative and regulatory changes, and potential legislative and regulatory options.

HLC and its members stand ready to work on healthcare price transparency policy with you and your colleagues. HLC represents a collaborative group of CEO members from all disciplines of American healthcare, ranging from hospitals to health plans, as well as manufacturers and distributors of healthcare products. These members have a deep knowledge of the systems and structures needed to improve efficiency in the delivery of high-quality care.

This issue is important, with far-reaching implications for healthcare in America. Please feel free to reach out to Tina Grande, Senior Vice President for Policy at the Healthcare Leadership Council at (202) 449-3433 or tgrande@hlc.org with any questions or for additional details on any of the positions mentioned above.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary R. Greal". The signature is fluid and cursive, with a large initial "M" and "R".

Mary R. Greal
President
Healthcare Leadership Council