

Affordability Public Comments Received

Committer Organization	Committer Name	Question	Comment
American Hospital Association	Akinluwa Demehin	Does your organization currently collect information on affordability? If yes, what types of data do you collect and how?	<p>Through its annual survey, the AHA collects information on uncompensated care, which can be considered a proxy for an ability of a hospital’s patient population to pay for their care. It is an overall measure of hospital care provided for which no payment was received from the patient or insurer. It is the sum of a hospital’s “bad debt” and charity care. Charity care is the care for which hospitals do not expect to receive reimbursement. A hospital incurs bad debt when it cannot obtain reimbursement for care provided; this happens when patients are unable to pay their bills but do not apply for charity care, or are unwilling to pay their bills. Additional details, definitions and data on hospital uncompensated care are available at <a href="http://www.aha.org/content/13/1-2013-uncompensated-care-fs.pdf">http://www.aha.org/content/13/1-2013-uncompensated-care-fs.pdf</a></p>
American Hospital Association	Akinluwa Demehin	How does your organization define affordability? Please provide a brief description.	<p>On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our 43,000 individual members, the American Hospital Association (AHA) is pleased to participate on the Measure Application Partnership’s (MAP) Affordability Task Force. The committee’s charge—to clarify the definition of healthcare affordability while balancing the perspectives of multiple stakeholders—poses a significant challenge, but one that must be addressed since all involved must contribute to solutions.</p> <p>The AHA’s approach to affordability is firmly rooted in our vision—a society of healthy communities where all individuals reach their highest potential for health. As outlined in the AHA Board of Trustee report Ensuring a Healthier Tomorrow, achieving this vision requires action on the part of providers, insurers, the government and individuals to address the current level of healthcare spending. We strongly believe that these actions must be oriented toward enhancing healthcare value—that is, delivering the same or better quality of care at lower costs. Measuring value couples information on cost and resource use with quality, ensuring that measures of cost and resource use are not used to blindly push toward the lowest possible cost. In some cases, that low cost may be achieved when the patient does not get needed services.</p>
American Hospital Association	Akinluwa Demehin	How does your organization define affordability? Please provide a brief description.	<p>The AHA also believes that affordability should consider a given stakeholder’s ability to pay for needed healthcare services. Assessing affordability at this level, however, is extraordinarily challenging given that what may be considered “affordable” from the perspective of one stakeholder may not be from another’s perspective. Indeed, insurers and employers often act as agents to purchase healthcare for individuals, meaning that there is not necessarily a direct correlation between the costs of providing care, what is</p>

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America's Health Insurance Plans	Carmella Bocchino	Based on your definition of affordability above, what information or data is needed to assess affordability?	Assessing affordability requires the total cost of care at different levels of the health care system (e.g. episode, individual provider, community, and national levels) for different stakeholders (e.g. individuals, employers, government programs). It is also important to account for variation across markets and purchasers (e.g. individuals, exchanges, employers, government programs), as well as the total and marginal benefit associated with health care interventions.
America's Health Insurance Plans	Carmella Bocchino	Does your organization currently collect information on affordability? If yes, what types of data do you collect and how?	Health plans measure cost, quality and resource use, and share this information with employers, and public sector purchasers to enable them to determine what is affordable. Any data collection and measurement efforts must account for the shift in the health care market toward more coordinated, integrated models of care that use a prospective, population-based payment model and do not maintain cost data in the form of individual claims. In such models, information on the total cost of care is more meaningful than unit-based pricing and utilization data.

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America's Health Insurance Plans	Carmella Bocchino	How does your organization define affordability? Please provide a brief description.	<p>The term "affordability" is oftentimes used generically and has different meanings for different stakeholders. Too often affordability is defined as a patient's out-of-pocket expenses.</p> <p>Only using a patient's out-of-pocket expenditures results in an incomplete measure of affordability as the presence or absence of sources of funding (e.g. subsidies or employers share of premiums, etc.) can mask true affordability. Out-of-pocket expenditures also ignore underlying cost drivers (e.g. incentives, benefit design, etc.).</p> <p>Defining affordability requires an understanding of the following dimensions: 1) identifying and assessing resource use at different levels (episode, individual provider, community, and national levels); 2) the prices of these resources; 3) examining costs borne by a particular stakeholder (consumer, payer, purchaser, public sector, and society) so that cost or price per stakeholder can be assessed; 4) presence or absence of subsidies (as these can mask true affordability); 5) the total cost of care, taking into account the perspectives of those who pay for care: individuals, families, employers and government payers; and 6) the rate of growth, as affordability cannot be maintained if the cost trend continues to outpace the rate of inflation.</p> <p>Giving stakeholders access to price and cost information, together with quality and the marginal benefit associated with health care interventions would allow for a subjective assessment of affordability based on their ability and willingness to pay. A stakeholder's willingness to pay may vary by their health status. For example, when faced with a critical illness, an individual's willingness to pay may be different than when he/she is healthy. Additionally, the need for quality and marginal benefit information may vary by type of service. For example, when purchasing a single service that is a "medical commodity" (e.g. EKG, lab test), the focus is on unit cost. Whereas when purchasing a set of services</p>
America's Health Insurance Plans	Carmella Bocchino	Please provide any additional feedback here you wish to offer that MAP should consider in defining affordability through multiple stakeholder perspectives.	Given that affordability is a broad concept subject to multiple interpretations depending on one's vantage point, MAP needs to identify the common threads that define affordability applicable to every stakeholder's perspective.
HealthPartners	Chad Heim	Based on your definition of affordability above, what information or data is needed to assess affordability?	Administrative claims and eligibility information
HealthPartners	Chad Heim	Does your organization currently collect information on affordability? If yes, what types of data do you collect and how?	Yes, measure and transparently report total cost of care performance measures to all stakeholders (providers, consumers, purchasers, etc.).

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HealthPartners	Chad Heim	How does your organization define affordability? Please provide a brief description.	HealthPartners' Total Cost of Care and Resource Use (TCOC) measurement supports the commitment to achieving the Institute for Healthcare Improvement's Triple Aim objectives. TCOC is an innovative method of measuring health care affordability that not only measures the total cost of care provided to a patient, it also measures resources used in providing that care. These methods yield a more comprehensive, revealing, and actionable result than the cost measures alone. Since the Total Cost and Resource Use measures are applied to all services within the health care system, (professional, inpatient, outpatient, pharmacy, and ancillary), they are drillable to support affordability opportunity identification at the service level. The by-product of TCOC and Resource Use is price; understanding these components improves the actionability of the data for improvement. TCOC measures are powerful analytical tools for health plans, providers, medical groups, government agencies, employers, and others with a stake in reducing health care cost trends. It can help pinpoint ways to make health care more affordable without sacrificing quality or experience. HealthPartners' TCOC measures were endorsed by the National Quality Forum in January 2012.
HealthPartners	Chad Heim	Please provide a brief definition for each term in your definition of affordability.	<p>All of the definitions provided below are available at the population level and are drillable to conditions, episodes and other granular levels (example, inpatient, outpatient, professional, pharmacy, etc.) of analysis to support improvement.</p> <p>Total Cost of Care: Function of price times resource use. Based on allowed amounts (what insurer pays plus what the patient pays out of pocket)</p> <p>Total Resource Use: Measured using HealthPartners' patented algorithm, Total Care Relative Resource Values (TCRRVs).iii TCRRVs measure resource consumption, quantifying resource use for all procedures and services in the health care system and across all categories of health services. TCRRVs are relative and additive; values across the sectors of care (inpatient, outpatient, professional and pharmacy) can be added to create a total resource use measure. TCRRVs were developed using the national commercial database of PharMetrics, Inc. (Watertown, MA).</p>
HealthPartners	Chad Heim	Please provide a brief definition for each term in your definition of affordability.	<p>Price: The overall relative position of the accountable group, and all the other providers and hospitals involved in the care a patient and populations of patients. It also reflects place of service choices (e.g. same MRI done at a hospital is generally more expensive in price than an ambulatory center).</p> <p>Value: Based on objective evaluation of quality (process and outcome) performance measures, patient experience performance measures and total cost of care performance. Providers must perform better than average on quality and experience</p>
HealthPartners	Chad Heim	Please provide any additional feedback here you wish to offer that MAP should consider in defining affordability through multiple stakeholder perspectives.	<p>See <a href="http://www.healthpartners.com/tcoc">www.healthpartners.com/tcoc</a> for more on our affordability measures and methods.</p> <p>See <a href="http://www.healthpartners.com/costandquality">www.healthpartners.com/costandquality</a> for more on value using cost and quality transparency.</p>

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Kaiser Permanente	Amy Compton-Phillips	Based on your definition of affordability above, what information or data is needed to assess affordability?	<p>Information on individual income levels, offering and take-up of employer coverage, purchasing patterns by individuals and employers, levels of employer contribution to premiums, exchange pricing and subsidy payments, and estimated out of pocket spending will all be important data points toward understanding affordability from the perspectives of different purchasers. It is also important to consider measures of quality and value when determining whether care is affordable.</p> <p>Given the trend toward integrated, team-based care models, unit price and cost information is not very useful in defining affordability. Tracking individual claims and unit prices produces quantities of services and their associated cost, but gives no information regarding quality and outcomes. Having information on the total cost of care and the quality of that care is more meaningful for assessing affordability.</p>
Kaiser Permanente	Amy Compton-Phillips	Does your organization currently collect information on affordability? If yes, what types of data do you collect and how?	<p>We assess the premiums and cost sharing in our plans across different product lines, as well as individuals' demographic and income data from external sources such as Claritas, plus information on pricing in public health insurance exchanges.</p>
Kaiser Permanente	Amy Compton-Phillips	How does your organization define affordability? Please provide a brief description.	<p>Kaiser Permanente's mission is to provide high-quality, affordable health care services and to improve the health of our members and the communities we serve. We recognize that affordability and high quality need to be considered simultaneously.</p> <p>We define affordability as the ability to pay for the total cost of high-quality care, taking into account the perspectives of those who pay for care: individuals, families, employers and government payers. While it is important to understand and track affordability at a macro level, such as looking at health care costs as a percent of GDP, we believe that, from an individual's perspective, it is more meaningful to understand affordability based on his or her ability to pay for the total cost of high-quality, appropriate care relative to income. We have also considered the definitions, mandates and subsidies outlined in the Affordable Care Act (ACA) as part of defining affordability.</p> <p>As the health care market moves toward more integrated, coordinated care models—both to conform to changes under the ACA and because such models have proven effective over time—it is important that affordability definitions and measures are consistent with prospective, population-based payment and team-based care rather than volume-based payments and claims data, which perpetuate a fragmented fee-for-service system.</p>

Affordability Public Comments Received

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Kaiser Permanente	Amy Compton-Phillips	Please provide a brief definition for each term in your definition of affordability.	<p>Defining affordability is complicated; the definition should account for variation across markets and purchasers (individuals, exchanges, employers, government programs), as well as differences in geographic location, age, family size, health status and income. We believe it is important to understand affordability based on the level of the cost of care as well as its rate of growth.</p> <p>Our “total cost of care” includes a health care premium and the total expected cost sharing (deductibles, copayments and/or coinsurance) for coverage of an individual or family. The coverage would include the ten categories of essential health benefits with common inclusions for commercial policies and mandated benefits for coverage in public programs.</p>
Kaiser Permanente	Amy Compton-Phillips	Please provide any additional feedback here you wish to offer that MAP should consider in defining affordability through multiple stakeholder perspectives.	We believe that changes made by the ACA will influence the structure of health care organizations, insurance markets and purchasers’ alternatives, and should be considered in the process of defining affordability. To deliver on the promise of the ACA, the definition and measurement of affordability must be compatible with and support high-quality, integrated care delivery models.
Minnesota Community Measurement	James Chase	How does your organization define affordability? Please provide a brief description.	Minnesota Community Measurement supports the direction provided by the Institute of Health Improvements Triple Aim of the Health Care System to include the cost of care. Our organization will be reporting, along with four other communities funded by the Robert Wood Johnson Foundation through the Network for Regional Health Improvement, a state-wide, multi-payer total cost of care measure that can be used by provider organizations, purchasers, and the public to better understand variation in the cost of care and address affordability. We will be using the Health Partners Total Cost of Care measure endorsed by the NQF in January of 2012.
National Partnership for Women & Families	Alison Shippy	Based on your definition of affordability above, what information or data is needed to assess affordability?	For employers and public purchasers, the data that are needed are the cost of insurance premiums coupled with global measures of quality, as well as level of coverage that is being purchased and measured by actuarial value. They expect their suppliers to provide them with information to evaluate not only the cost but also the quality of the goods or services they are buying. Employers specifically need to assess productivity and absenteeism to fully evaluate value. Consumers, on the other hand, need prospective information not only on their share of insurance premiums but also their expected out-of-pocket costs for a year’s care and transparent information about the costs of individual services.

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National Partnership for Women & Families	Alison Shippy	How does your organization define affordability? Please provide a brief description.	<p>For consumers, affordability is a measure of their ability to pay and plan in advance for their share of the cost of health care without unacceptable difficulty. These costs include share of insurance premium plus co-pays, co-insurance, and deductible amounts paid for billed services.</p> <p>For employers, affordability is a measure of their ability to pay salaries plus their share of health insurance premiums while remaining competitive in the marketplace. The cost of health care is an added expense for U.S. companies relative to those based in other countries and it directly affects their ability to compete in global markets.</p> <p>For public purchasers, affordability is a measure of their ability to pay the costs of health care for large populations while living within resource constraints and without jeopardizing their ability to adequately fund other public programs.</p> <p>For consumers and employers, the secondary impact of costs faced by other stakeholders is another critical component of affordability. For example, if the cost of health care faced by an employer leads the employer to increase the share of premiums paid by employees or to forgo wage increases, the impact is felt by employees. Similarly, if the cost of health care faced by a consumer is so high that he or she forgoes needed care, employers may be impacted by employees' poorer health, lower productivity, or absenteeism.</p>
National Partnership for Women & Families	Alison Shippy	Please provide any additional feedback here you wish to offer that MAP should consider in defining affordability through multiple stakeholder perspectives.	It is imperative that affordability by consumers and purchasers be addressed, but that affordability must be paired with quality information. There is little benefit for consumers and purchasers to know they can afford a plan or treatment without knowing if what they're buying is worth the cost. If affordability is not addressed, the U.S. will continue to be the high price leader with mediocre quality results. In addition, the cost of health care already places an undue burden on consumers and purchasers, and continued escalation of these costs is clearly unsustainable.

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Wisconsin Collaborative for Healthcare Quality	Matt Gigot	Based on your definition of affordability above, what information or data is needed to assess affordability?	<p>Two possible sources of data that might help better assess the affordability of care are the finance departments of hospitals and health systems, and the patients themselves.</p> <p>The finance departments of most hospitals and health systems should collect data on the percentage of patients who require charity care – which could be one measure of the overall affordability of care being delivered. The Wisconsin Hospital Association currently publicly reports this information for their member hospitals on its website.</p> <p>A measure of charity care alone, however, does not provide a complete picture of how affordable healthcare is for an individual patient. Additional information should be gathered from the patients themselves to determine if a barrier to receiving healthcare services is the cost of healthcare itself.</p>
Wisconsin Collaborative for Healthcare Quality	Matt Gigot	How does your organization define affordability? Please provide a brief description.	<p>The Wisconsin Collaborative for Healthcare Quality does not yet have a formalized definition or measure of affordability. However, from our perspective, the affordability of healthcare is challenging to both define and measure, because the topic is both subjective and relative. Subjective, because there is a wide range of opinions on how much a patient should pay for care, and relative, because affordability might be defined differently from patient-to-patient based on their income, lifestyle, and expectation of what healthcare should cost. Ultimately, we believe that the definition of affordability should capture the ability of a patient to pay for the healthcare services that they receive, and the degree to which the cost of those services negatively impact their financial outlook.</p>
Wisconsin Collaborative for Healthcare Quality	Matt Gigot	Please provide any additional feedback here you wish to offer that MAP should consider in defining affordability through multiple stakeholder perspectives.	<p>While WCHQ’s perspective has primarily focused on the affordability of care for the patient, the perspective of employers, purchasers, and health plans should also be considered. As care becomes more expensive, costs that were once covered by these entities are now being passed onto patients, impacting their ability to afford healthcare.</p>