



August 12, 2014

The Honorable Ron Wyden
Chairman
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Charles Grassley
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

RE: Stakeholder Letter on Improving Overall Transparency in Healthcare

Dear Chairman Wyden and Senator Grassley,

Thank you for the invitation to provide input to help shape efforts by state and federal governments to enhance the availability and utility of healthcare data while maintaining and protecting patient privacy.

The Gary and Mary West Health Institute is a privately, philanthropically funded medical research organization pioneering new and smarter technologies, policies and practices to make high-quality healthcare more accessible at a lower cost to all Americans.

As we collectively answer the challenge of our nation's healthcare cost crisis, the ready availability of timely, relevant and actionable information is essential for all stakeholders (patients, families, providers, employers, payers, innovators, regulators, and policy makers). Wherever possible, state and federal governments should work to make relevant, high-quality information publicly available and easy to access and use.

Patients and families need easy access to information that helps them evaluate the options open to them for their specific medical conditions, the relative risk and benefit of available options, and the quality and cost of such options (often hyper-variable and regionally-specific). Given that most personal bankruptcies in the country are related to healthcare debts, it is essential that whenever possible, the total cost of care to be borne by the patient be available prior to commitment to a specific treatment plan.

Providers need access to a broad range of information channels – complete information that relates to the past medical history of patients under their care, unbiased information that relates to the accuracy of diagnostic tests and comparative effectiveness of therapeutic approaches (critically important information that is often regionally specific and temporally variable), and timely, integrated information that relates to the clinical trajectory of patients directly under their care.

Employers need information about the cost and quality of care provided to their employees via the plans they provide to their employees.

Payers need information about the appropriateness and quality of services provided to those for whom they manage payment.

Innovators need timely, detailed, and accurate information about contemporary use of healthcare goods and services, as well as contextual forces (demographic trends, policy changes, etc.) as they work to address the unmet needs of all stakeholders within the healthcare continuum.

Regulators and policy makers need access to all of the above as they work to shape the environment in which healthcare goods and services are used via regulation, procurement, and reimbursement.

Meeting these stakeholder needs requires that specific fundamental infrastructure be in place.

Interoperability

Seamless, **semantic interoperability**¹ is a requirement if we are to enable the flow of information needed to meet any stakeholder's needs. The status quo of multiple, non-communicating silos of important and relevant information frustrates the realization of the value of the integrated whole. The current lack of interoperability within clinical information systems results in needless delay, duplication, error, and preventable patient harms. It impedes the cross-platform integration of clinical information that would enable ready assessment of the relative impact of the myriad variations in clinical care on patient outcomes. It works against the ability of all providers engaged in the care of an individual patient to readily share observations and insights, and thereby frustrates the coordination of care that is essential to having optimal, patient-centered healthcare. This lack of interoperability of electronic health records has been highlighted by the current National Coordinator for Health Information Technology and deserves even higher priority and resources than are currently available.

In a similar way, the lack of medical device interoperability effectively prevents each medical device engaged in the care of a single patient to share functions and settings, creating a technically complicated environment where bedside clinicians are often required to manually move critical information from one device to another in order to manage the complexity. This lack of medical device interoperability is more the result of a market failure than any specific technical challenge, and results in such wasteful spending and so limits the potential beneficial impact of medical technology that it should be promptly addressed (see West Health studies for additional details^{2,3}).

¹Semantic interoperability is the ability of computer systems to exchange data with unambiguous, shared meaning. Semantic interoperability is a requirement to enable machine computable logic, inference building, knowledge discovery, and data federation between information systems.

²The West Health Institute, "[The Value of Medical Interoperability: Improving patient care with more than \\$30 billion in annual health care savings.](#)" March 2013.

³ The West Health Institute, "[Igniting an Interoperable Healthcare System: HCI-DC 2014 white paper.](#)" Executive editor: Joseph M. Smith. March 2014.

Specific recommendations regarding Interoperability:

EHR Interoperability

- 1) Work with ONC to set a date-certain by which EHRs will be required to be semantically interoperable in order to fulfill certification requirements.
- 2) Use the power of Federal reimbursement incentives to reward data sharing among providers.
- 3) Decline Federal reimbursement for redundant testing or delayed care that could have been avoided by data sharing.

Medical Device Interoperability

- 1) Work with the FDA to acknowledge that medical device interoperability is a safety imperative – the absence of medical device interoperability results in a healthcare environment where an amalgam of individually safe and effective devices creates system-level safety and efficacy concerns.
- 2) Set a date-certain for the recognition of an open-standards based medical device interoperability framework.

Transparency

Enabling information flow via seamless, semantic interoperability is a necessary but insufficient step toward addressing stakeholder needs. Cost and quality information must be available for aggregation and analysis, and then such information must be made transparently available, in an easy to use, actionable format tailored to each stakeholder (see West Health policy analysis on price transparency⁴).

Specific recommendations regarding Healthcare Transparency:

- 1) Examine the overall value and legality of “gag clauses” that prohibit the sharing of pricing data of healthcare goods and services, with a bias toward elimination of such clauses where possible.
- 2) Accelerate the creation of APCDs (All Payer Claims Databases) and facilitate the sharing of best practices to assure the opportunity for federated analysis across such state-wide databases.
- 3) Require all health plans to provide price-transparency tools that provide prospective, patient-specific, out-of-pocket costs for all procedures.
- 4) Require all EHRs to display the costs of all tests and procedures at the time of order-entry.
- 5) Assert employers’ rights to access and use their own medical claims data.

⁴ The West Health Policy Center, “[Healthcare Price Transparency: Policy Approaches and Estimated Impacts on Spending](#),” By Chapin White, Paul B. Ginsburg, Ha T. Tu, James D. Reschovsky, Joseph M. Smith and Kristie Liao. May 2014.



In closing, we believe that Interoperability and Transparency are essential elements in the overdue transformation of US healthcare. State and Federal governments have a legitimate role in requiring the adoption of open-standards based interoperability, as well as transparency of healthcare pricing and quality information. We look forward to working with you to advance these concepts and believe the recommendations above are tangible steps along the path to the learning, high-quality and sustainable healthcare delivery system we all deserve.

If you have questions regarding this letter or wish to discuss these matters further, please contact Dr. Joseph Smith, Chief Medical and Scientific Officer at the Institute. Dr. Smith can be reached at jmsmith@westhealth.org.

Sincerely,

A handwritten signature in black ink that reads "Nicholas Valeriani".

Nicholas Valeriani
Chief Executive Officer
Gary and Mary West Health Institute