

Speakout: Bills would help heal health care

*By Jared Polis
May 1, 2006*

Our nation is experiencing a health-care crisis. Our health-care system is expensive, inequitable and inefficient, and we know it.

Most of us are accustomed to knowing the price of something before we buy it. But as health-care consumers, that essential information is often not available. Every day, thousands of Coloradans receive medical treatment without knowing its final cost and without adequate information to assess the quality of the provider. Unable to compare prices and quality, consumers cannot make informed decisions, and the market cannot promote efficiency.

For instance, according to the Centers for Disease Control and Prevention, each year more than 2 million patients, or more than one in 20, are infected while in a hospital, causing an estimated 100,000 deaths - more than the number of deaths caused by car accidents and homicide combined. In May 2005, Golden-based HealthGrades reported that during 2000-'03, hospital-acquired infections increased 20 percent and cost \$2.6 billion.

After reading these shocking statistics, who would not want to know a hospital's infection rate before checking in? Well, in Colorado such information is not reported, despite the devastating impact on people's lives and finances, as well as on health-care costs.

But lack of transparency is also a problem on the supply side. Doctors often do not know what reimbursement they will receive for treating patients because of the complexity of insurance contracts, which are often non-negotiable, and frequent changes made by insurance companies. With the immense negotiating power of the four companies that dominate Colorado's health-care market, doctors can do little as they watch their administrative costs skyrocket and reimbursement rates plummet.

Transparency is essential for solutions for our broken health-care system. Better information leads to better policy. Hospital cost increases are driving escalating health-care costs, uncompensated care is causing cost-shifting that affects all of us, and there is a shortage of nurses and other health-care professionals. In the meantime, Coloradans pay much higher prices than patients in other states for the same services, while Colorado hospital profits are soaring and are among the highest in the country. In order to understand and begin addressing these crucial and interrelated challenges, comprehensive data about hospital operations and outcomes is vital.

Fortunately, among the dozens of bills related to health care introduced in the Colorado legislature this year, there are three bills that propose meaningful steps to improve the accuracy and quality of information available to both consumers and policy-makers.

Senate Bill 141 calls for hospitals and ambulatory surgical centers receiving Medicare and Medicaid reimbursements to report annually to the state financial, resource, patient and staffing information, including cost-to-charge and nurse-to-patient ratios, and exempts rural and public entities. The reports would be public, providing invaluable information to help consumers make informed decisions about their health, as well as enabling policy-makers to develop effective policy remedies.

Senate Bill 198 would make Colorado the first state in the nation to clarify and simplify health-care contracts through specific standards, making them transparent, and preventing changes to the reimbursement rates without notice. This bill would remove the element of surprise and allow doctors to focus on patient care,

level the playing field between doctors and health-care plans, decrease litigation and negotiation costs, and lower administrative costs that ultimately are borne by consumers.

House Bill 1045 would make Colorado the eighth state in the nation to require hospitals to disclose the number of patients infected during surgery and to report the data to a national health-care safety database. By informing the state and consumers about facility-acquired infection rates, this bill will promote better sanitary practices and help save the state an estimated \$3 million a year in Medicaid dollars, according to its sponsor.

If enacted, these proposals would empower consumers, promote accountability, and fuel competition, helping to control medical costs and improve service quality. Together, they go a long way toward cost relief and improved patient care, by making the health-care system more transparent and efficient. In short, transparency saves money and lives.

Jared Polis is an entrepreneur and vice chair of the Colorado Board of Education.