

GAO Highlights

Highlights of [GAO-15-11](#), a report to congressional requesters

Why GAO Did This Study

The cost and quality of health care services can vary significantly, with high cost not necessarily indicating high quality. As consumers pay for a growing proportion of their care, they have an increased need for cost and quality information before they receive care, so they can plan and make informed decisions. Transparency tools can provide such information to consumers and others.

GAO was asked to study cost and quality information for consumers. This report examines (1) information on cost and quality available to consumers from selected transparency tools, (2) characteristics of effective transparency tools, (3) limitations, if any, in the effectiveness of CMS transparency tools, and (4) CMS efforts to expand cost and quality information available through transparency tools. GAO analyzed information from two private tools—selected because they had both cost and quality information—and CMS's five transparency tools, reviewed research to identify best practices for conveying information to consumers, interviewed CMS and HHS officials and subject matter experts, and reviewed CMS and HHS planning documents and relevant criteria for effective planning in the federal government.

What GAO Recommends

GAO recommends that HHS's CMS take steps to improve the information in its transparency tools and develop procedures and metrics to ensure that tools address consumers' needs. HHS concurred with the recommendations and provided technical comments that were incorporated as appropriate.

View [GAO-15-11](#). For more information, contact Linda T. Kohn at (202) 512-7114 or kohnl@gao.gov.

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HEALTH CARE TRANSPARENCY

Actions Needed to Improve Cost and Quality Information for Consumers

What GAO Found

Results obtained from two selected private consumer transparency tools GAO reviewed—websites with health cost or quality information comparing different health care providers—show that some providers are paid thousands of dollars more than others for the same service in the same geographic area, regardless of the quality of such services. For example, the cost for maternity care at selected acute care hospitals in Boston, all of which rated highly on several quality indicators, ranged between \$6,834 and \$21,554 in July 2014.

Transparency tools are most effective if they provide information relevant to consumers and convey information in a way that consumers can readily understand. GAO identified key characteristics of effective transparency tools through a literature review and interviews with experts. The information that is most relevant to consumers relates directly to their personal circumstances, such as information on specific procedures they are considering, and allows them to make meaningful distinctions among providers based on their performance. Characteristics of such relevant information include describing key differences in quality of care and costs, particularly for what consumers are likely to pay out of pocket based on their specific circumstances. In addition, effective transparency tools must take specific steps to make the information they present understandable by consumers. For example, tools must enable consumers to discern patterns by summarizing related information and allowing consumers to customize information to focus on what is most relevant to them.

The Centers for Medicare & Medicaid Services (CMS) operates five transparency tools—Nursing Home Compare, Dialysis Facility Compare, Home Health Compare, Hospital Compare and Physician Compare—that are limited in their provision of relevant and understandable cost and quality information for consumers. In particular, GAO found that the tools lack relevant information on cost and provide limited information on key differences in quality of care, which hinders consumers' ability to make meaningful distinctions among providers based on their performance. Because none of the tools contain information on patients' out-of-pocket costs, they do not allow consumers to combine cost and quality information to assess the value of health care services or anticipate the cost of such services in advance. Additionally, GAO found substantial limitations in how the CMS tools present information, such as, in general, not using clear language and symbols, not summarizing and organizing information to highlight patterns, and not enabling consumers to customize how information is presented.

CMS, part of the Department of Health and Human Services (HHS), has taken some steps to expand access to cost and quality information for consumers, but has not established procedures or metrics to ensure the information it collects and reports meets consumer needs. Both HHS and CMS have set goals to report on measures that meet consumer needs. However, CMS's process for developing and selecting cost and quality measures for its tools has been heavily influenced by the concerns of providers rather than consumers. Without procedures or metrics focusing on consumer needs, CMS cannot ensure that these efforts will produce cost and quality information that is relevant and understandable to consumers seeking to make meaningful distinctions.