May 15, 2019

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid Services
Hubert H. Humphrey Building
200 Independence Ave., S.W., Room 445-G
Washington, DC 20201

re: Follow-up materials from the April 30 meeting with the Alliance of Community Health Plans (ACHP) and member plan executive leaders

Dear Administrator Verma:

On behalf of the Alliance of Community Health Plans (ACHP), we would like to thank you for taking the time to meet recently with members of our Board of Directors. We understand that your time is at a premium, and our chief executives are truly appreciative of your leadership, attention and interest in their work.

As you'll recall, our wide-ranging discussion touched on a number of topics important to you and our members, including efforts around improved price transparency and consumer engagement. In the immediate, ACHP is coordinating a conversation between MITRE Corp. and Select Health/Intermountain to demonstrate their "shoppable services" online application that you were interested in.

We believe transparency is most successful when the free market is allowed to creatively experiment, rather than follow narrowly-defined governmental requirements. We urge the administration to be clear in what information is most helpful to whom and when. As you will see in the examples below, consumers value pricing information tied directly to their individual circumstances (benefits, deductible status, etc.). A broad set of published fees does not help individual patients make smart choices. We hope the learnings shared here will inform your policy discussions moving forward.

- *Consumer use of transparency tools takes time.* Launched in 2015, Priority Health's *Cost Estimator* allows individuals to receive pricing information to make the most informed decisions about their care. But uptake was slow initially and came only after the Michigan-based plan invested in promotion and incentives. The persistence paid off. Today 11 percent of Priority Health's members use the tool—compared to an industry average of 2 percent. To date, Priority Health has reported $9 million in savings. For shoppers who chose a "fair market price" location for care, which is displayed using the app, the average savings is $680 per procedure. And importantly, since 2018, Priority Health has seen a 176 percent growth in prescription price searching, with many choosing generic medications or other effective alternatives to save money.

- *Transparency is not a one-size-fits-all solution.* Albany, N.Y.-based Capital District Physicians' Health Plan (CDPHP), which covers more than 150,000 lives in the commercial market and another 138,000 in Medicare and Medicaid, created its *Price Check* tool first as a teleservice for members to get estimates on about 20 medical services. For CDPHP, it was important to give members access through ways that may be more familiar—and more user-friendly—to them. Over the next 12

months, however, CDPHP plans to align its price estimator tool to its *FindADoc* app, allowing members to compare prices online.

- ***Pricing tools should work across a number of platforms, and be available in real time.*** Minneapolis, M.N.-based HealthPartners' pharmacy benefits app allows clinicians to gain access to medication pricing and restriction information where it's needed most—in the exam room and at the point of care. Its real-time pharmacy benefits and *GoodRX* tools are integrated into the patient's electronic medical record, and provides instant data on whether a prescription requires prior authorization; whether a medication is on the patient's formulary; and what the patient will pay out of pocket based on their insurance. The program works across a number of platforms, and pulls in information from other insurers. *GoodRX* also includes a price comparison tool. Last year, more than 21,000 members transferred a prescription to a new pharmacy and saved $15 or more—with many families saving more than $1,000.

- ***Pricing information must be useable and easy to understand.*** As part of its "Know Before You Go" campaign, Salt Lake City, Utah-based SelectHealth created its online cost estimator to give its members a better understanding of what they may be required to pay for medical care. The online tool provides personalized cost estimates on 400+ services including: facility charges, physician fees and even the anesthesiologist. The cost information is bundled together and matched against the member's plan coverage, which allows members to get a better understanding of what they may pay out of pocket and, importantly, protect them against "surprise" medical bills.

These are just a few insights into how ACHP's members keep their focus on providing consumers with the information and options they need to choose affordable, high-quality services. Our members remain concerned about proposals that would mandate particular tools, technologies or unworkable timetables. We look forward to continued dialogue and stand ready to work with you and your team to develop policies that make health coverage and care more accessible and affordable.

If you have any questions, please do not hesitate to contact me at cconnolly@achp.org or 202-785-2247.

Ceci Connolly

Ceci Connolly I President & CEO I **Alliance of Community Health Plans**
1825 Eye Street, NW, Suite 401, Washington, District of Columbia 20006
Email: **cconnolly@achp.org** I Ph: 202-785-2247 I Fax: 202-785-4060

Alliance of Community Health Plans (ACHP) and its members improve the health of the communities we serve and actively lead the transformation of health care to promote high quality, affordable care and superior consumer experience.