



LESSONS LEARNED

Physicians' Views of Comparative Information on Costs and Resource Use

Findings and Implications for Report Developers

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As communities build on early efforts to share comparative data on health care costs and resource use, it is important to understand the perspective of all stakeholders—including doctors—to ensure everyone perceives the information as credible, valid, and helpful. The Robert Wood Johnson Foundation's 16 *Aligning Forces for Quality* Alliances are working to improve the quality of care delivered in their communities across the nation, including through efforts to make information about cost and resource use available. This document offers a snapshot of physicians' views on having access to this kind of information themselves and having this information available to the public. The findings are based on individual interviews conducted by the American Institutes for Research (AIR) with seven primary care physicians and obstetrician-gynecologists working in the states where several Alliances are based. (See the Appendix for more information.)

The purpose of these interviews was to learn about physicians' awareness of and attitudes toward comparative information on provider-level costs and resource use. We aimed to answer the following questions:

- Are physicians aware of and interested in comparative reports on cost and quality?
- How would physicians use information on cost and resource use?
- What do physicians think of the idea of making information on the costs and quality of providers available to consumers? What are the barriers to physicians' acceptance and use of publicly reported information on cost and resource use?
- What do physicians think of the idea of reporting on the "value" of a provider's health care services?

This research complements AIR's ongoing research on strategies to engage consumers in quality, cost, and resource use information by shedding light on the areas in which physicians' and consumers' interests are aligned and where they diverge.

About *Aligning Forces for Quality*

Aligning Forces for Quality (AF4Q) is the Robert Wood Johnson Foundation's signature effort to lift the overall quality of health care in targeted communities, as well as reduce racial and ethnic disparities and provide real models for national reform. The Foundation's commitment to improve health care in 16 AF4Q communities is the largest effort of its kind ever undertaken by a U.S. philanthropy. AF4Q asks the people who get care, give care and pay for care to work together to improve the quality and value of care delivered locally. The Center for Health Care Quality in the Department of Health Policy at George Washington University School of Public Health and Health Services serves as the national program office. Learn more about AF4Q at www.forces4quality.org. Learn more about RWJF's efforts to improve quality and equality of care at www.rwjf.org/goto/af4q.

About the Author

American Institutes for Research (AIR) provides technical assistance for the Robert Wood Johnson Foundation's *Aligning Forces for Quality* initiative. AIR is working with *Aligning Forces* communities to support consumer engagement efforts to promote higher-quality health care at a lower cost.

The interviewed physicians recognize that the costs of health care are a real concern for their patients and for the system as a whole.

The physicians are aware of waste and overuse as a problem and expressed frustration that many patients do not pay adequate attention to the costs of care. Noting that their patients often don't care about costs as long as the services will be covered by their insurance, several doctors commented that they would like their patients to be better educated about the impact of treatment decisions on their own costs as well as overall costs. A few commented that their patients did not seem to realize that there is a cost to every service, even if they are not the ones paying for it.

Most of the physicians are sensitive to the fact that at least some of their patients are very concerned about the costs of care. Nearly all of the physicians have spoken with at least some of their patients about the costs of care. The potential for high "out-of-pocket" costs is usually what motivates discussion of cost during a patient visit. Physicians and patients generally raise concerns about costs when discussing prescriptions or expensive tests or when patients have high-deductible plans or no insurance. However, not all physicians welcome questions about costs. While some said they appreciate that their patients are concerned, others admitted the questions make them defensive and a few were very negative about any expectation that they should be able to talk about the costs of care they recommend.

Most of the interviewed physicians like the idea of having access to information on health care costs and resource use to help inform their care, but few have been exposed to it.

Several physicians expressed strong interest in knowing about their own costs and resource use and how they compare to others. They noted it would be helpful for them to see whether they order tests, for example, more than their peers. Some also would like to see information on costs and resource use for specialists and hospitals. Only a couple of physicians explicitly said this information would not affect their recommendations.

However, the interviewed physicians were not aware of all of the ways in which costs could be reported. For example, none were familiar with information on the costs of an episode of care.

Information on the costs of "recommended care" and "avoidable complications," which is derived from the Prometheus model,¹ was also new to the physicians. Most of the physicians were intrigued by displays of this information; they liked "this approach better than just the dollar signs" and appreciated that it lets you know "the value in numbers of what you are saving" by reducing unnecessary care. However, a few expressed strong reservations about sharing this kind of information with the public, both because it is hard to interpret and because of their own questions about what's deemed "avoidable."

Only a few physicians have been exposed to public information on costs and quality. Despite the efforts of Alliances and other public reporters to publicize the availability of their information, the interviewees had not encountered community reports of cost and quality and were largely unaware this kind of information would be made available to patients and families.

Some had seen comparative reports on quality or cost generated by hospitals, insurance companies, or their own group practice; some of those reports included procedure volume (which can function as both a resource use measure and a quality measure). Other physicians indicated they had read about that kind of information only in journals.

Physicians don't have the information they need to discuss cost and resource use with their patients.

Several physicians indicated they would like to be able to share cost information with patients when they think it would be helpful and appropriate. Most of the interviewed physicians were intrigued by the idea of

How Physicians Would Use Information on Cost and Resource Use

Assuming they would be able to see a combination of information on cost, resource use, and quality, physicians indicated they would use it for several purposes:

- **To assess and improve the care they provide.**
- **To ask questions about the care being provided at the hospitals** with which they are affiliated (e.g., to ask why one hospital is more expensive than another).
- **To inform their referrals** to specialists and facilities for further diagnosis, tests, or treatments.
- **To educate patients** when discussing options.

For these purposes, they noted the importance of having access to trend data as well as information on whether and how the data were adjusted for case mix.

having *cost* information they could use to inform what they recommend to their patients (for example, being able to show patients the costs of getting an MRI at different local facilities). They were skeptical, however, that consumers would understand and use—let alone benefit from—information on *resource use*.

A few physicians commented that “we should be rated in terms of our value to the system,” that they were “excited about the intention behind public reporting,” and that it would be helpful to have data available that may “influence some people who are high resource users to think why.”

Most physicians do not have any cost information to share with patients.

Several doctors noted they consider the costs of what they are recommending and want to be economical but often do not have information on the costs of medicines, treatments, or specialty care. This paucity of information makes it difficult for them to talk with patients about their options and the trade-offs. Some doctors mentioned feeling “helpless” when patients ask them for this information and described what little information they have as “vague” and “difficult” to share.

Some of the physicians support the concept of publicly reported information on cost and resource use, but most are wary.

The idea of public reporting met with a mixed reception. Several physicians commented that it would be good for patients to be informed and that they have a “right to know,” even if it makes health care providers vulnerable. They also noted that the transparency of public reporting could be valuable for encouraging accountability; some suggested this information could motivate providers to compete on both cost and quality. However, the most common reaction was guardedness and concerns about how the information could be misinterpreted and misused. Some physicians also expressed doubt that public reporting would shift either patient or physician behavior.

Physicians have several concerns that will limit their acceptance and use of publicly reported information on cost and resource use.

Physicians don’t trust the data and are skeptical about the methods currently used to derive scores, mainly because of their experiences with reports from insurers. Specifically, physicians cited concerns about:

- The accuracy and reliability of the data being used to measure costs and resource use (especially if the data source is claims rather than medical records).
- The adequacy of any risk-adjustment model to account for differences in providers’ patient populations: Several physicians argued apples-to-apples comparisons are not feasible and expressed concern physicians would be penalized for taking on harder cases or would be motivated to drop challenging cases. For many physicians, acceptance of the data will require adjustment models be readily accessible and vetted by their peers.
- The timeliness of the data: The physicians did not want to be making recommendations based on years-old data, nor did they want anyone drawing conclusions about themselves or other providers if the information is not current.

A few physicians also commented that no data, no matter how good, could outweigh their own judgment of the relative merits of other health care providers.

Like consumers, physicians believe strongly that information on costs or resource use must be accompanied by other information, particularly information on quality, in order to be useful. In addition to seeing whether and how the information is risk adjusted, physicians frequently mentioned wanting to see information on quality (including complication rates and surgical infection rate). They also were interested in getting information about the number of patients/cases, trend data, the data sources, and average length of stay.

Several physicians also perceived the consumer-friendly displays likely to be used in public reports as “overly simplified” for their purposes. They would want to see how the costs break down or how they can be attributed (e.g., if looking at hospitals’ costs for surgery, physicians wanted to see what the costs were for individual surgeons).

Every physician resisted the idea of identifying the “high-value” providers. While the physicians want to see cost information displayed with quality information, they were unanimously opposed to the notion of publicly reporting the “value” of the care they provide based on a combination of scores for cost and quality. Although they understood how this display strategy could be helpful for consumers, they felt designating providers as “high-value” would be

“influencing people beyond the point that it’s right” and has too much of a “commercial” connotation (i.e., that it would be too much like the ratings in consumer reports for commercial goods). In addition, physicians argued the quality of the data is not strong enough for anyone to draw such strong conclusions about physician performance.

Physicians are concerned patients will need help interpreting information on costs correctly and use it appropriately, and physicians may have to be the source of that help. Recognizing their patients will need to be educated about the information (e.g., that small differences in scores don’t matter), the physicians expressed concern they will have to spend unreimbursed time explaining the scores and possibly defending themselves to patients.

Physicians fear the information will result in their being stigmatized or penalized for factors beyond their control (e.g., patients’ actions or specialists’ decisions). This concern reflects a prevalent belief that patients play a role in driving the costs of care, whether by insisting on certain treatments or by not complying with recommended care. Several physicians also noted they have to weigh the consequences of potentially unnecessary tests and treatments against the possibility of lawsuits by patients, especially if the patient specifically requested the test or treatment.

Recommendations

Gain provider buy-in and long-term support

Involve physicians in the process of developing and reviewing the information before releasing anything to the public. Physicians should be among the stakeholders in the community, including consumers, who have a voice in what is publicly reported and how it is reported.

Make the effort to keep the physician community informed about your reports.

Seek opportunities to let physicians know about information that could be helpful to them and information they could share with their patients. These opportunities could include presentations to physician organizations, meetings with local physician groups, and written communications.

Reassure physicians about the methodology (including risk-adjustment models) and data sources.

Be careful not to put doctors on the defensive by implying they are solely responsible for high health care costs.

Offer access to the information with appropriate details, perhaps more than is provided to the public, as an improvement resource for medical practices.

Support both providers and consumers in using cost and resource use information as part of the decision-making process

Provide educational content for consumers to help them interpret and use any public information on health care costs or resource use. The key message for Alliances to deliver to consumers is that it is possible to get high-quality care that costs less. To that end, Alliances and other organizations could lay out the steps consumers can take to make better choices among treatments and tests (e.g., by checking out comparative information on cost and quality before making decisions or by talking with their physicians about the costs of treatment options).

Alliances also may be able to support appropriate consumer interpretations of resource use data by explaining how the misuse and overuse of tests and treatments pose health risks, potentially undermining the safety and quality of care, and by sharing information on what “appropriate care” would be. Materials available from the American Board of Internal Medicine Foundation’s *Choosing Wisely* campaign can be helpful for this purpose (see box at right).

Spread the Word About *Choosing Wisely*

The American Board of Internal Medicine Foundation’s *Choosing Wisely* campaign aims to help both doctors and patients question the use of tests and procedures that aren’t always appropriate or helpful. Find resources you can share on your site or pass on to local physicians at:

- Recommendations from medical societies: http://choosingwisely.org/?page_id=13
- Patient-friendly materials from *Consumer Reports*: <http://consumerhealthchoices.org/campaigns/choosing-wisely/>

Offer physicians guidance on how they can use information on costs and resource use and share the information with their patients. Alliances have an opportunity to work with local health care providers to facilitate the use of cost and resource use information. First, Alliances can share community-wide data that will help physicians understand how they compare to others. With the benefit of that data, Alliances can encourage physicians to identify the behaviors and decisions that contribute to high resource use and costs and develop strategies and incentives for improvement. In addition, Alliances can make it easy for providers to access the data during visits to inform decisions they make with their patients and provide printable handouts for patients that display and explain the relevance of that data.

Appendix: Interview Process

AIR researchers conducted one-on-one interviews with five primary care physicians and two obstetricians between August 22 and August 31, 2011.

Location: These physicians were randomly recruited from states where Alliances operate, but not all physicians were in communities covered by the local Alliance's reports.

Recruitment criteria: In addition to location, the recruitment criteria included:

- No affiliation with academic institutions
- No participation in a research study in the past several months
- Willingness to be audiotaped

Compensation: The primary care physicians were compensated \$200 for their time; the OB/GYNs were given \$250.

ⁱ Prometheus is a payment model that calculates two categories of costs for a given diagnosis: the cost for services patients typically get or should get for an episode of care and the cost of potentially avoidable complications for an episode of care. Learn about PROMETHEUS Payment at http://www.rwjf.org/qualityequality/product.jsp?id=43951&cid=XEM_205605.