



# The healthcare problem Congress isn't talking about

By Stephanie Zaremba | May 4, 2017

Perhaps the American Health Care Act, which passed the House of Representatives by a 217-213 vote this afternoon, will eventually get to the president's desk. Perhaps it will stall out again in the Senate.

But whatever happens to the plan to repeal and replace the ACA, the outcome won't change what fundamentally ails our healthcare system.

That's because the national discourse around healthcare right now is missing a crucial point: the cost of health *care*, not health insurance, is spiraling out of control, and we have no functioning market to bring costs down.

Anyone who endured high school economics likely recalls that increased competition drives down the cost of a product or service. When consumers shop around for the best price, sellers have to maintain competitive prices (think Best Buy price match) or offer other unique benefits (hello, Amazon free two-day shipping) to attract business.

And then you have healthcare. There are dozens of reasons why healthcare is complicated – who knew? – and doesn't function like a normal market. But in

our current debate, it is treated as a given that the cost of care will continue to be astronomically high. Instead, our lawmakers think the challenge at hand is to create affordable insurance for an unaffordable service, a virtually impossible task.

If we don't get serious about addressing the cost of care, the outcome of a potential ACA repeal won't matter. So how do policymakers go about that task when something as simple as the cost of a surgery ranges from confusing to unknowable?

There will be no magic bullet for this thorny problem, but we do have a good place to start. As quickly as possible, healthcare needs price transparency.

We have the data and the technology now to make healthcare a “shoppable” patient experience – to infuse competition into healthcare markets and therefore drive costs down.

For example, when insurers reimburse doctors for their services or pharmacies for prescriptions, the data on those claims are stored. Data is also maintained on the increasing number of quality measures that doctors must fulfill in order to be paid.

But across Medicare, Medicaid, and private insurance companies, data on billions of claims are locked in silos, not shared or used to help patients understand their care choices.

Some states even have all-payer claims databases, where they aggregate all of this information in one place, yet we still sorely lack an Amazon-like marketplace that allows us to compare what the cost of a routine service like bloodwork would be to patients.

Policymakers need to pay more than mere lip service to the notion of making this data available to innovative health systems and physician groups, tech companies, and entrepreneurs. Any of the above could use it to help patients and their care providers make better informed decisions.

Waste in healthcare also contributes to continually rising costs. That waste comes in many flavors – staff time spent on administrative work that does nothing to improve patient care, duplicative services that could have been avoided if providers coordinated better, dollars spent on preventable conditions that could have been avoided if addressed proactively.

And the same claims data that could unlock price transparency could also reduce the tremendous amount of waste in healthcare. If clinicians had access to the data on patients' past 12 months of care before patients even arrived for a visit, it would facilitate better coordinated care. It would enable clinicians to view – rather than duplicate – test results and patient information because they would know a crucial detail: From whom to request the results.

Early warning signs of bigger health issues down the road could be spotted and managed before a costly event occurs. And data on paid insurance claims contains the information needed to accomplish all of these efficiencies.

Policymakers need to see *this* as their challenge, and get to work on legislation and regulation that finally addresses the affordability of care, not insurance. By directing CMS and working with

private payers to get data into the hands of care providers, while maintaining patient privacy, the federal government can address the unsustainable growth in healthcare costs.

In the next couple of weeks, we may be facing a new federal healthcare landscape, or we may be entrenched in the status quo. But in either situation, the real work to fix healthcare will have only just begun.

*Stephanie Zaremba is director of public affairs at athenahealth.*

*Image Credit: Win McNamee / Staff Getty Images*



A daily news hub reporting from the heart of the health care internet, with access to a comprehensive data set of health care transactions from athenahealth's nationwide network. We equip leaders with actionable insight and inspiration for making health care work as it should.

---

## Stay in the know

Sign up for weekly data and news:  
[insight.athenahealth.com/newsletter](https://insight.athenahealth.com/newsletter)