



Transparency in Ohio's Health Care System

Family health care premiums rose an estimated 8.5 times faster than earnings for Ohio's workers from 2000 to 2007, according to a report issued by the consumer health organization Families USA. Ohio had the second highest disparity between premiums and paychecks in the country. While skyrocketing health care costs threaten Ohio's economy, we have millions of Ohioans without needed health care. We need to tackle health care spending in order to provide needed health care to all Ohioans.

Yet policymakers and consumers lack information on how premium dollars are spent and on the associated outcomes. Without more information on costs and quality, it will be difficult to seek solutions that stabilize costs and improve quality.

For policymakers, transparency is critical for benchmarking performance against other providers and outcomes in other states. More accurate and timely information will allow policymakers to monitor health care trends and outcomes and identify areas needing improvements. Reporting of comparative data will enhance quality improvement efforts already underway and stimulate additional improvement in areas of weak performance. For consumers, employers and other purchasers, improved transparency helps them understand what they are paying for and whether they are getting the best value available on the market.

Ohio should provide oversight to help policymakers and consumers understand the cost of care and how health care dollars are spent. Policy improvements should include:

- ▶ Requiring insurers to report to the Ohio Department of Insurance on the percentage of premium dollars spent on health care (known as the "loss ratio"), administration, and profits, by product line, in the individual and small group markets. *As part of his proposed budget, Governor Strickland would require insurers to file all individual and small group health insurance rates and loss ratio data with the Department of Insurance.*
- ▶ Require hospitals to report publicly their revenue and expenditures. The new IRS 990 Schedule (h) requires this disclosure but it is not a mandatory filing until tax year 2010. Policymakers and consumers need this information sooner.
- ▶ Require reporting of data on health care quality that helps policymakers and the public know whether our health care system is improving health outcomes. *Governor Strickland's proposed budget creates the Ohio Health Coverage and Quality Council which will determine what data is needed and what Ohio should be measuring.*

It is important that required public reporting targets only data that helps policymakers and the public have greater understanding for health care performance.

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