

Opinions Commentary » *Andy Slavitt and David Ostler*

In defense of data

UnitedHealth Group's Ingenix, says data collection unbiased, makes system better

Getting better healthcare information into the hands of people who need it is our business at Ingenix. Our company has been in the news as a result of the New York attorney general's investigation into the healthcare industry's use of actual physician billed charge data to determine a "reasonable and customary" amount to pay a physician when consumers choose doctors outside their health plan's network of care providers. We believe that the issue of how to calculate out-of-network charges and reimbursement is an important one, but we also believe that it is a small part of a larger issue: improving the healthcare system by improving the quality and quantity of information available to its participants.

We are one of healthcare's largest information and technology companies. Ingenix's 7,500 doctors and nurses, economists, statisticians, scientists, computer technicians and other experts are dedicated to creating technology and collecting, organizing and distributing data to help people make decisions that improve the quality and cost of healthcare. Every day, our work helps detect drug-safety concerns, assists people in finding the best treatment options for their medical needs, simplifies the billing processes used by doctors' offices, clinics and hospitals, and more. Good data, sound methodologies and innovative technologies like ours are an important part of making healthcare work better.

There is a growing need for comprehensive information about costs and value across the healthcare system. Without transparency and good information around value and quality, patients can't make informed decisions about their healthcare and physicians can't access information about how to set fees. In other, less complicated areas of our lives, we rely on information intermediaries to help us. We can turn to Zagat Survey to help us select a dining experience of the desired quality and cost, and Kelley Blue Book values when it's time to

purchase a car. But when we are at our most vulnerable, and need to choose a doctor or medical treatment, we have incomplete or no information about cost and quality.

In every industry, comprehensive and transparent information drives better product offerings and increased value. In healthcare, it also helps people live healthier lives. If we are going to solve the challenges facing us today, we will need more information and collaboration, not less, from all participants in healthcare—patients, medical providers and health plans. We also will need to improve the efficiency and effectiveness of information exchange and transactions.

At Ingenix, as an information company, we are committed to collaborating with everyone in the healthcare system to solve the problems each of us face every day. We work with:

- Physicians struggling to get paid more promptly and efficiently.
- Hospitals wanting to become more efficient and safe.
- Health plans looking to reduce administrative waste.
- Patients seeking to understand how to find and pay for quality care.

We have found that more information and technology is the best solution to make the system work better. Every day, we use information to help hospitals and physicians eliminate inefficiency and improve their ability to provide better care. Ingenix:

- Offers benchmarks based on CMS data to help hospitals understand clinical utilization, analyze cost and pricing information, set their fee schedules, and contract with health plans.
- Collects regulatory data to create processing rules that help providers and hospitals produce accurate bills.
- Provides software and content products that help providers and hospitals code bills more accurately and efficiently.
- Helps hospitals and physicians obtain information on a patient's current medications.

In addition, we support market-driven information solutions in other parts of the healthcare industry, including the collection and dissemination of physician-billed charge data for use by healthcare payers to reimburse out-of-network health claims. Although the New York attorney general's office has raised questions regarding the industry's use of this type of data and the quality of the data we provide in our Prevailing Healthcare Charges System, or PHCS, reference database, we stand behind the data and believe this approach addresses an important need in the healthcare system.

PHCS, the industry standard for health plans for more than 20 years, reports data based on providers' billed charges collected from approximately 100 major contributors in 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Data contributors, who are healthcare payers, certify the data they submit, and Ingenix tests the reliability of the contributed data through a series of validation processes. There is no systematic bias in our processes that leads to the elimination of high charges in the data.

In a system in which physicians charge a wide range of fees for their services—whether they're performed in a high-end office or a high-volume walk-in clinic—reference databases such as PHCS serve as a valid, unbiased and useful basis for health plans and physicians to understand reimbursement decisions.

We look forward to an open discussion focused on how all stakeholders can work together to deliver transparent information, which will lead to more affordable and higher quality care. <<

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