HEALTHGRADES
GUIDING AMERICANS TO THEIR BEST HEALTH

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Department of Health and Human Services
National Committee on Vital Health and Statistics

Mr. Park, Mr. Brennan and distinguished members of the National Committee on Vital Health
and Statistics, thank you for inviting me to participate in today's data users and perspectives
panel. My name is Kerry Hicks, founder and Chairman of HealthGrades, a company built on the
principles of transparency, provider accountability, and consumer empowerment. We help
consumers make more informed decisions about doctors and hospitals and to a large degree rely
on CMS data to build the tools necessary for that endeavor.

The federal government collects and oversees a massive amount of healthcare data. This data
can provide immense societal benefits when made accessible to responsible organizations and
managed appropriately within the current privacy and security parameters. There is a plethora of
organizations in this country, for-profits as well as non-profits, which have the capability to
create new uses of healthcare information and innovate for the public good if given access to the
government's vast treasure trove of data.

HealthGrades Background

For those who may not be familiar with HealthGrades, I thought it would be beneficial to
provide a brief overview of our company.

HealthGrades.com is the consumer website used by more Americans to find information about
provider quality than any other online or offline medium. Annually, 200 million unique visitors
research providers at *HealthGrades.com*. We have grown from a small company to an
organization that currently employs nearly 600 people with major operation centers in Denver,
Madison, Atlanta and New York.

I founded HealthGrades in 1998 on the fundamental belief that healthcare quality can be
improved through increased transparency, provider accountability, and patient empowerment.
For fourteen years HealthGrades has been providing consumers with meaningful information at
the time they most need it: when selecting a physician or hospital to care for themselves or for
family members.

There is a difference in provider quality and ongoing analysis of Medicare data is essential to
quality assessment and improvement. According to our most recent study of hospital quality
using risk-adjusted Medicare data, patients admitted to top-performing hospitals, have, on

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average, a 73% lower chance of dying than if they were admitted to the worst performing hospitals across 17 common procedures and diagnoses. If all Medicare patients from 2008 – 2010 had been treated at top performing hospitals, approximately 240,000 lives could potentially have been saved.

Societal Benefit Driven by Access to Government Data

HealthGrades is an example of a successful public/private partnership. We rely on access to a number of government data sets. The information generated from these data sets are made available to the public for free. Consumers accessing provider related information at HealthGrades.com will find:

- Risk-adjusted performance measures on approximately 5,000 hospitals each year for 30 of the most common procedures and diagnoses. Our measures are based upon analysis of the Medicare Provider Analysis and Review (MEDPAR) data file.

- Hospital measures for patient satisfaction based on the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) data.

- Hospital patient safety performance for thirteen indicators of patient safety developed by the Agency for Healthcare Research and Quality.

- Pertinent information on 750,000 physicians gathered from hundreds of sources including all 50 states. Providers themselves can access and maintain their data through our online Physician Portal.

HealthGrades information allows consumers to compare providers and select the ones that best meet their criteria. We survey our users constantly to better understand what information they are looking for and how they will use it. What have we learned?

- 82% of visitors are seeking information about physicians
- 72% of those are looking for a new doctor
- 74% of visitors consider two or more physicians

Once a physician selection is made, we know consumers act on the information we have provided.

- 54% of visitors researching physicians are scheduling appointments

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- 95% of those scheduling an appointment are doing so the same week
- 38% of those scheduling an appointment are doing so the same day

There is a tremendous consumer demand for any data that can provide comparative, meaningful information. Many organizations are gradually filling the demand where once there was a void. The Centers for Medicare and Medicaid Services can continue to play a large role in this process through development and implementation of standardized data platforms and delivery mechanisms that make the data more accessible. I applaud several recent efforts on this front, including:

o The President's Open Government Data Initiative and the roles HHS and CMS have played to make data for more accessible, including the creation of HealthData.gov.

o The annual Health Data Initiative conference that encourages innovative uses of publicly available data, and showcases the best new products and services.

o The Data Users Round Table held in December that allowed organizations to share their challenges accessing and using Medicare data, and provided a forum to offer recommendations on how to improve.

CMS Data Use Challenges and Related Recommendations

As CMS explores new ways to collect, package, and make data even more accessible, I'd like to offer some observations and thoughts on what would be most useful to stakeholders of this process. My comments are provided with the acknowledgement and understanding that CMS must operate within the boundaries of numerous laws and regulations.

The data use agreements in place for some data sets, such as the Healthcare Cost and Utilization Project (HCUP) family of data, restricts access to only those organizations considered to be conducting "pure" research, which tend to be institutions of higher education or non-profit groups. If other organizations were allowed to access the HCUP data, such as for-profits who have the ability to invest resources exploring ways to make the information most useful to the general public, this data could become very valuable to consumers. It could, for example, provide comparative performance information on Ambulatory Surgical Centers, which currently does not exist.

This type of data should not be limited to purely academic endeavors. Organizations using the

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information to serve the greater public good should have equal access provided they comply with all privacy & security policies and other applicable requirements. Reviewing current data use policies is one way to address this.

Lack of physician specific information, even at a basic level (e.g. physician identifiers, procedures performed, volume, etc.) makes it difficult to provide consumers with any meaningful, clinically relevant information on physicians.

The Affordable Care Act addresses some of these issues through data collection and reporting requirements, but we are still a few years away from being able to access much of this information. As new data is collected and becomes available as part of the Affordable Care Act (such as data on ASCs and physicians), we look forward to working with CMS to access the information and evaluate how it can be best used to benefit consumers.

Summary Remarks

In conclusion, CMS's implementation of a specialized unit overseeing data supply, demand and governance will improve on the great work that has already been done. Application of market principles, a willing seller paired with a willing buyer, will lead to an efficient marketplace.

The direction announced by CMS today is aligned with HealthGrades guiding principles of transparency, provider accountability, and consumer empowerment. Health care quality can be improved and costs can be controlled through effective knowledge transfer based on greater data accessibility. Through more efficient data sharing mechanisms, public/private partnerships will engage and empower consumers through more easily accessed and meaningful information.

The last decade has seen a tremendous evolution in terms of data availability. It is up to us to determine how to make use of the data. The next decade will see exponential increases in uses of the data that we couldn't have envisioned five years ago and CMS is strategically applying resources to plan for growth in this area. I applaud their efforts and the direction that is being taken.

Thank you for the opportunity to share my observations and thoughts.

Kerry R. Hicks

Founder and Chairman