

Bush's Order on Health Care Aims to Gauge Quality of Service

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President Bush, hoping to use the federal government's clout as the biggest health-insurance buyer in the country, issued an executive order that officials hope will change how consumers buy health care and how doctors and hospitals provide it.

The order, signed yesterday in Minnesota, requires federal agencies to disclose the quality and cost of care provided to Medicare beneficiaries, federal employees, the military and veterans. It also orders the agencies and their contractors to promote the use of health-care technology and reward consumers who shop for medical care based on quality and value.

The executive order covers one-fourth of Americans with health insurance. The initiative could affect the entire health-care market by setting an example for private insurers, officials say. Counting other programs such as Medicaid, the federal government pays for as much as 40% of all health-care costs in America, Health and Human Services Secretary Michael Leavitt said.

Much remains to be seen on how the federal government will measure quality and performance because different interest groups want different standards. Even with the amount of information available today, consumers often have trouble comparing services.

Putting pressure on doctors to be more transparent on prices may not be effective, because most consumers pay doctors through third parties, such as the government and private insurers, who set the prices, Edward Langston, board member of the American Medical Association, said.

Some states and private insurers, such as Humana Inc. and Aetna Inc., are already experimenting with giving more information to help consumers compare care. They could use the federal government's standards -- as they are developed -- as benchmarks in the private sector. Hospitals and physicians could also use the measurement to improve their care, Chip Kahn, President of the Federation of American Hospitals, said.

Yesterday, Messrs. Bush and Leavitt called for large employers, unions and state and local governments to follow suit. "People deserve to know what their health care costs, how good it is, and the choices available to them," Mr. Leavitt said.