



Statement for the Record

House Committee on Education and the Workforce

Subcommittee on Health, Employment, Labor, and Pensions

Hearing on, "Lowering Costs and Increasing Access to Health Care with Employer-Driven Innovation"

January 11, 2024

About Transcarent

Transcarent was founded to change the healthcare status quo and offer greater choice and control for those that pay for care, including healthcare consumers (our Members) and employer-sponsored group health plans.

As the one place for health and care, Transcarent cuts through the complexity of the system, making it easy for people to access high-quality, affordable care. With a personalized app tailored for each Member, an on-demand care team, and a connected ecosystem of high-quality, in-person care and virtual point solutions, Transcarent eliminates the guesswork to guide Members confidently to the right level of care.

Transcarent Members have access to care through the clinicians in Transcarent's affiliated virtual clinic in just seconds as well as from high-quality providers in their local communities. We use the power of technology to scale access to high-quality care, regardless of a person's geography, income, education, ethnicity, disabilities, gender, or language.

Our mission is to make it easy for people to access high-quality, affordable care. We believe this mission is not one we can accomplish alone, but for us as a country to accomplish together. We must all work together as partners to transform healthcare from a sick care system to a system for better health and care.

Realigned Incentives Allow Employers and Employees to Win

Transcarent has helped employers offer benefits their employees love to use, while reducing costs. With a net promoter score of greater than 80 compared to the industry average of 58¹, Transcarent has proven that an experience directed by consumers (our Members) results in higher satisfaction and engagement, and most importantly improved outcomes.

Transcarent grew out of a surgical centers of excellence (COE) program and has evolved into the one place for health and care. When organizations like Transcarent are relentlessly focused on achieving high-quality outcomes at a lower cost, everyone wins.

Employers enrolled in Transcarent's Surgery Care Experience program can save on average \$16,192 per surgery, achieved through lower bundled case rates, redirection to appropriate care settings, and higher-quality COEs. Our focus on quality also means that our Members have access to expert second opinions offered by the country's top physicians which has resulted in an avoidance of three surgeries per 100 completed surgeries. Employers save approximately \$22,000 on every avoided surgery while also facilitating more appropriate uses of finite healthcare resources in an already overwhelmed system. For employees, this means better outcomes at

¹ Drive Research, [Healthcare Net Promoter Score: Formula & Benchmarks](#)

a more affordable cost. For an employer with 10,000 employees, this could mean an annual cost savings of \$1 million.

Transcarent's National Independent Provider Ecosystem - Moving Employers and Providers Closer Together

Last September alongside 10 of the highest-quality health systems in the country, Transcarent announced the National Independent Provider Ecosystem. This is a new model for health systems to directly connect with major payers of healthcare, national self-insured employers. Historically, local health systems have faced challenges meeting the needs of their large employer neighbors, because they cannot scale across the country. The National Independent Provider Ecosystem changes that and now allows health systems to directly contract with those same employers. The ecosystem promises reduced administrative burdens with smooth hand-offs between virtual and in-person care, payment the day-of or when preferred by the provider. The Transcarent team will truly be partnering with the population health and patient advocacy teams within these health systems to augment exceptional in-person care with a dynamic, virtual experience all as a part of a value-based care arrangement. We are complementing local care providers, not competing with them.

We are also contracting with health systems for care at the most appropriate sites, whether it's an academic medical center, outpatient facility or a community hospital. This helps to reduce overcrowding at large in-patient facilities but also ensures that care is delivered at the most appropriate site for that patient and their health and care needs. With value-based care arrangements, where we guarantee rates for our employer clients, so we are hyper-focused on ensuring this is a win-win-win experience for our Members, health systems and clients. Health systems want to do this, because we pay them the day of or before procedures, and they aren't chasing claims and navigating denials for months on end.

The National Independent Provider Ecosystem is going beyond the existing capabilities of traditional COE programs. Traditional COE programs haven't been able to solve the spending trends for employers, so we believe we need by establishing more comprehensive, coordinated relationships with health systems. Our end state is to have a Member be able access these and other high-quality health systems through our app in the most seamless way possible, through one coordinated, integrated experience.

Advancing the Transition to Value-based Care Arrangements

By some estimates, employers expect healthcare costs to rise as much as 8.4 percent in 2024². Thus, employers are increasingly seeking ways to offer a better experience for employees, while gaining more control over health benefits spend. The employer-sponsored health plan market is behind in the adoption of value-based care due to

² CNN, [Health care costs at work set to rise steeply in 2024](#)

too many incumbents benefiting from the status quo. A lack of true alignment has forced employer reliance on the outdated fee-for-service reimbursement system that frequently serves as a compounding factor for many of healthcare's ills.

New policy should enable employers to actively participate in value-based care arrangements that allow them to best meet the needs of employees and their families. Value-based care arrangements can succeed when providers, suppliers and benefit plans share accountability for patient health, meaning incentives are aligned. If the employer and their service partners are willing to partake in a risk-based arrangement, they should not have to contend with red tape that results in increased costs, reduced access and additional barriers to care.

Despite Congressional efforts to improve data transparency and interoperability such as the gag clause prohibition in the Consolidated Appropriations Act (CAA) of 2021, too often employers have limited visibility into whether they get value for the money they spend on health benefits³. Employers rarely see data on the performance of healthcare providers, such as rates of infections or outcomes. Employers are desperate for ways to better understand how they can maximize what benefits they are providing their employees while controlling costs⁴. Thus, we must support unfettered sharing of the data necessary to inform value-based care arrangements, such as claims and cost information. We are seeing a shift toward price transparency as a means to empower patients as they choose between providers and health systems. Employers should also have access to the data they need to inform their benefit design without incurring significant additional costs or unreasonable delays. Congress should enact the Pharmacy Benefit Manager Reform Act (S.1339) and the Lower Costs, More Transparency Act (H.R. 5378) that will enable access to claims data for individuals and employers alike with the data they need to make informed medical and pharmaceutical benefit decisions.

Reducing Red Tape to Improve Affordable Access to Virtual Care

Expanded access to virtual care benefits employees and employers alike. It can reduce the need to leave home or work and risk infection at a physician's office and can help alleviate appointment wait times and provider shortages. This broadened telehealth access has emerged as a cost-effective solution to ensure that working Americans have affordable access to medical care when they need it, including behavioral and mental health services.

Approximately 63 million Americans receive their health benefits via an employer sponsored high-deductible health plan (HDHPs- coupled with health savings

³ Bloomberg, [Health Insurers Don't Want You to Know Where Your Money Is Going](#)

⁴ STAT, [Fed up with exorbitant health costs, employers and workers are taking insurers to court](#)

accounts (HSAs.)⁵ Policymakers should seek to make HSAs more accessible and useful to more people by allowing greater flexibility to save for a broader range of health costs now and in the future. Congress should support employee-friendly policies such as the ability to offer additional services before having to meet deductibles, including maximizing employer-sponsored coverage of behavioral health services, telehealth, and related remote care services through HDHPs, including the passage of the Telehealth Expansion Act (H.R.1843.) Maximum flexibility should be allowed when structuring an HDHP with an HSA if the employer is engaged in a value-based care arrangement.

One of the lesser discussed policies put in place during the COVID-19 pandemic was the ability for employers to offer telehealth services as an excepted benefit to their part-time and seasonal workers, as well as others that aren't on the group health plan. These employees, despite not being on their employer's group health plan, gained access to high-quality, affordable care that was not previously available to them. Unfortunately, this policy expired with the end of the public health emergency and employers are no longer to offer these additional telehealth benefits to their employees. Congress must act swiftly to pass the Telehealth Benefit Expansion for Workers Act of 2023 (H.R. 824) and reinstate the ability for employers to offer telehealth benefits even to those that aren't on their group health plan.

Enabling Health Equity

Today, more than 25 percent of Americans still struggle to afford their medications and these challenges are disproportionately experienced in lower incomes households, by Black and Hispanic adults, and by women.⁶ In addition to the high prices, healthcare costs are often hidden behind layers of bureaucracy, leaving patients in the dark as to what they will have to pay when they seek care. We must empower patients with transparency and more affordable care. This should include addressing the health spending driven by "middlemen" that add cost with no improvement to quality or outcomes.

Recent research shows that commercial health plan enrollees experience additional challenges with accessing care and face higher out-of-pocket costs for care received compared to individuals covered by Medicare and Medicaid⁷. Employers are struggling to navigate the opaque landscape of rebates and fees, which are often not disclosed in a transparent manner by their pharmacy benefit managers (PBMs.) Translucent supports the ongoing efforts to bring increased transparency requirements for pharmacy benefit managers, such as those proposed in S. 1339 and

⁵ Becker's CFO Report, [Americans have more than \\$100B saved in health savings accounts](#)

⁶ KFF, [Americans' Challenges with Health Care Costs](#)

⁷ JAMA, [Access to Care, Cost of Care, and Satisfaction With Care Among Adults With Private and Public Health Insurance in the US](#)

H.R. 5378. Too often employers don't realize that by accepting rebates, they may be forcing their employees to have limited options riddled with high-cost medications.

When you pair higher costs for self-insured employers and consumers, a perfect storm is created that likely results in individuals foregoing care. There is much room for improvement in the delivery of employer-sponsored care across the country. We have the world's best doctors, hospitals and technology, we need to realign the industry's incentives to ensure Americans can easily and affordably access great care.