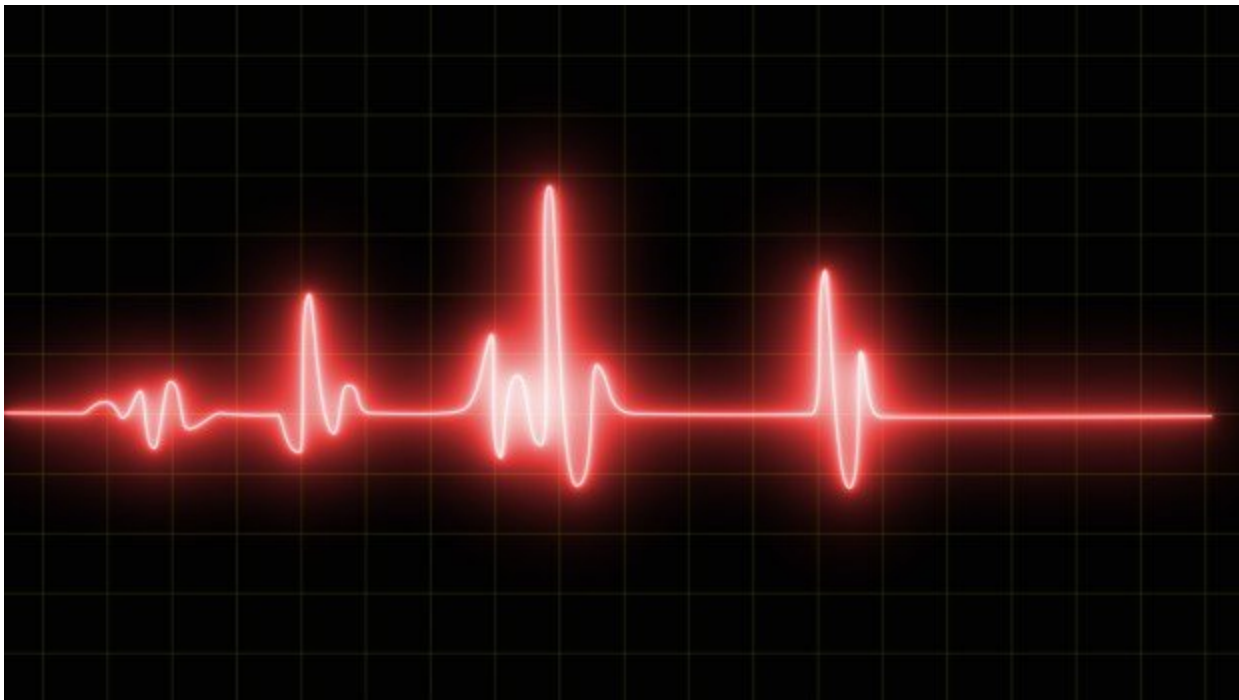


Transparent physician ratings give benefits stakeholders the power

By Daniel Stein, MD, MBA

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Employers provide the majority of health benefits in the United States and have increasingly been feeling the pinch of increased health care costs. Average annual per employee costs for health benefits rose above \$15,000 in 2022, according to Mercer, and show no signs of slowing. In fact, national health spending is projected to reach \$2.7 trillion by 2031, according to CMS. Complicating matters is the fact lower quality care is more expensive in the long term, so to make a meaningful impact on value, employers must address quality first, and they are putting an ever-greater focus on that. According to the same study, more than half of large employers say steering employees to higher-performing providers is important to them. But how?



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contributor to high health care costs. One recent study published in *JAMA Health Forum* showed despite guidelines designed to reduce variation in clinical practice, physicians practicing in the same area lacked standardization in the care they provided, resulting in wide variation in cost for different patients experiencing the same procedure. A reliable data set that highlights physician performance relative to others providing similar care can help create a baseline for what optimal care at the right price looks like.

Healthy employees take less time off work and are more productive, so tools to help direct employees to higher quality physicians are valuable not only in controlling health care spend, but in creating a positive impact to the bottom line. Most health plans, however, do not provide tools to effectively measure the quality of the physicians beneficiaries might choose. Employers must insist on them.

Armed with data on quality and outcomes, beneficiaries don't just pick physicians closest to their home or through word-of-mouth. Instead, they choose physicians based on combined measures of appropriateness, effectiveness, and cost of care. Over time, such choices move employers away from unnecessary or inappropriate treatment and toward better outcomes and value.

Transparency fosters trust

In order to move the needle on quality and value, beneficiaries and the physicians being evaluated must believe the ratings are authoritative. Nontransparent ratings methodologies are viewed by physicians as a "black box" where their rating is rightly suspect due to the use of opaque methods and data.



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other relevant parties, such as benefits advisors and consultants, can see the methodology and the data sources used to create the rating. This transparency empowers employers with a clear and actionable data set that helps them select or build the most competitive and cost-efficient health plans with the least downstream costs.

Additionally, with a clear view of the methodology and data used to create the rating, benefits managers have confidence the ratings will help employees select better physicians, ensuring their benefits stay competitive and efficient, while employees know they are getting the best care possible without having to rely on word of mouth or online reviews.

Importantly, physicians who want to improve their ratings have access to the information used to compile them, providing a roadmap for making specific changes in their own practices. When physicians improve as they move to align their performance with those of their peers, the result is better care at lower cost.

Making ratings actionable

Benefits brokers and consultants offer critical expertise that helps employers navigate the complexities of choosing the best health plans to offer employees, and providing physician ratings data to supplement the choices employees make can be a powerful weapon against waste, inappropriate care and unnecessary suffering. A physician rating system as an add-on component to employers' suite of benefits tools gives brokers, managers, and consultants a powerful way to illuminate the path to optimal health plan value for their clients.



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gauge the value of that clinical judgment based on best practices.

Transparent physician ratings give all stakeholders the power to make decisions based on physicians' adherence to those guidelines. This can be a game-changer in obtaining value for the health care dollar, allowing payers and providers to work from a common baseline and collaborate to improve quality and physician performance. It's about changing behavior of both physicians and patients toward value. Everyone benefits.

Daniel Stein, MD, MBA, is the founder and chief executive officer of Embold Health, a doctor-led, doctor-founded health care data analytics company dedicated to improving health care quality through physician measurement.

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