

MONEY

The Role Of Data Transparency In Building Smarter, Better, Faster Healthcare

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for **Forbes Finance Council**, **COUNCIL POST** | Membership (fee-based)

Published May 05, 2025 at 09:00am EDT

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Data is paramount in healthcare, but unfortunately, the industry has a long way to go regarding transparency in its usage.

Just how stark is this lack of transparency? Consider this finding from a [2024 report by PatientRightsAdvocate.org](#): the organization “analyzed the websites of 2,000 U.S. hospitals and found only 21.1% of them (421) to be fully compliant” with the [federal hospital price transparency rule](#).

But data transparency is about so much more than just meeting compliance standards. A lack of data transparency can have severe effects on patients, healthcare providers, payers and the employers who offer insurance plans.

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By emphasizing and creating cultures of data transparency at their organizations, healthcare leaders can make great strides in mitigating risks, managing costs and facilitating more nuanced decision-making—all of which ultimately drive better health outcomes for all involved.

Types Of Important Healthcare Data

When discussing healthcare data transparency, we typically focus on two broad categories.

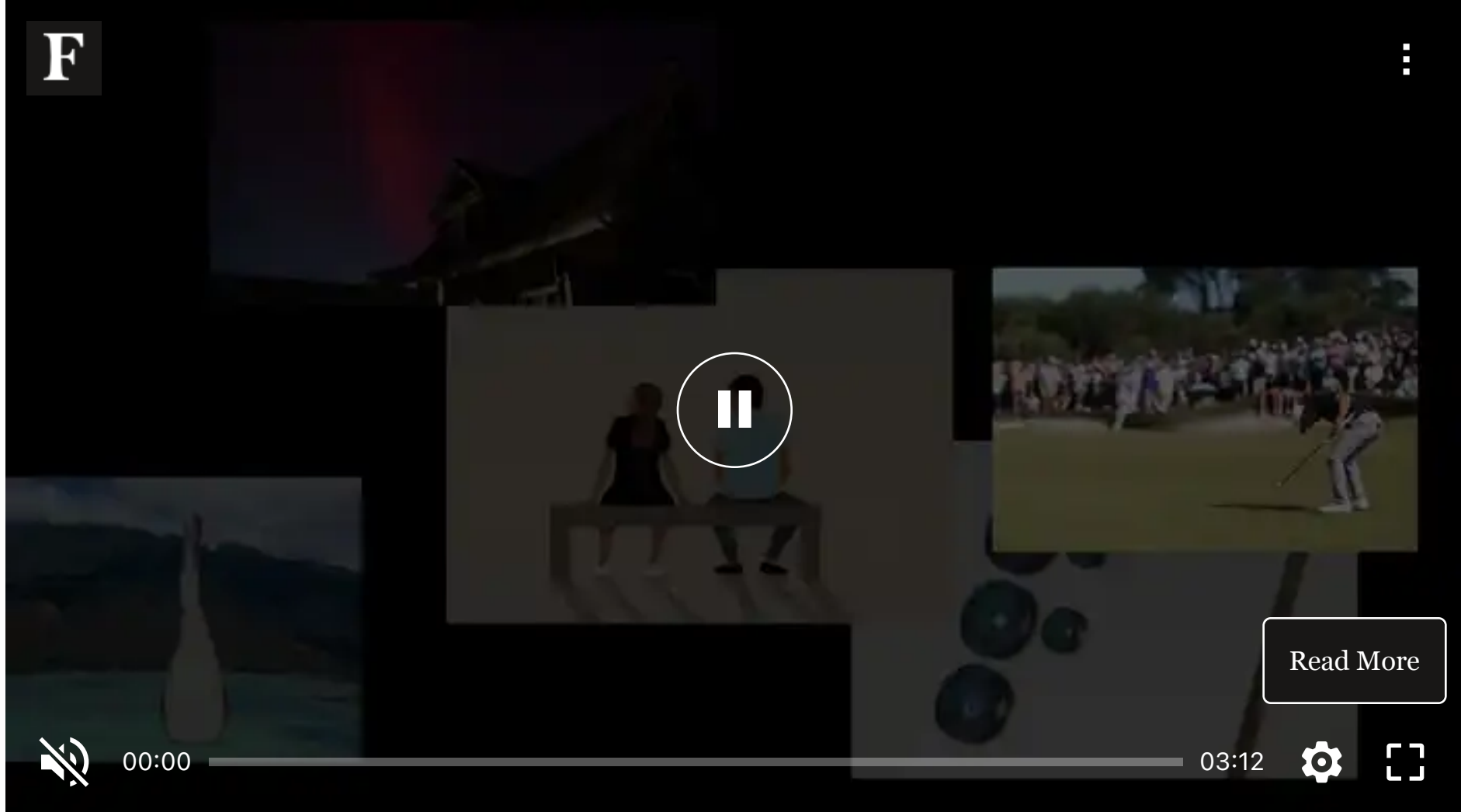
First, there’s cost data, which includes charge costs and allowable costs. Both are critical factors in pricing transparency and must be compared to key benchmarks such as Medicare reimbursement rates.

Then there’s quality data, which includes care outcomes, provider score and utilization data (provider data usage, rates of inpatient versus outpatient care, etc.). To accurately evaluate quality-based data, healthcare leaders must ensure that proper risk adjustments are made, accounting for the populations they serve—a key factor in creating true high-value care.

A focus on these types of data can help healthcare leaders pinpoint opportunities to improve overall performance by reducing expenses, building better health plans and providing patients with care options that optimize both costs and quality.

The Importance Of Data Transparency

The healthcare industry is famously complicated. For example, a [2025 study by Nayya](#), an AI-driven platform for employee benefits, surveyed “500 benefits-eligible employees” and found that “just one in ten understands the true value of their benefits.”



When plan designers don’t prioritize organizing and giving members access to provider cost and quality data, patients are left in the dark about their healthcare options, worsening an [existing healthcare literacy gap](#) that plagues many Americans today.

The opaque nature of healthcare data also leads to significant costs for employers and plan providers. One estimate by The National Health Care Anti-Fraud Association (NHCAA) puts financial losses due to healthcare fraud in the [tens of billions of dollars each year](#)—with the effects felt in unnecessarily high claims costs, surprise billing and more.

Data transparency can be instrumental in preventing and reducing these negative effects, as well as in pointing members to the highest-value care available.

With a full picture of their employee plan usage data, employers can make better informed decisions when it comes to their healthcare packages—working with health plan providers to design highly optimized offerings that address their members’ needs and reduce extraneous costs.

At the same time, transparency in provider and pricing data empowers members to choose high-value care options that will improve their care outcomes over time and prevent unexpected bills.

In short, data transparency is critical for building a healthcare ecosystem that benefits all parties involved, and it should be a key priority for today’s industry leaders.

How Healthcare Leaders Can Build Cultures of Data Transparency

Moving to a transparency-first data culture requires full commitment from internal and external stakeholders. Industry executives and decision-makers must lead by example to make the transition as smooth and successful as possible, using the following strategies as guidelines.

1. Support The Transition

To guide teams to a more transparent and data-driven healthcare system, leaders must model excitement, flexibility and forward-thinking to all stakeholders.

Clearly communicating the benefits of data transparency, having open discussions with team members and providing additional logistical support can ease the transition for all involved, not to mention demonstrate leadership’s full commitment to the new ecosystem.

2. Emphasize Collaboration

Healthcare leaders should also implement a collaborative, multi-stakeholder approach when it comes to gathering data, analyzing data and making decisions based on that data. By designing a process that works for and benefits all people involved, leaders can cultivate more buy-in from team members.

Hosting regular check-ins and asking for continuous feedback throughout the transition can encourage a sense of collaboration among internal teams. Leaders should also consider input from key external stakeholders across the healthcare chain. For example, health insurance executives should gather feedback from the patients, providers and employers they work with to maximize uptake of transparency initiatives.

While each stakeholder may want to prioritize different data points and systems of review, open collaboration and discussion allow team members to decide together what constitutes responsible, transparent data access within an organization.

3. Create Clear Compliance Standards

Finally, there can be no responsible transparency in healthcare without set rules for data usage.

Internally, it’s vital that healthcare leaders establish clear data governance and compliance policies to adhere to all applicable state and federal regulations. To maximize compliance, any vendors they use, such as software providers, should also have proper data storage and data security measures in place.

Leaders should also provide regular training to employees. That way, employees can better understand the role of data security even as they deploy a new, transparency-focused approach to healthcare data usage.

Data Transparency: The Future Of Smarter Healthcare

Healthcare is continuously evolving, and data is arguably at the center of that evolution. Now more than ever, it’s time for healthcare leaders to cultivate cultures of data transparency in their organizations.

By understanding how data is gathered and used internally, what data and what amount of data they’re releasing to whom and how they’re informing stakeholders about the data that’s being released, healthcare leaders can begin to use that data in productive, efficient ways that drive better outcomes for patients.

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