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## More Price Transparency Needed in Health Marketplace, Senators Told

— Prices are highly variable and mostly unavailable ahead of time

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WASHINGTON -- Making healthcare prices more transparent would go a long way toward helping healthcare consumers become better shoppers, several senators and witnesses said Tuesday at a Senate hearing.

"For years, patients were more or less OK with [not knowing prices] because insurance companies and the government paid most of the bills," Sen. Lamar Alexander (R-Tenn.), chairman of the Senate Health, Education, Labor, & Pensions Committee, said at a [committee hearing on healthcare price transparency](#). "However, as premiums increased, more Americans were covered by plans with high deductibles ... According to the Kaiser Family Foundation, half of all single covered workers in 2017 had a deductible of at least \$1,000, which is Kaiser's threshold for a high deductible -- an increase of 34 percentage points from 2012."

"More Americans showing an interest in shopping around ... [but] without better information, healthcare stays in [a] black box, making it hard for Americans to be good consumers, make good decisions, and pay reasonable amounts for necessary healthcare," he said.

The committee heard from several witnesses who are trying to make prices easier to find. But just knowing the price isn't enough, said Nancy Giunto, executive director of the Washington Health Alliance, in Seattle. "Cost transparency is very important but it's not enough. We must be able to look at costs and understand what we get for it; do the services I pay for improve my health and are they clinically appropriate?"

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Giunto offered four suggestions for helping patients to be better healthcare consumers:

- Teach patients that healthcare costs and quality are highly variable
- Prioritize health literacy and eliminate medical jargon
- Deliver objective, easy-to-understand information available on demand to consumers at the point of care or when they are seeking care
- Enlist physicians and other clinicians to promote transparency

Bill Kampine, co-founder of [Healthcare Bluebook](#), a health pricing website based in Nashville, Tenn., told the story of the firm's other co-founder, Jeff Rice, MD, who asked about the price for an upcoming surgical procedure for his son and was given an in-network minimum estimate of \$15,000. He asked whether there was another option and was given another facility to call -- the price at that one? \$1,500. "Same doctor, same quality, and more convenient for Jeff and his family," said Kampine. "Every day across the U.S., consumers face this level of variability ... Consumers who shop for care before [their procedure] are two to three times more likely" to select cost-effective, high-quality providers.

St. George Surgical Center in St. George, Utah, is one place that has posted its surgical prices clearly on its website. "We have '[upfront](#)' pricing on our website for over 220 procedures," explained Ty Tippetts, the center's administrator. "Since posting our prices online, our patient base has expanded." The center recently served a patient from Montana who needed a knee anterior cruciate ligament (ACL) reconstruction. The patient looked at the St. George's website "and called to make sure we didn't have a typo," Tippetts said. "The best price he found in Montana was \$30,000, and that was just for the hospital; ours was \$6,335, including the doctor's fees, facility fees, and anesthesia." The surgery center has a very low infection rate and very high patient satisfaction, he added.

A [disclaimer](#) on the surgery center's website, however, notes that the upfront prices only apply to those customers who pay all cash ahead of time -- not to those who use their health insurance coverage. Only about 10% of the surgery center's patients take the all-cash option, Tippetts said in response to a question from Sen. Elizabeth Warren (D-Mass.). Prices for patients with insurance vary, and the surgery center can only tell the insured patients what its facility charges would be, while the physicians would charge separately, he said.

Sen. Lisa Murkowski (R-Alaska) wondered what Congress could do to get more people to shop around for care. "If I'm not feeling well ... does this mean I should start shopping around now when I'm feeling ill? Or do I look at my family history and say, 'I better do an analysis early on because I'm likely to need in the next 10 years services for cardiology in my community'? How do we engage people early? It seems like so much of what we're doing is after the fact."

Leah Binder, president and CEO of The Leapfrog Group, an organization that analyzes healthcare quality, said that the government's role "should be as narrow as possible in looking at this issue.... Their role is to make sure this data is scientifically sound and available." After that, private organizations like hers "have incentive to reach out to the public and engage them. We need the data, and that's what we're missing."

"Help us teach consumers that healthcare is shoppable," said Giunto. "When things get solved locally with people who have skin in the game, it's an opportunity for improvement."

Murkowski wondered aloud if part of the issue was generational. Whereas older people might not be used to shopping for care, "I think young people look at this and say, 'You shop for everything.'"

Binder agreed. "With millenials, as soon as they realize they're not immortal, that's when we'll see a transformation because they will not tolerate the level of transparency we have now," she said.

Cash incentives might also help, said Kampine: "They can be [something like] \$500, \$1,000 to encourage patients to make high-quality, cost-effective choices on their care."

Doctors can also play a big role, he added. Although physicians often know there is a price difference among various facilities, they don't know exactly how much. "They don't have the tools to help patients make better choices ... There's a huge opportunity to go to referring physicians and make sure they have the information in their hands."

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