

Engaging Consumers with Health Care Price Information

AHRQ CHARTER VALUE EXCHANGE LEARNING NETWORK



TED VON GLAHN
DECEMBER 4, 2013

1

Session Overview

- ▶ Personalizing price information for consumers
- ▶ Barriers to putting price information to use
- ▶ Three consumer marketplaces to shop for service/provider
 - Health plans/payers
 - Commercial shopping services vendors
 - Regional collaborative/all payer databases

2

Consumer Decisions Using Price Information

Today's Focus

- ▶ Shopping for medical services
- ▶ Choosing a provider – physician, hospital program, etc.
- ▶ Using health insurance benefits wisely
- ▶ Healthcare budgeting or savings
- ▶ Choosing a health plan/network tier

3

Personalization of Price Information

- ▶ Tailored to person's insurance coverage – cost to you
- ▶ Provider fee schedule specific
- ▶ Meaningful medical service products (episodes/bundles)
- ▶ Local comparisons
- ▶ The consequences of alternative decisions
 - ▶ Non-preferred network
 - ▶ Treatment alternatives
 - ▶ Lower-cost settings

4

Barriers to Putting Price Information to Use

Industry Structure and Practices

- ▶ Payer and provider reluctance to disclose proprietary fee schedules
- ▶ Missing provider-specific data -- small samples per provider due to payer fragmentation
- ▶ Units of service that are meaningful to consumers (e.g., episodes + my provider) often differs from the way payers pay for services
- ▶ Providers (info intermediaries) are ill-equipped to help consumers shop for value

Consumer Shopping Behaviors

- ▶ Financial motivation to shop – absence of quality information inhibits use of strong financial incentives
- ▶ Consumers are novice healthcare shoppers: unfamiliar with products/prices
- ▶ Value is elusive given scant quality information: higher cost equates to higher quality
- ▶ Marketplaces are immature: lacks product uniformity, little marketing, and few transaction services

5

Marketplaces: Shopping for Services/Providers

- ▶ Health plans/payers
- ▶ Commercial vendors: consumer shopping services
- ▶ Regional collaborative/all-payer claims databases

6

Marketplaces: Health Plan/Payer Sponsors

Advantages

- ▶ Proprietary fee schedule information available to enrollees
- ▶ Systems and expertise to integrate provider-specific fee schedule and member insurance coverage information
- ▶ Convenience for consumer – payer is single source for array of health insurance services for enrolled members

Disadvantages

- ▶ Uneven consumer shopping services -- less expertise in consumer decision support
- ▶ Payers ill-equipped to provide consumers with meaningful medical service products (episodes, care bundles, etc.) as provider payments are organized otherwise
- ▶ Consumer distrust of health plan motives

7

Health Plan Consumer Shopping Services (strengths & weaknesses differ across plans)

Strengths

Medical services costs are personalized to user's coverage and local fee schedule

Integrates payer's quality/other metrics for provider along with costs;

Accuracy of provider directory info

Out-of-network cost comparisons

Weaknesses

Missing price information for many physicians & ambulatory centers or services – smaller sample sizes per locale

Limited engagement of user to consider ways to save money/alternative settings & treatments

Limited episodes of care that are meaningful to consumers

Inpatient: Back Surgery

UCSF Medical Center 1600 Divisadero St San Francisco, CA 94115 (415) 476-1000	2.8 Miles View Map	Patient Outcomes Rating for Orthopedic Back Surgery ★ ★ ★	Average Hospital Costs \$36,800.00 - \$50,700.00 Cost Efficiency Rating for Orthopedic Back Surgery ★ ★
St. Francis Memorial Hospital 800 Hyde St San Francisco, CA 94109 (800) 240-2007	1.4 Miles View Map	Patient Outcomes Rating for Orthopedic Back Surgery ★ ★	Average Hospital Costs \$24,800.00 - \$33,600.00 Cost Efficiency Rating for Orthopedic Back Surgery ★ ★

Outpatient: Diagnostic Colonoscopy

East Bay Endoscopy, Inc. 300 Frank Ogawa Plz #450 Oakland, CA 94612 (510) 893-1000	8.9 Miles View Map	Facility Type: Outpatient Surgery Services	Total Estimated Cost \$1,044.89	Your Estimated Cost \$104.49 Show me the math
Greater Bay Endoscopy Center 22455 Maple Ct #150 Hayward, CA 94541 (510) 538-9900	18.6 Miles View Map	Facility Type: Outpatient Surgery Services	Total Estimated Cost \$1,217.67	Your Estimated Cost \$121.77 Show me the math

8

Marketplaces: Shopping Services Vendors

Advantages

- ▶ Reportable information on large numbers of providers by aggregating claims across payers
- ▶ Superior consumer shopping experiences – expertise and business is consumer-oriented
- ▶ More comprehensive information for a “value purchase” as fewer constraints in reporting provider quality ratings

Disadvantages

- ▶ Payer and provider reluctance to disclose proprietary fee schedules: pluralistic market in which vendors compete and collaborate with health plans
- ▶ Costs estimates used in certain locales as provider-specific data missing
- ▶ Limitations of claims-based information products such as accurate provider identification

Following are two commercial vendor examples...

9

Castlight: Consumer Shopping Services

Strengths

Price information for many individual providers per aggregated data; use of cost estimates in geographies with less data

Highly personalized per rules/logic flexibility

Engages user in alternative services; “Choosing Wisely” alerts etc.

Limits/Enhancements Needed

Limited but progressing on episodes of care that are meaningful to consumers

Provider quality info; various 3rd-party datasets & recently began user reviews

Largely dependent on claims record for provider directory info

The screenshot shows the Castlight website interface. At the top, there are navigation tabs: Home, Find care, Post care, Your plan, and Rewards (100%). Below the navigation, a welcome message reads: "Welcome to Castlight, Janet! Know the cost & quality before you go. Prices for doctors' visits and services vary. We'll help you find the doctor and price that's right for you." There is a "Take a quick tour" link.

The main content area is titled "Find quality care and save" and includes a search bar for "Search for a doctor, service, condition, or medicine" with a "Search" button. Below the search bar, there are three columns: "Find a doctor", "Find a Service", and "Treat a Condition". Each column has a "Rates for CA" section and a table of services with prices. For example, under "Find a doctor", there are rows for "Primary care" (\$22 - \$232), "Dermatologist" (\$48 - \$230), and "Otolaryng" (\$97 - \$216). Under "Find a Service", there are rows for "ENT" (\$21 - \$73), "Phys. therapy" (\$16 - \$86), and "Lab test" (\$1 - \$137). Under "Treat a Condition", there are rows for "Earache" (\$130 - \$738), "Pink eye" (\$129 - \$447), and "Sore throat" (\$150 - \$257).

On the right side, there is a "Your plan phase" section with a table showing "Acme pays" and "You pay" for different services. For example, for "100% of out-of-pocket maximum care", Acme pays 100% and you pay 100% of all other costs. Below this, there are two boxes: "\$1,199 spent to date" and "\$2,802 spent to date", both with "remaining deductibles" and "View plan details" links. The date "Updated Oct 2" is also shown.

At the bottom, there are two promotional banners. The left one is titled "Avoid the emergency room when you can" and includes a "Find urgent care" button. The right one is titled "Earn \$50 for taking your Health Risk Assessment" and includes an "Acme" logo and a "Learn More" button.

10

Truven: Consumer Shopping Services

Strengths

Price information for many individual providers given large national dataset

Highly personalized; includes health education content; web and mobile access

Out-of-network price estimates

Limits/Enhancements Needed

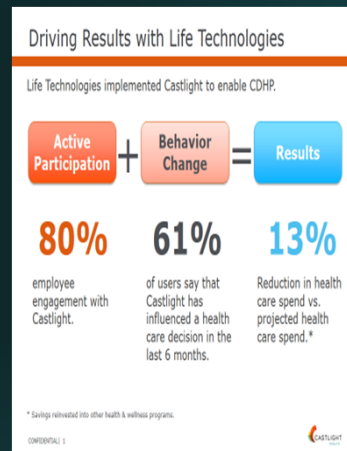
Limited but progressing on episodes of care that are meaningful to consumers

HSA/FSA vendors integration

Provider quality info; adding patient satisfaction & reviews

Consumer Engagement: Case Studies

- ▶ Consumer use without benefit design incentives...28% salaried ee, 18% hourly ee
- ▶ 2/3 of TCC users are low to moderate utilizers of health care and will realize all the savings identified by the cost calculator
- ▶ Top 30 procedures yielding employee savings represent over 10,000+ actual services incurred by users. Sample average savings experienced:
 - MRI of Brain -32%
 - Cataract Repair -31%
 - Knee Arthroscopy -26%
 - CT Scan of Pelvis & Abdomen -15%
 - Upper GI Endoscopy -7%



Marketplaces: Regional Collaborative/APCD (strengths & weaknesses differ by region)

Advantages

- ▶ Reportable information on large numbers of providers by aggregating claims across multiple payers
- ▶ More comprehensive information for a "value purchase" as the information services often include provider quality performance in addition to cost
- ▶ Flexibility to work with healthcare consumer publishers – improved shopping/browsing experiences

Disadvantages

- ▶ For some, limits on permitted data uses; payer and provider reluctance to disclose proprietary fee schedules (statutory/voluntary)
- ▶ Less personalization -- benefits coverage information may not be incorporated
- ▶ Complexity of multi-payer claims reporting (e.g., patient/provider attribution, standard datasets, etc.)
- ▶ Uneven consumer shopping services -- less expertise in consumer decision support services

13

New Hampshire Health Cost (APDB)

User entered information

Health Costs for Consumers - Insured Patients

1. I am seeking pricing on: **Arthroscopic Knee Surgery (outpatient)**
[Change](#)
2. Enter your zip code:
3. Select the Radius from which you want to view selected hospitals and other **20 miles**
[Change Radius](#)
4. Select your insurance carrier:
Anthem - NH [Change Carrier](#)
5. Select your insurance plan type:
Preferred Provider Organization (PPO) [Change Plan](#)
6. Enter your level of benefit deductible:

Deductible amounts refer to individual coverage, not family coverage. If the plan has more than one deductible, please specify the appropriate policy type.
7. Enter level of coinsurance:
If unsure, enter 0
 %
8. Once you click submit, it may take a few moments to calculate your results.

Results

Detailed estimates for Arthroscopic Knee Surgery (outpatient)

Procedure: [Arthroscopic Knee Surgery \(outpatient\)](#)
Insurance Plan: Anthem - NH, Preferred Provider Organization (PPO)
Within: 50 miles of 03431
Deductible and Coinsurance Amount: \$1,000.00 / 20%

Lead Provider Name	Estimate of What you Will Pay	Estimate of What Insurance Will Pay	Estimate of Combined Payments	Precision of the Cost Estimate	Typical Patient Complexity
CONCORD AMBULATORY SURGERY CENTER	\$1439	\$1757	\$3196	HIGH	MEDIUM
BEDFORD AMBULATORY SURGICAL C	\$1524	\$2099	\$3623	HIGH	LOW
MARY HITCHCOCK MEMORIAL HOSPITAL	\$1979	\$3916	\$5895	HIGH	LOW

14

Take Aways and Discussion

1. Consumers will be shopping in different marketplaces – the shopping service and experience will vary considerably and will evolve to transactions

2. The accuracy of the price estimate is king – a combination of the concentration of data for local providers and personalization per the user's benefits coverage

3. Engaging consumers is difficult particularly in the absence of an overall "value story" that address cost and quality

Ted von Glahn
tedvong@gmail.com

15