Price Transparency and Consumer Information Needs

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1. Consumers **do not** shop exclusively for lower costs – they shop for value.

2. Shopping for healthcare is **unlike** car, TV, or even home shopping - more in common with shopping for a home repairs/renovation.

3. Price transparency is a **big step forward**, but consumers still **lack key information** to enable robust, value-driven shopping.
### Car Shopping is Unlike Healthcare Shopping

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<th>Step</th>
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| **You decide** to buy a car                    | • Assessment of needs/desires and finances  
• **Approximate cost** of car options                                              | **You have a medical problem;**  
**You decide** to see a doctor                                                          | • Understanding of health problem, consequences of treating vs not treating  
• **Approximate out-of-pocket cost** of treatment options                               |
| **You research** your options & corresponding costs | • **Info about Value**  
Evaluations: Safety ratings, pro or customer reviews, pix/videos, ...  
Experiences: Test driving, rides in your car or others’ cars, ...  
| **You decide** which options you care about and your willingness to pay              | • **Cost differences** and availability for different options                        | **You decide** whether to get tests or treatments  
*but not exactly which*                                                              | • Quality/fit of provider  
• Quality/fit of treatment options  
• **Detailed estimate of out-of-pocket costs** of treatment                            |
| **You agree to a price** with a seller         | • **Comparative costs for same product** from different sellers                     | **Insurance determines** what it will pay for and how much  
| **You sign over the $$$** and take possession of the car                              | • **Final total cost** set before executing purchase                                | **Insurance pays providers**, both tell you what you owe                            | • You hold risk for **unexpected cost differences**  
• You hold risk of bad outcomes/low value  
• You often **never know the final total cost**                                         |
Unmet Consumer Needs

• Info on Clinical Options & Quality about Individual Providers
  • Safety outcomes
  • Patient Reported Outcomes
  • Patient experience
  • Consumer-focused comparative treatment effectiveness info

• Much better info on network status of providers
  • Requires effective open data standards and implementations (e.g. Consumer Network IDs)

• Cost info organized around consumer decisions not billing codes
  • To date, limited compliance w/ PY 2021 Hospital Price Transparency rules
  • Hospital price data is organized by charge code; effectively unusable to consumers
  • Costs depends on network (need Network IDs)

• Detailed estimates of cost
  • Advanced EOB under No Surprises Act is a game-changer
  • Requires highly functional and open data standards and machine-to-machine data flow (so-called “APIs”)

• Cost Transparency for Contingencies
  • Account for clinical contingencies in cost estimates

• Better protection from claims denials
  • For consumers, claims denials = surprise bills!
Recommendations

- **Info on Clinical Options & Quality on Individual Providers**
  - Invest in, and encourage carrier investment in safety outcomes
  - Empower and encourage carriers to aggregate and disseminate Patient Reported Outcomes
  - Encourage investment in large-scale, rigorous assessment of patient experience

- **Improve info on network status of providers**
  - Foster open data standards and monitor implementations (e.g. Consumer Network IDs)
  - Monitor compliance with Provider Directory API requirements to ensure functional, effective implementation

- **Cost info organized around consumer decisions not billing codes**
  - Limited compliance w/ PY 2021 Hospital Price Transparency rules
  - Foster standards for aggregating charges in encounters/episodes and monitor compliance
  - Develop Network IDs

- **Detailed estimates of cost**
  - Monitor implementation of Advanced EOB
  - Monitor overall development of machine-to-machine data flow (“APIs”) – absolutely necessary for Advanced EOB

- **Cost Transparency for Contingencies**
  - Require inclusion of clinical contingencies in cost estimates

- **Better protection from claims denials**
  - Closely/routinely monitor claim denials for validity
  - Streamline consumers ability to find help in understanding and evaluating denials
Questions?
Don’t Hesitate to Ask!

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Looking for summer fun? Ask me about Consumer Network IDs!