

Price Transparency and Consumer Information Needs

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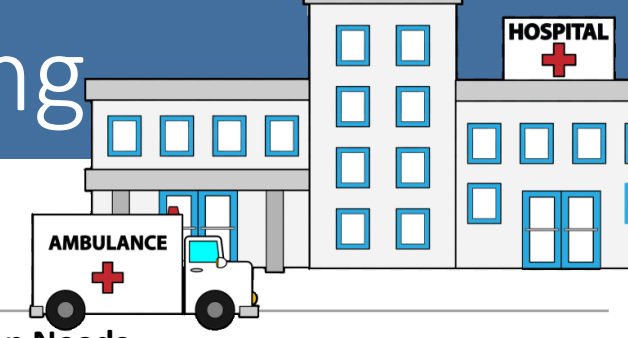
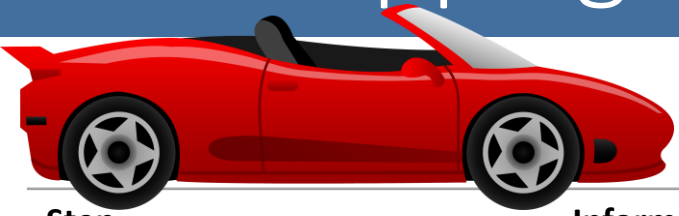
Director Health Data Strategy



What do consumers get out of shopping?

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



Step	Information Needs	Step	Information Needs
<p>You decide to buy a car</p>	<ul style="list-style-type: none"> • Assessment of needs/desires and finances • Approximate cost of car options 	<p>You have a medical problem; You decide to see a doctor</p>	<ul style="list-style-type: none"> • Understanding of health problem, consequences of treating vs not treating • Approximate out-of-pocket cost of treatment options
<p>You research your options & corresponding costs</p>	<ul style="list-style-type: none"> • Info about Value <u>Evaluations</u>: Safety ratings, pro or customer reviews, pix/videos, ... <u>Experiences</u>: Test driving, rides in your car or others' cars, ... 	<p>Doctor determines which tests/treatment options to use</p>	
<p>You decide which options you care about and your willingness to pay</p>	<ul style="list-style-type: none"> • Cost differences and availability for different options 	<p>You decide whether to get tests or treatments <i>*but not exactly which</i></p>	<ul style="list-style-type: none"> • Quality/fit of provider • Quality/fit of treatment options • Detailed estimate of out-of-pocket costs of treatment
<p>You agree to a price with a seller</p>	<ul style="list-style-type: none"> • Comparative costs for same product from different sellers 	<p>Insurance determines what it will pay for and how much</p>	
<p>You sign over the \$\$\$ and take possession of the car</p>	<ul style="list-style-type: none"> • Final total cost set before executing purchase 	<p>Insurance pays providers, both tell you what you owe</p>	<ul style="list-style-type: none"> • 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!

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

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CONSUMERS'
CHECKBOOK