

Price Transparency

Exploring Healthcare's Final Frontier of Consumer Disruption



Ryan D. Donohue
Solutions Expert, Consumerism
NRC Health

A Governance Institute Webinar
September 29, 2021



Today's Presenter



Ryan D. Donohue, Solutions Expert in Consumerism for NRC Health and a Governance Institute Advisor, is considered a thought leader in the realm of healthcare consumerism. With NRC Health, the largest surveyor of healthcare consumers in the U.S., he evaluates evolving consumer perceptions and expectations of healthcare compared with other industries. As an Advisor for The Governance Institute, he shares his consumerism thought leadership in the board context, elevating it to the strategic level.

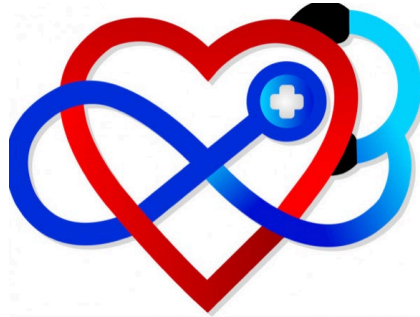
Ryan has authored many publications on the topic of strategic branding and consumerism including *The New Payer: What Makes the Healthcare Consumer Tick?* and *The Curious Case of the Healthcare Consumer*. His latest research has culminated in a brand-new book called *Patient No Longer*, which is now available through Health Administration Press, a division of ACHE. He hosts a new NRC Health podcast, also called *Patient No Longer*, to take listeners inside the minds of healthcare leaders and innovators who are inspiring a positive shift in the customer experience.

Learning Objectives

After viewing this Webinar, participants will be able to:



Describe how consumers feel about price transparency or lack thereof in patient experiences.



Define what consumers want from a more price-transparent care provider.



Identify price transparency as a potential competitive differentiator in your market.



Discern the board's role in shaping pricing strategy for the organization, internally and externally

Continuing Education

Continuing
education
credits available



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Criteria for successful completion: Webinar attendees must remain logged in for the entire duration of the program. They must answer at least three polling questions. They must complete the evaluation survey in order to receive education credit. Evaluation survey link will be sent to all registrants in a follow-up email after airing of the Webinar.

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In accordance with the standards of the National Registry of CEP Sponsors, CPE credits will be granted based on a 50-minute hour.

Field of study: Business Management & Organization

Program level: Overview

Prerequisites: None

Advanced preparation: None

Delivery method: Group Internet based

Maximum potential CPE credits: 1

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- All faculty, moderators, panelists, staff, and all others with control over the educational content of this Webinar have signed disclosure forms. The planning committee members have no conflicts of interests or relevant financial relationships to declare relevant to this activity. *The presenter has a financial relationship with The Governance Institute or its parent company, NRC Health, as an employee. This relationship does not affect the educational purpose of this program.*
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- None of the presenters intend to discuss off-label uses of drugs, mechanical devices, biologics, or diagnostics not approved by the FDA for use in the United States.

Webinar Roadmap

- ➔ The Rise of the Consumer
- ➔ Seeing Price through Fresh Eyes
- ➔ Breakthroughs in Price Transparency
- ➔ Discussion

The Rise of the Consumer





Polling Question #1

What is the #1 emotion consumers feel during a healthcare visit?

- Anger
- Fear
- Confusion
- Frustration

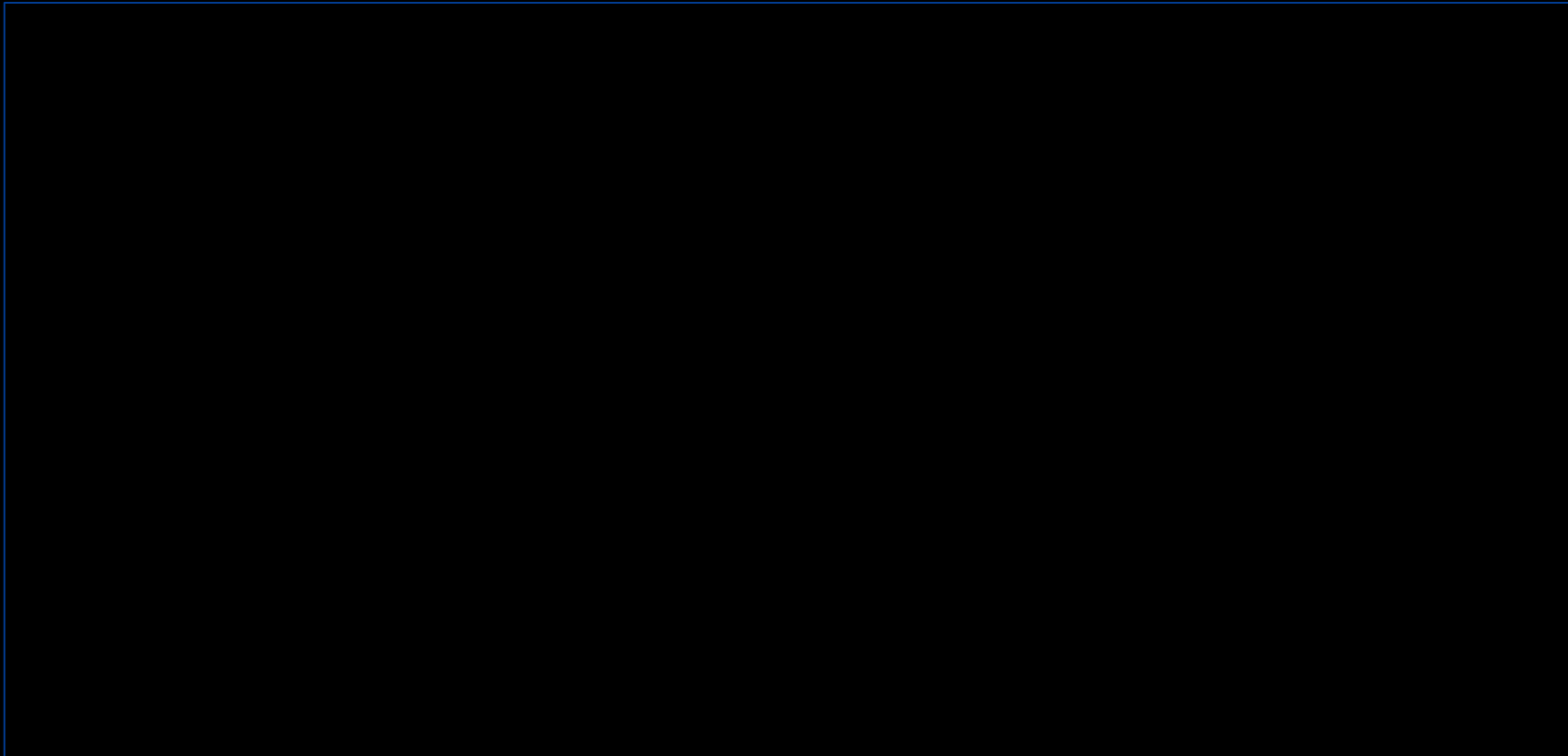
Source: NRC Health's Market Insights special study on price transparency, 2021, n size = 2,008.





Outside Healthcare

Healthcare's Hero: Who Will Save Healthcare?



Source: NRC Health's Market Insights, 2013-2020.

Seeing Price through Fresh Eyes

Hospitals and Insurers Didn't Want You to See These Prices. Here's Why.

By Sarah Kliff and Josh Katz Produced by Rumsey Taylor
Aug. 22, 2021

CMS Proposes Rule to Increase Price Transparency, Access to Care, Safety & Health Equity

How to Look Up Prices at Your Hospital, if They Exist

Start with a web search. Consider a third-party tool. Expect frustration.



The New York Times

Many Hospitals Charge Double or Even Triple What Medicare Would Pay

Prices Paid to Hospitals by Private Health Plans Are High Relative to Medicare and Vary Widely
Findings from an Employer-Led Transparency Initiative

HOSPITAL GROUPS FILE LAWSUIT CHALLENGING PRICE TRANSPARENCY RULE

BY STEVEN PORTER | DECEMBER 04, 2019

A BILL

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
4 (a) SHORT TITLE.—This Act may be cited as the
5 “Lower Health Care Costs Act”.

Nov 2019

Trump Administration Releases Transparency Rule in Hospital Pricing

POLITICS | HEALTH POLICY

Trump Administration Preparing Executive Order on Health-Cost Disclosure

Directive for price transparency could be released next week amid growing pushback against industry's secrecy



HEALTH CARE
COST INSTITUTE

Large price discrepancies exist between what private health plans pay for hospital services and what Medicare pays. RAND Corporation researchers used data from three sources – self-insured employers, state-based all-payer claims databases, and health plans – to assess \$13 billion in hospital spending in terms of hospital price levels, variation, and trends from 2015 through 2017 in 25 states.



Price Hikes in Healthcare: A Comparison

If other prices had grown as quickly
as healthcare costs since 1945...



a dozen eggs
would cost
\$55

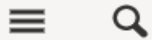


a gallon of milk
would cost
\$48



a dozen oranges
would cost
\$134

Source: Institute of Medicine, 2015.



The price for an **M.R.I.**
at Mass General is ...

\$1,019

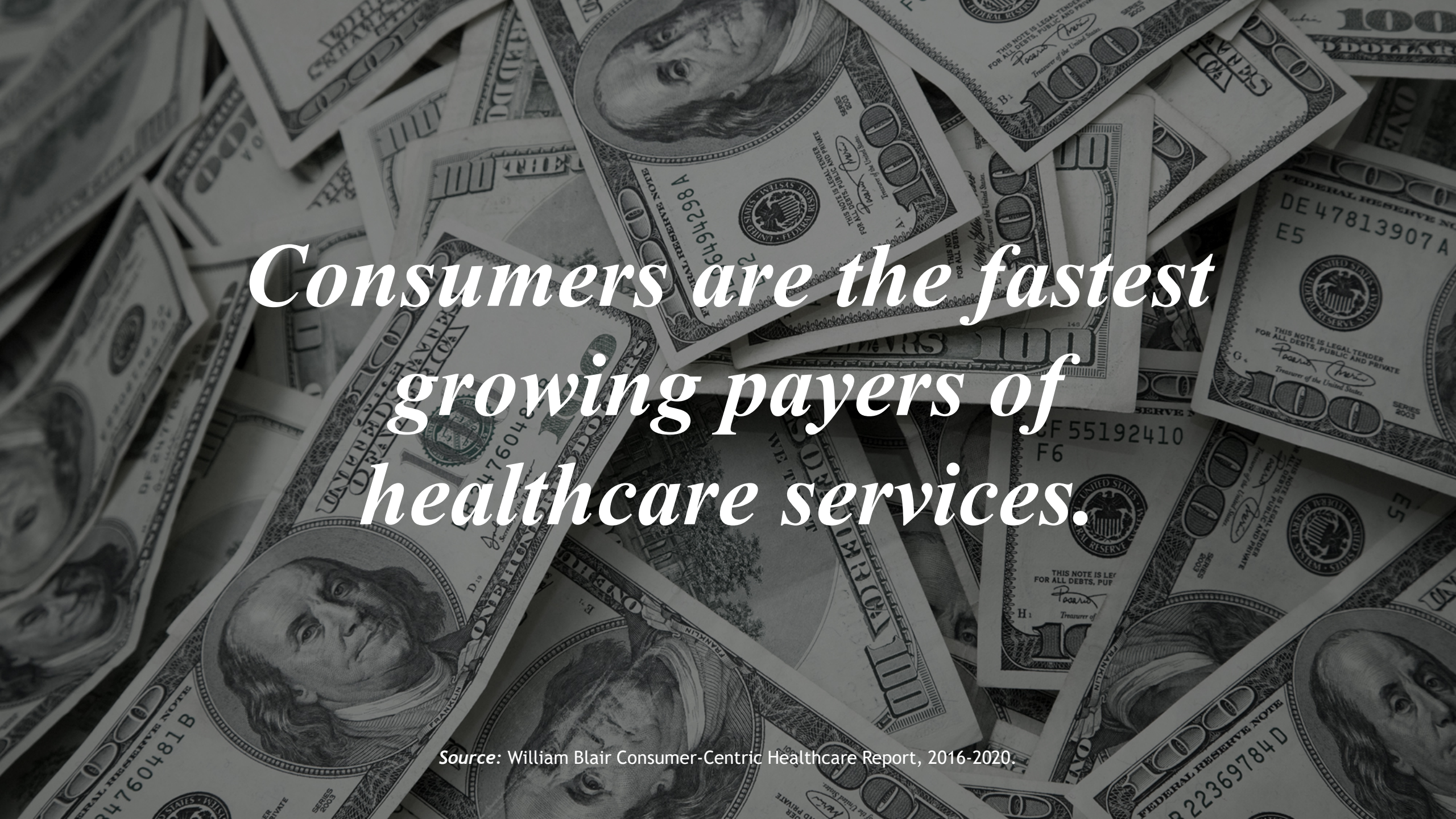
with a Cigna plan.

\$3,101

with an Aetna plan.

\$3,809

with a Humana plan.



*Consumers are the fastest
growing payers of
healthcare services.*

Source: William Blair Consumer-Centric Healthcare Report, 2016-2020.

How Important Is Price Transparency in Healthcare?

- Most important industry to know prices upfront? **Healthcare.**
- Most consumers feel its important to know the prices they'll pay before *any* healthcare experience:
 - Test/exam/screening: 97% want to know pricing
 - Minor surgery: 97% want to know pricing
 - Major surgery: 91% want to know pricing
- Half feel providers (hospital/doctor) are responsible for sharing healthcare prices, while 31% feel insurance provider responsible

Source: NRC Health's Market Insights special study on price transparency, 2021, n size = 2,008.

Do Consumers Believe We Are Price Transparent?

- 3 in 10 consumers believe healthcare is upfront about pricing
 - Number has risen steadily (18% in 2018, 13% in 2013)
 - Belief skews younger, only 11% of 65+ said yes in 2021
- The Northeast (VT, RI, DE, MA) ranked in top 10; (DC #1)
- 43% of consumers have heard of efforts to make healthcare pricing more transparent
 - 41% have not heard of efforts; 16% weren't sure

Source: NRC Health's Market Insights special study on price transparency, 2021, n size = 2,008.

Polling Question #2

When paying, which industry is most similar to healthcare?

- Buying a house
- Buying a car
- Booking a trip
- Making a retail purchase

Source: NRC Health's Market Insights special study on price transparency, 2021, n size = 2,008.

What's Most Similar to Paying for Healthcare?



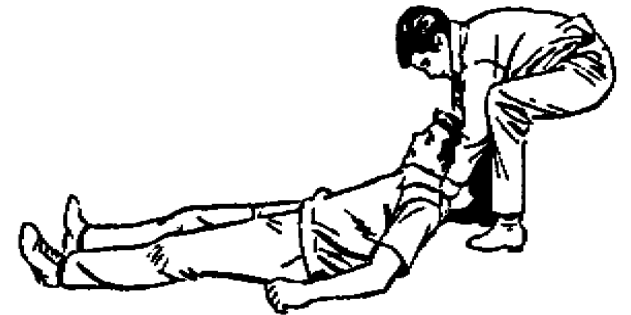
Source: NRC Health's Market Insights special study on price transparency, 2021, n size = 2,008.

Why Isn't Healthcare Price Transparent?

The reasons are many and the actors form a very long list, but consumers focus on doctors/hospitals.

Consumers specifically believe:

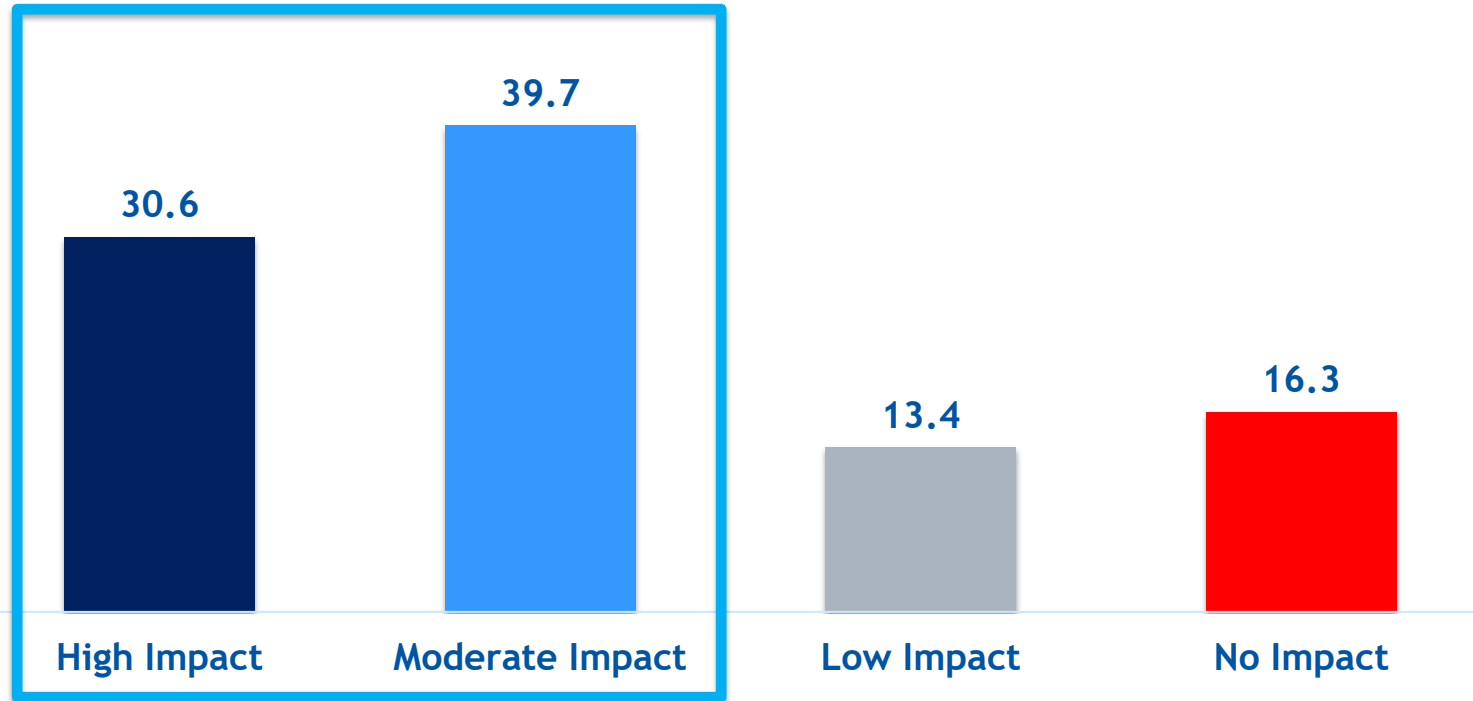
- They don't want to share with me (45%)
- They are waiting for competition to share first (41%)
- They don't believe pricing info is important (19%)
- They don't possess the tech capability (16%)



Source: NRC Health's Market Insights special study on price transparency, 2021, n size = 2,008.

The Power of Price in Patient Decisions

What is the impact of cost on your selection of healthcare providers?



Source: NRC Health's Market Insights special study on price transparency, 2021, n size = 2,008.

The Power of Price in Patient Decisions

66%

Believe price transparency is “very important” to where they go for future routine healthcare visits

49%

Would switch to a more affordable doctor, even if they knew little about them (50% feel the same way about their most familiar hospital)

75%

Would choose a provider who shares prices over one that does not (same % for doctor)

Source: NRC Health's Market Insights consumer study, 2018, n size = 20,174.

Hunting for Value: Searching Cost & Quality

- To consumers, the issue of price transparency is a subset of the larger question: how do I find value in my care choices?
- 85% of consumers believe healthcare is more expensive now than at any previous point in their lives
- 56% of consumers believe the quality of their healthcare is better than at any previous point in their lives
- Relationship between the two? Only 1 in 10 ‘strongly agree’ that more affordable care is indicative of lower quality



Source: NRC Health's Market Insights special study on price transparency, 2021, n size = 2,008.

How Elusive Is Pricing and Who's Searching?

- 22% of consumers *always* attempt to find pricing information before a healthcare appointment (32% *often* try to find prices)
 - 74% of consumers with a \$3k+ deductible searched
- Only 1 in 10 feel its easy to find/compare prices in healthcare
 - 11% feel its easy to find/compare quality
 - 13% have visited Hospital Compare
- 68% plan to “shop around” for healthcare providers in the future

Source: NRC Health's Market Insights special study on price transparency, 2021, n size = 2,008.



What Consumers Want before the Experience

- 7 in 10 want to know about their out-of-pocket costs before or during the appointment booking process (only 4% want to wait until after the appointment)
- 1 in 4 consumers prefer to pay their out-of-pocket costs before the experience (if they know what they are)
- 1 in 5 would seek out financial assistance ahead of time if they knew the price before the experience
- 86% are interested in possible pre-pay opportunities

Source: NRC Health's Market Insights special study on price transparency, 2021, n size = 2,008.

What Consumers Want in a Pricing Tool

Consumers clearly want a *dynamic, online resource* for pricing

Top five most-wanted features of a pricing tool:

- ✓ Shows my total cost, out-of-pocket cost and cost covered by insurance
- ✓ Compares out-of-pocket costs for different care options (ex: urgent care vs. ER)
- ✓ Calculates out-of-pocket costs based on their insurance type
- ✓ Contrasts out-of-pocket costs for in-network and out-of-network providers
- ✓ Shows quality measures of providers

Bottom line: consumers expect an easy, insightful tool to use

Source: NRC Health's Market Insights special study on price transparency, 2021, n size = 2,008.

Polling Question #3

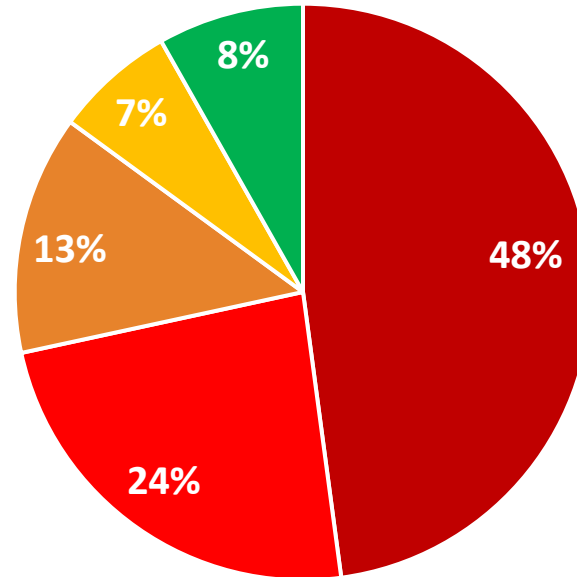
What percentage of consumers can comfortably afford an ER visit?

- 8%
- 24%
- 48%
- 72%

Source: NRC Health's Market Insights special study on price transparency, 2021, n size = 2,008.

How Much Can Consumers Afford?

How much can you and/or your family comfortably afford in the event you need emergency medical care?



■ Less than \$500 ■ \$500-\$1,000 ■ \$1,000-\$2,000 ■ \$2,000-\$3,000 ■ More than \$3,000

Source: NRC Health's Market Insights consumer study, 2018, n size = 20,174.



The Dreaded Experience of Paying for Care

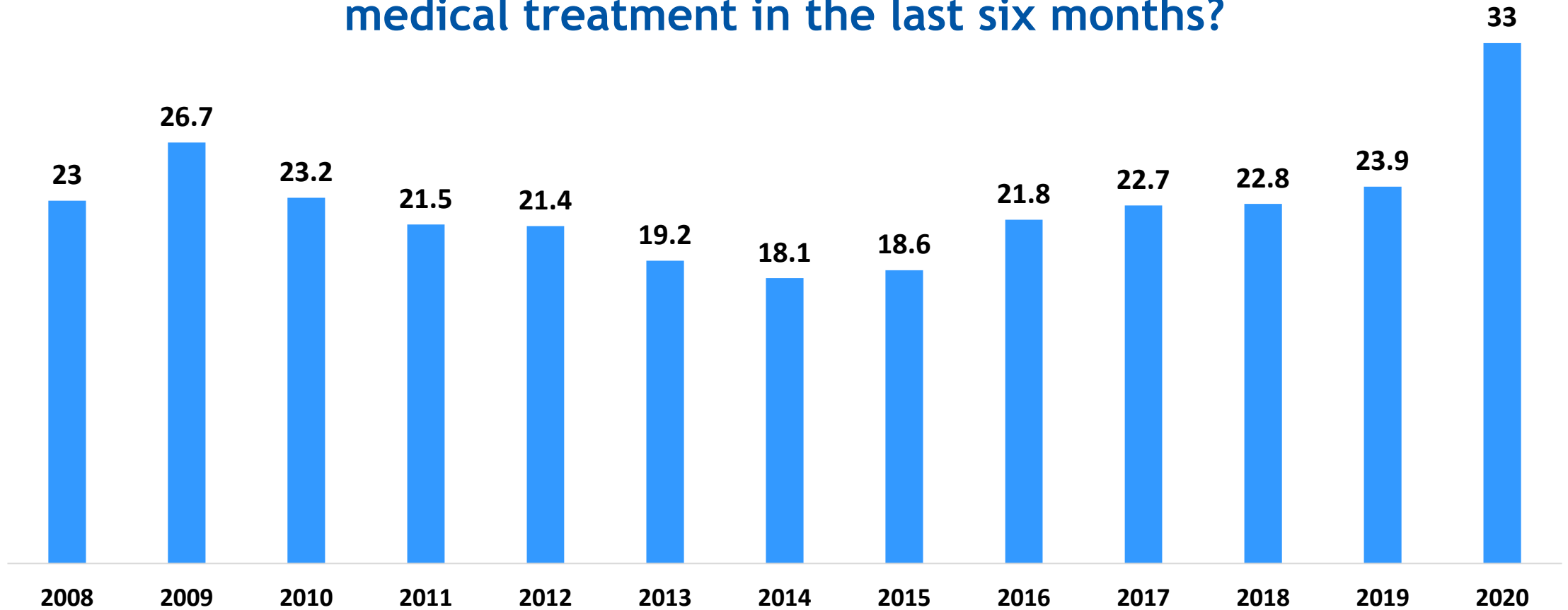
- Half of consumers feel a *significant* burden paying for care
- 87% of consumers incur some level of difficulty in trying to understand their healthcare bill(s)
- 65% feel its important to be able to fully understand their bill
- 51% feel its important to receive a single bill
- Many dissatisfied patients describe paying for their care as one of the worst parts of the experience



Source NRC Health's Market Insights special study on price transparency, 2021, n size = 2,008

A Decade of Healthcare Deferment

Have you or someone in your household delayed necessary medical treatment in the last six months?



Source: NRC Health's Market Insights study of healthcare consumers, 2008-2020.



Washington on Price Transparency

Washington on Price Transparency



“We believe there is a direct connection between transparency in hospital standard charge information and having more affordable healthcare and lower healthcare coverage costs. We believe healthcare markets could work more efficiently and provide consumers with higher-value healthcare if we promote policies that encourage choice and competition. As we have stated on numerous occasions, we believe that transparency in healthcare pricing is critical to enabling patients to become active consumers so that they can lead the drive towards value.”

-HHS, 2019



- CMS final rule on Price Transparency is a landmark shift toward consumer-facing price availability
 - Detailed information on 300+ “shoppable services”
 - Hospital pricing must in “machine-readable format”
- Requires “**consumer friendly**” pricing lists
- Outlaws longstanding “gag clauses” that forbid the reveal of negotiated fees
- Launching Care Compare site to estimate visit cost; infusing quality data into Exchange plan comparisons

Washington on Price Transparency



- CMS has begun audits for transparency compliance
- Patients are encouraged to report non-compliance
- Fines of \$300 (min) per day up to \$5,500 per day
- Non-compliance will appear on Hospital Compare
- The big question remains: how much are consumers aware of price transparency efforts, available tools, and potential avenues available should they encounter barriers?

Breakthroughs in Price Transparency

Polling Question #4

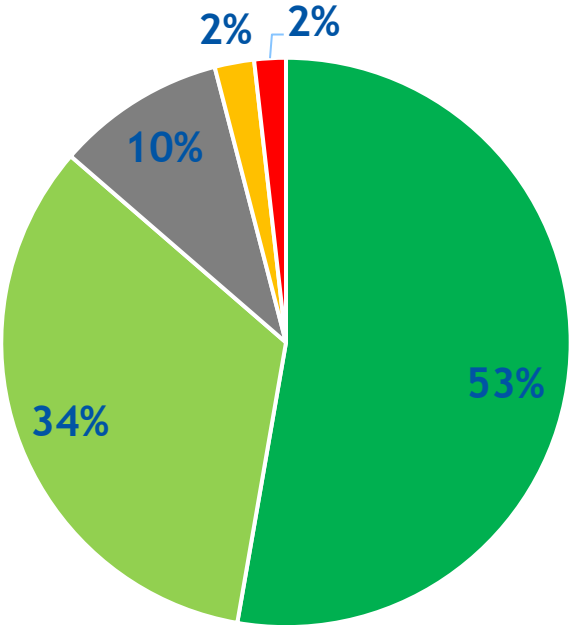
What percentage of consumers are likely to use the Regional Price Index?

- 2%
- 34%
- 53%
- 87%

Source: NRC Health's Market Insights special study on price transparency, 2021, n size = 2,008.

Will Consumers Use State-Based Price Index?

If your state were to offer a Web site which included hospital and doctor charges for certain common procedures, how likely would you be to visit this website in the future?



■ Very likely ■ Somewhat likely ■ Neither likely nor unlikely ■ Somewhat unlikely ■ Very unlikely

Source: NRC Health's Market Insights special study on price transparency, 2021, n size = 2,008.

Indiana's easy-to-use resource

for hospital charge comparison & quality ratings



▶ Search by ZIP code, hospital or condition **SUBMIT**



▼ ADDITIONAL SEARCH OPTIONS ▼

Why is it so hard to know how much I will pay for hospital care?

The Indiana Hospital Association has created this tool to help understand:



WHAT'S IN YOUR HOSPITAL BILL



THE COMPARISON OF QUALITY & PRICE



WHY OUT-OF-POCKET COSTS ARE RISING

[Pricing for Procedures](#)

[Pricing for Imaging](#)

[Quality](#)

[Questions?](#)

Pricing for

Procedures

Pricing for

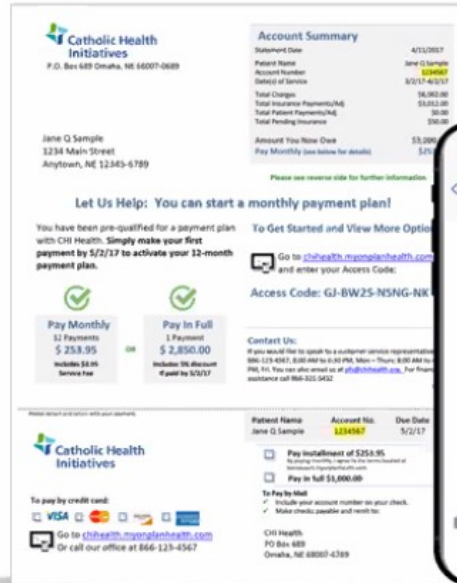
Imaging

Welcome to St. Luke's PRICECHECKER

Are you worried about your health plan's deductible? Are you worried about your upcoming procedure or test and what the cost might be?

At St. Luke's our goal is to keep you healthy in mind, body and wallet. We understand the last thing you want to worry about is an unexpected bill.

Marrying the pre-service and post-service experience



Catholic Health Initiatives
P.O. Box 688 Omaha, NE 68107-0688

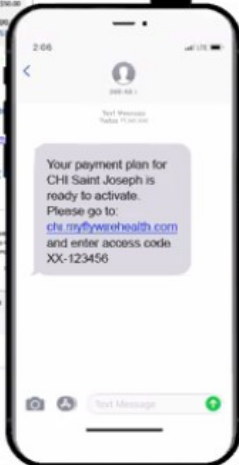
Account Summary
Statement Date: 4/11/2017
Patient Name: Jane Q Sample
Account Number: 1234567
Balance of Service: \$253.95

Let Us Help: You can start a monthly payment plan!
You have been pre-qualified for a payment plan with CHI Health. Simply make your first payment by 5/2/17 to activate your 12-month payment plan.

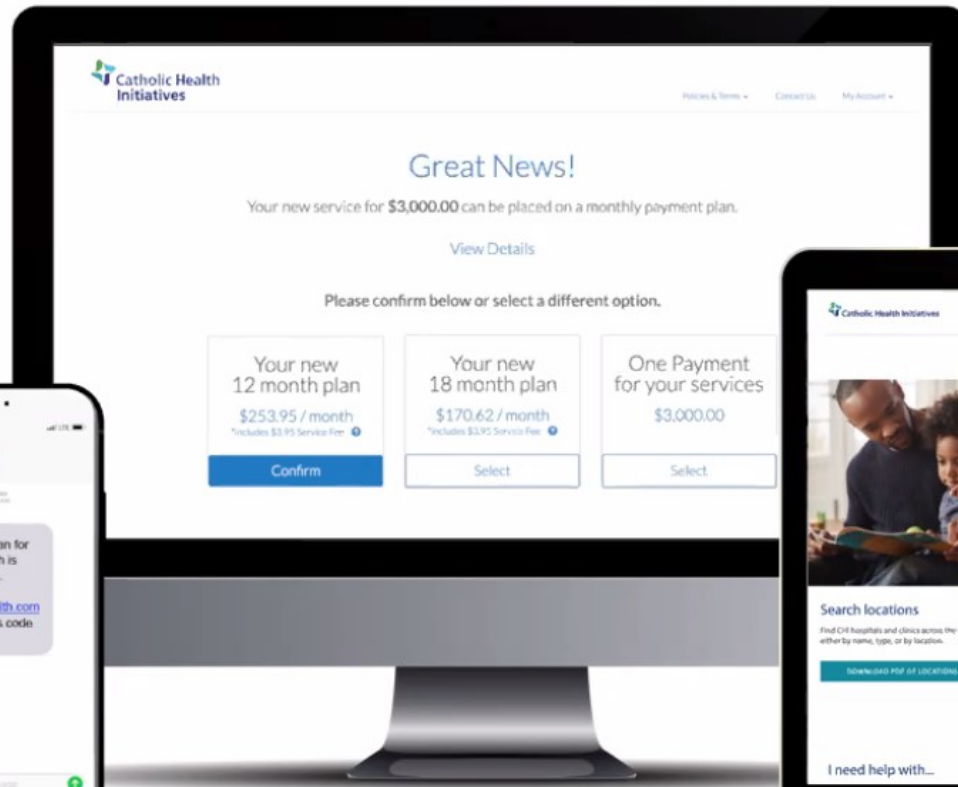
Pay Monthly: 12 Payments \$ 253.95
Pay In Full: 1 Payment \$ 2,850.00

Contact Us:
If you would like to speak to a customer service representative, call 866-123-4567, 8:00 AM to 6:00 PM, Mon - Thurs, 8:00 AM to 5:00 PM, Fri. You can also email us at chi@flywire.com. For more assistance call 866-323-3432.

CHI Health
PO Box 688
Omaha, NE 68107-0688



Your payment plan for CHI Saint Joseph is ready to activate. Please go to: chi.flywirehealth.com and enter access code XX-123456



Catholic Health Initiatives

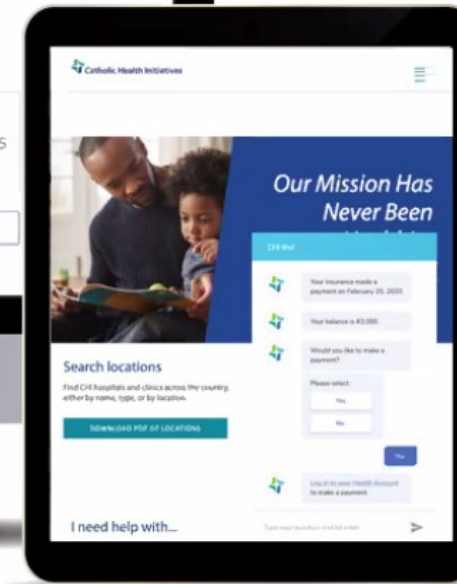
Great News!

Your new service for **\$3,000.00** can be placed on a monthly payment plan.

View Details

Please confirm below or select a different option.

Your new 12 month plan \$253.95 / month <small>*Includes \$3.95 Service Fee</small> Confirm	Your new 18 month plan \$170.62 / month <small>*Includes \$3.95 Service Fee</small> Select	One Payment for your services \$3,000.00 Select
---	--	--



Catholic Health Initiatives

Our Mission Has Never Been

CHI Mail
Your insurance medical payment on February 20, 2018.
Your balance is \$1,000.
Would you like to make a payment?
Please select:
Yes
No

Search locations
Find CHI hospitals and clinics across the country, either by name, type, or by location.
[Download PDF of LOCATIONS]

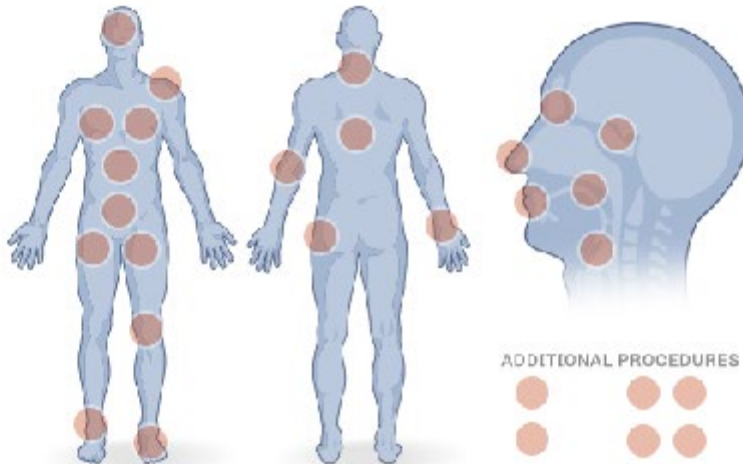
I need help with...





{ Surgery Pricing

Click on an area of the body where a surgery or procedure is needed. Use this tool to find a price and request a specialist to contact you.



Hospitals Sharing Prices

- Oklahoma Surgery Center pioneered price transparency way back in 2009
- Built their brand around meeting consumer expectations *before* the patient experience
- Developed an SDK for other hospitals to purchase and use

Patient Price Transparency – Estimate View

Patients receive a **personalized estimate** that includes:

- An estimate number
 - This can be easily referred to by Moffitt staff should the patient have questions on their self-created estimate
- A brief description of the patient's service
- Total billed charges for the service episode
- Payer and **specific** out-of-pocket information received from payer's website, estimating the total amount the patient will have to pay out of pocket



Estimate for Outpatient Services

Estimate Number	Name	Address
241	Not Provided	Not Provided
Service Date	Visit Number	Payer Name
Not Provided	Not Provided	Aetna

Moffitt Cancer Center		Estimated Responsibility	
12902 Magnolia Drive Tampa, FL 33612 813-745-7344		\$1,119.39	
Professional Services		Hospital Services	
78815 - PET IMAGE W/CT SKULL-THIGH		78815 - PET IMAGE W/CT SKULL-THIGH 38415, 80053, 82948, 84100, 84...	
Services	\$407.00	Services	\$10,535.00
Co-Pay	\$0.00	Co-Pay	\$0.00
20% Co-Insurance	\$23.75	20% Co-Insurance	\$1,095.64
Deductible	\$0.00	Deductible	\$0.00
Responsibility	\$23.75	Responsibility	\$1,095.64

This estimate is based on the best information known and provided at the time of the estimate. The information related to the estimate may be updated by you, your physician and/or your insurer. Actual amounts owed for services rendered may be more or less based upon your specific needs at the time of service, including treatment or services deemed necessary by the physician during the visit and additional information provided by your insurer.

Final determination of eligibility and benefits are determined by the insurance company. Any services determined non-covered under your plan are your responsibility. In addition, charges for services rendered by physicians or physicians affiliated with the hospital will be billed separately by their offices and are not included on this estimate.

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Meredith McKee, M.D.



Meredith A. McKee M.D.

Specialty: **Internal Medicine**

INTEGRIS Family Care Central
3400 NW Expressway
Building C Suite 500
Oklahoma City, OK 73112

Phone: 405-552-2722

Patient Rating



4.6 out of 5

375 Ratings

64 Comments

Patient Ratings and Comments

★★★★☆ 4.6 out of 5 (375 Ratings, 64 Comments)

[Learn About Our SURVEY](#)



Nov 24, 2015

I had an ultrasound and Dr McKee called me within hours with my results! That was amazing to me! My last provider never called me back with results. Thank you to her and her whole team, you are awesome!

INTEGRIS Patient

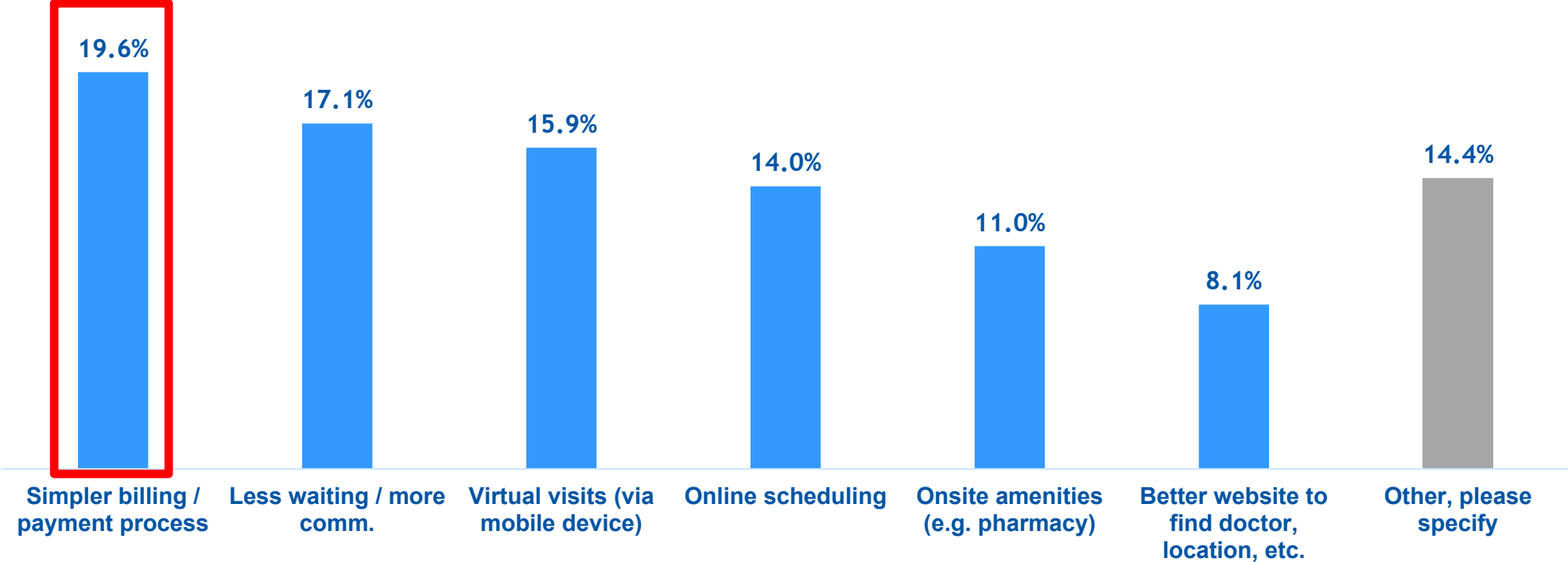


Nov 24, 2015

All staff are very respectful and helpful.

INTEGRIS Patient

Which Innovations Should You Pursue? (circa 2018)



Source: NRC Health's Market Insights study of consumers, 2018, n size = 21,420.

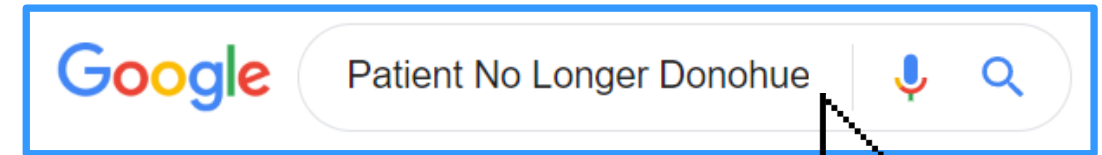
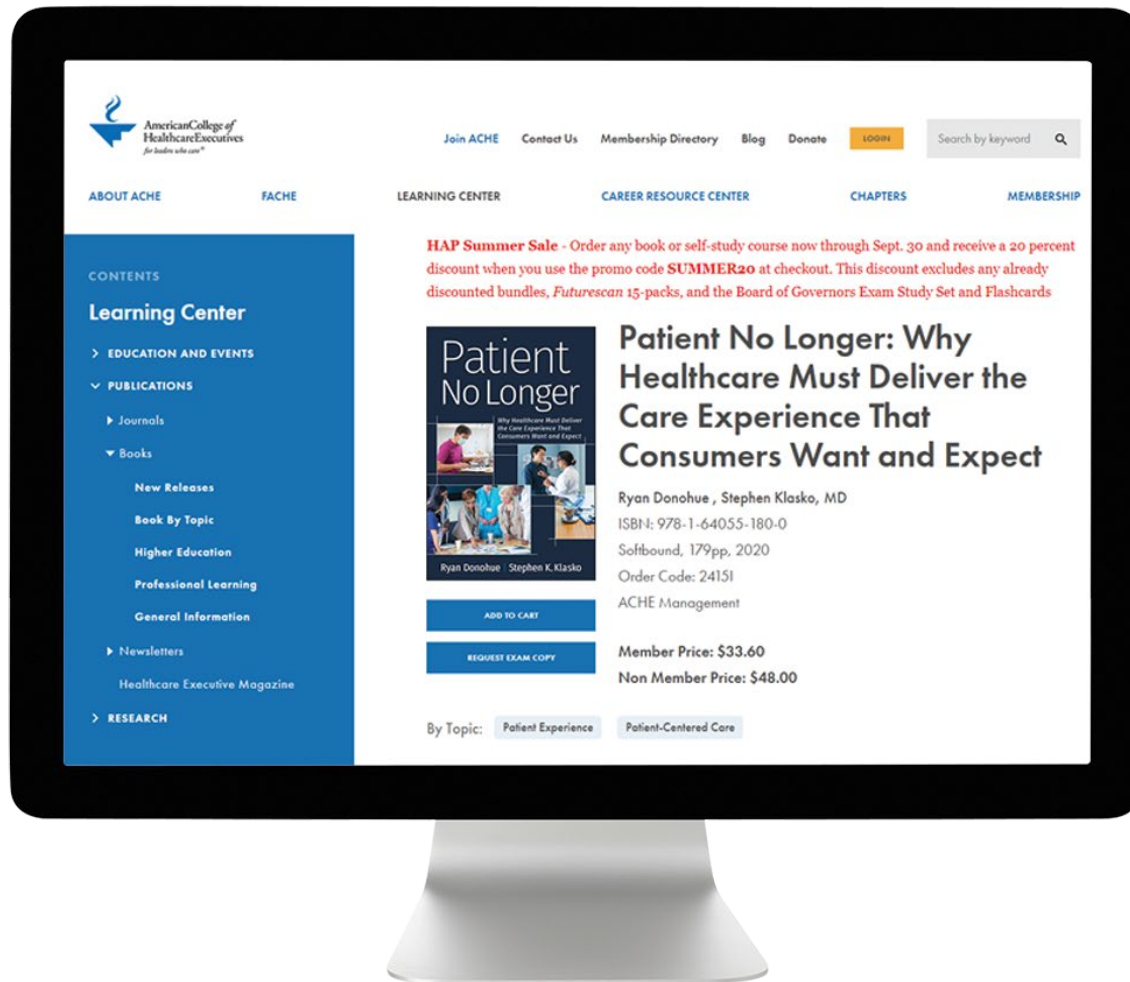
In Closing

Price Transparency: Four for Tomorrow

- ➔ We must strongly consider - and internalize - the **consumer point of view**
- ➔ We can offer a world-class experience but if paying for it is not **simple and clear** it won't matter
- ➔ Meeting consumers in the middle means being **transparent** all along their journey of care
- ➔ Consumers are seeking a trusting, lasting **1:1 relationship** - be bold and seize the role



Patient No Longer – Book Now Available



**Patient No Longer
Podcast**



 **Ryan D. Donohue**
@RyanDDonohue

Discussion

Contact Us...



Ryan D. Donohue
Solutions Expert, Consumerism
NRC Health
(800) 388-4264
rdonohue@NRCHealth.com



The Governance Institute
1245 Q Street
Lincoln, NE 68508
(877) 712-8778
Info@GovernanceInstitute.com