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## Patient beware: High health care deductibles underscore need for cost transparency [column]

DIANE HESS | SPECIAL TO LNP Dec 27, 2018



Diane Hess is executive director of the Central Penn Business Group on Health, an affiliate of the Lancaster Chamber.

As the executive director for the Central Penn Business Group on Health, I spend my days coaching our employer members on ways to get their employees proactively engaged in the process of purchasing health care services.

I also advocate with our provider members and our carriers to promote options for high-quality, cost-effective care. To me, effective health care is finding the right care, at the right place for the right price.

Information about cost variation for procedures has been a focus of the business group in 2018.

Through our partnership with data analytics firm Innovu, we have learned that depending on where services are rendered, procedure cost can vary tenfold. The business group routinely shares these findings with our members and the general public through our semiannual data reveal events.

Central Penn's goal in being the health care data aggregator for our region is to, whenever possible, build awareness about quality and cost, and bring the same transparency to health care that is used when buying a car or any other service.

On a positive note, our carrier partners have begun to use this information to offer health care plans that focus on providing the highest levels of reimbursement for procedures done in high-quality, low-cost settings.

For example, Capital Blue Cross is offering plans with lower copays for lab work done at independent labs instead of in hospital systems, or lower copays for surgical procedures done at an ambulatory surgical center versus in a hospital.

Highmark has also recently introduced a site-of-care program for injectable medicines. A site-of-care program directs patients to the most cost effective, clinically appropriate location to receive a particular type of care.

All of these efforts are designed to provide health care consumers with good quality care at the best price.

However, a recent health care experience relayed to me reinforced the fact that even though we are doing all of this great work, there is still much more to be done.

The experience involved a plan with a \$500 copay for outpatient surgery performed in a hospital setting and a \$250 copay if it was performed in an ambulatory surgical center.

The patient, after learning from the center where he was scheduled for surgery that they were technically considered a hospital, consulted his doctor's office to find an alternate site for the procedure. A new site was selected and once given confirmation that the copay was \$250, the procedure was performed.

Unfortunately, success was short-lived. The facility where the procedure was performed sent out a bill for \$500. Subsequent inquiries, correspondence and conversations revealed that the facility where the procedure was performed was considered a hospital and they considered the bill to be correct.

Going back to the doctor's staff that helped set up the procedure yielded no support for the patient's position that he had been assured by both the doctor's staff and the facility's staff that the facility would charge only \$250.

The doctor's staff indicated that although they perform procedures in multiple settings, they do not have any idea about the costs in those various settings and as a practice they do not get involved in the financial considerations for care at alternative sites. They had helped out only to make sure the procedure was performed. Financial responsibility needed to be discussed with the surgery center.

With pushback and documentation, the surgery center agreed to reduce the copay to \$250, but the experience left a very sour taste in the patient's mouth.

With so many people now covered under high-deductible plans, the need for transparent pricing for health care services is more important than ever before.

A study conducted earlier this year by 20|20 Research in partnership with CarePayment showed that 64 percent of individuals put off receiving care because of cost and fear of unknown costs.

If people know the cost of their procedures, they will have the ability to choose more cost-effective sites for care and can budget for the care they need. This way, they avoid the unpleasant surprises that come from having no visibility to health care costs.

I realize that many providers and carriers view their fee arrangements as propriety information held secure by confidentiality agreements, but if consumers continue to shoulder more of the cost, they need to know what they are buying.

*• Diane Hess is executive director of the Central Penn Business Group on Health, an affiliate of the Lancaster Chamber.*

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