

Healthcare Consumerism and Price Transparency Tools: Are Your Employees Equipped?

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Several states and the Centers for Medicare and Medicaid have implemented healthcare price transparency measures to help address the unsustainable rise of healthcare costs. Experts anticipate that pricing information and comparison shopping will allow competition to push prices lower. Hospitals are also required to disclose prices online for common procedures as of January 2021, but a June 2021 poll found that only nine percent of adults are aware of this.¹ While price transparency tools are a big improvement, we also need to ensure that consumers are aware and equipped to use that information to make smart decisions.

As an employee benefits consultant, part of my job is to help employers provide the best healthcare coverage that is financially responsible for both the plan and the member. Many modern plan designs are meant to incentivize members to be savvy buyers—meaning they find the top providers for the service they require and compare prices—a practice we call healthcare consumerism. However, opaque pricing and the pressure of making the “right” decision as it pertains to our families’ health—often in stressful situations—makes shopping for providers difficult. Only 14 percent of adults reported going online in the prior six months to research the price of a treatment at a hospital.²

Price transparency is essential to changing behavior and lowering costs, but if the consumer doesn’t [understand deductibles, networks, copays, coinsurance](#), etc., any extra data just adds to the confusion. One study found that increased access to pricing information through a healthcare cost comparison site didn’t lead to increased use of lower-price providers. Consumers struggled to incorporate this information in their decisions.³ And this is about more than just finances.

Studies show that lower benefits literacy can lead participants to delay or avoid medical care.⁴

Supplying the Resources

Thanks to innovation in the industry, there are a variety of tools available to fill those knowledge gaps and ease the stress. The question, however, is how to ensure these tools are being used to their greatest capacity. Here are some options:

1. Literature and How-To Guides

Sometimes the hardest part of getting help is asking for it. Many of us hate to admit when there’s a gap in our understanding, especially if the topic is something many consider common knowledge.

¹ [Peterson-KFF Health System Tracker](#), “Few Adults are Aware of Hospital Price Transparency Requirements”

² [Peterson-KFF Health System Tracker](#), “Few Adults are Aware of Hospital Price Transparency Requirements”

³ [Health Affairs](#), “Online Advertising Increased New Hampshire Residents’ Use of Provider Price Tool But Not Use of Lower-Price Providers”

⁴ [JAMA Network Open](#), “Association Between Health Insurance Literacy and Avoidance of Health Care Services Owing to Cost”

Health insurance is a great example: We all know how important it is, but with so many [complex interlocking pieces](#), it can be hard to fully understand. In fact, in a recent survey, more than 56% of respondents admitted that they feel completely lost when it comes to navigating their insurance benefits.⁵

How can we expect our participants to be savvy shoppers when they don't understand their shopping list? Your benefits broker can offer smart guides, glossaries and other educational materials designed to fill this gap. Consider a "health insurance 101" lunch-and-learn session or video series defining [common insurance terminology](#), answering questions and sharing tips for getting the best price.

These types of guides and resources are a relatively low-cost solution that can get us ever closer to the goal of total healthcare literacy.

2. Taking Advantage of Tech

Once your members are speaking the same benefits language, you can be more confident they will get the most of any tool you hand them.

Many apps and services offer helpful price transparency tools.

Many insurance carriers and third-party vendors offer price estimation tools for common medical procedures and services, as well as reviews of the providers that can yield significant savings while guiding the member to a high performing provider. Other apps dedicated to finding the best prescription drug price are widely available and can provide considerable savings.

3. Advocacy

Benefits advocacy can come in two forms: outside assistance from a benefits concierge, or self-advocacy in the form of questions and expectations. For instance, if a participant can spot red flags, they can self-advocate or ask for additional assistance from a trusted source.

One of the most common participant complaints we assist with through our [employee advocacy support center](#) [BenefitsVIP](#)® occurs during an elective procedure: a surprise bill appears when an approved service is performed, but a member of the care team is out of network. This can be remedied if members know their rights and have a list of questions to ask before the procedure takes place.

In many cases, members and employees hold the key to many of the cost-reduction opportunities we face daily. But, in order to achieve those savings, we need to arm our people with the knowledge and confidence to make informed, savvy decisions. Price transparency tools are essential, but they're just one piece. Technology has made once obscure information more accessible. Ensure your employees are taking full advantage of all the available tools by making them benefits literate. ■

⁵ [Forbes](#), "Health Insurance Confusion Continues To Plague Americans, New Data Shows"

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