

# How providers can deliver price transparency the way healthcare consumers want it

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The number of Americans covered under high deductible plans continues to rise, along with their anxiety levels about how to pay for care under such expensive plans. The last thing these already stressed consumers want to embark on is a convoluted hunt for line item costs about different procedures. Mindful of this, providers are dedicating more resources than ever, including phone hotlines, to field price inquiries—which have jumped to hundreds per week at many organizations[1].

But while a phone hotline is helpful, in the long run it's not a scalable solution. Nor is it the ideal in an age when people expect to find information online, fast, and when convenient for them. The vast majority of adults—almost 90 percent—are now online, with healthcare one of their most frequently researched topics. [2] Rather than a hotline, Web-savvy consumers want a calculator that they can access directly from the provider's website. Such calculators could process unlimited volumes of price estimates in less time than a patient access employee can field a single price inquiry over the phone.

## Self-service price estimates in less than 45 seconds

Large numbers of patients remain confused about how much they'll end up paying out of pocket for hospital services, a problem unheard of in other industries. But thanks to new ways of merging different data sources, providers can now put an online calculator on their websites that enable consumers to generate their own estimates based on their unique and current levels of coverage. The process is simple—the consumer inputs a handful of data elements such as name, insurance plan number, and a few other demographics—and within 10 to 45 seconds, a complete and accurate estimate appears.

Such a tool also avoids any pitfalls of making proprietary information public. Accessible directly from the provider's website, patient-unique data elements are required to generate an estimate—meaning not just anyone can use the calculators. For obvious reasons this is the preferred scenario for providers. But it also benefits the patient far more than any of the mandated price transparency initiatives being legislated, which typically give only general and average cost ranges. By contrast, self-service price calculators reflect the patient's own levels of coverage and a provider's actual negotiated rates with payers. Best of all, self-service price calculators strongly appeal to today's information-driven patients.

## The technology behind self-service pricing transparency

So how do online price calculators work? Is the underlying technology powering these estimates as simple as the process to generate them? As it happens, it's a bit of a mix of familiar and newer technology. Standard electronic data interface (EDI) transactions for example, automate the process of querying payer websites for benefit level information. When this information is returned, it is then merged with the provider organization's charge master list and contracted rates with payers to generate an estimate for the consumer. Note that charge master and payer rate data is typically extracted from different backend information systems—and as such, needs to stay current.

What's newer from a technology standpoint is the application of analytics to assure that estimates are based not just on current payer and charge master data, but also take into account different payer reimbursement quirks. Here a continuous learning loop process takes place that regularly compares estimates with previously adjudicated claims to spot reimbursement variances among different payers—such as one payer's propensity to use a different code for a procedure than other payers use. When such variances are flagged, they are used to implement new rules which further improve accuracy of estimates.

## Positioned for patient engagement

Healthcare consumers are increasingly paying much more for less coverage, and understandably aren't happy about it - all the more reason for providers to connect with these consumers as early as possible. Many already are by training their pricing hotline staff to engage callers in conversations about various payment plan programs. This is another action that an online price estimate calculator can perform at greater scale, generating prompts at different points for healthcare consumers to schedule financial counseling or explore different payment plans.

On a related note, providers that offer self-service price estimate calculators have a compelling tool to market for price transparency campaigns. These can be local television, radio and newspaper campaigns, but also online. New marketing programs make it easier to engage with healthcare consumers who are researching medical conditions and other health-related issues.

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