Price Transparency in Health Care

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Revenue Integrity Committee and Managed Care Committee
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Agenda/Objectives

• Geisinger Health System Overview
• Factors Driving Transparency Today
• Price Transparency Task Force
• Geisinger’s Price Transparency Tools
• Healthcare Dollars and Sense SM
Geisinger Health System
An Integrated Health Service Organization

Provider Facilities
$2,237M
- Geisinger Medical Center and its Shamokin Hospital Campus
- Geisinger Wyoming Valley Medical and its South Wilkes-Barre Campus
- Geisinger Community Medical Center, Scranton, PA
- Geisinger-Bloomsburg Hospital
- Geisinger-Lewistown Hospital
- Holy Spirit Hospital
- Marworth Alcohol & Chemical Dependency Treatment Center
- 4 outpatient surgery centers
- 2 Nursing Homes
- Home health and hospice services covering 22 counties
- >100K admissions/OBS & SORUs
- 2,045 licensed inpatient beds
- Pending: AtlantiCare Health System

Managed Care Companies
$2,167M
- ~477,000 members (including ~100,000 Medicare Advantage members and ~132,000 Medicaid members)
- Diversified products
- ~50,000 contracted providers/facilities
- 43 PA counties
- Offered on public & private exchanges
- Members in 5 states

Physician Practice Group
$998M
- Multispecialty group
- ~1,220 physician FTEs
- ~750 advanced practitioners
- 113 primary & specialty clinic sites (60 community practice)
- 1 outpatient surgery center
- ~2.8 million outpatient visits
- ~430 resident & fellow FTEs
- ~335 medical students

Moody’s Aa2/Stable
Standard & Poor’s AA/Stable
Geisinger Health System Coverage Area
Revenue Cycle Excellence

Customer Engagement
• Adoption of Patient Friendly Billing® Practices
• Patient Engagement Pre-Service to Billing (MyVisit Model)
• Pricing Transparency (MyEstimate®)

Value-Based Model
• Employee Engagement
• End-to-End Revenue Cycle
• Performance Outcomes Incentive Program

Innovative Technology
• Commitment to continuous improvement
• Innovative Business Practices
• Leading Edge Technology

Geisinger ONLY health system to receive the MAP award six years in a row
Factors Driving Transparency Today
Factors Driving Transparency Today

• Rising deductibles and out-of-pocket payments
  o Continued growth in employer-sponsored high-deductible health plans (HDHPs)
  o High exposure to HDHPs in ACA plans
• Employer pressure on private payers and providers
• Growth of third-party transparency tools
In Employer-Sponsored Insurance, HDHPs Grow

Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of $1,000 or More for Single Coverage, By Firm Size, 2006-2013


* Estimate is statistically different from estimate for the previous year shown (p<.05).

NOTE: These estimates include workers enrolled in HDHP/SO and other plan types. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.
### Affordable Care Act/Exchanges

#### Price Sensitivity on the Exchanges

Consumers in the Exchange Are Likely to be Bargain Shoppers

<table>
<thead>
<tr>
<th>Factor</th>
<th>Rank 1</th>
<th>Rank 2 or 3</th>
</tr>
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<tbody>
<tr>
<td>Monthly premium you are responsible for</td>
<td>48%</td>
<td>11%</td>
</tr>
<tr>
<td>Maximum out of pocket amount</td>
<td></td>
<td>29%</td>
</tr>
<tr>
<td>Cost/co-payment per doctor visit</td>
<td>8%</td>
<td>31%</td>
</tr>
<tr>
<td>Prescription drug benefit</td>
<td>5%</td>
<td>27%</td>
</tr>
<tr>
<td>Individual deductible amount</td>
<td>8%</td>
<td>22%</td>
</tr>
<tr>
<td>Family deductible amount</td>
<td>7%</td>
<td>21%</td>
</tr>
<tr>
<td>Brand of insurance company</td>
<td>5%</td>
<td>14%</td>
</tr>
<tr>
<td>Network access</td>
<td>3%</td>
<td>13%</td>
</tr>
<tr>
<td>In-patient hospital benefits</td>
<td>3%</td>
<td>10%</td>
</tr>
<tr>
<td>Emergency room benefit</td>
<td>2%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Blue Cross & Blue Shield of Rhode Island simulation conducted by Stonegate Advisers 10/10/12 to 11/30/12; 501 people completed it and the participants all resided in Rhode Island

Almost Half of Products Offered in the Exchange Are Narrow Network

2014 Individual Insurance Product Filings Across 13 States

Source: http://www.modernhealthcare.com/article/20130817/MAGAZINE/308179921
Consumers Want Better Price Information

“Participants repeatedly said they wanted to see a resource, or ask their doctor, to better understand what a particular test or procedure would cost before they agreed to it, and wanted to comparison shop among providers when possible. They said that they also wanted the ability to know what a treatment should cost before they agreed to it, and needed more transparent information on price in order to do this….They were very interested in efforts to share information on price and quality.”

Special Report

Bitter Pill

How outrageous pricing and egregious profits are destroying our health care By Steven Brill

WHY MEDICAL BILLS ARE KILLING US

BY STEVEN BRILL
Improving Price Transparency

hfma.org/transparency
FILL OUT THE FORM, AND THEN SPIN THE WHEEL TO GET THE PRICE OF YOUR PROCEDURE.
The Revenue Cycle Model Must Change

**Historical Model**

- Gather basic info before & at the time of service.
- Most billing processes are post-service, amounts due based on data gathered after service, calculated retrospectively.
- Patients notified of financial obligations after insurance is billed & paid.

**The Near Future**

- Gather info before & at time of service. Prospectively calculate expected out-of-pocket costs.
- Providers bill at or right after time of service. Many times, patients know in advance what they owe & agree on terms.
- Insurance bill verifies what the patient already expects.

**Pre-Service**
- Prospective Data Gathering and Processing

**At Service**
- Post-service: Retrospective Data Gathering and Processing
What the Task Force Did

• Agree on definitions of terms
• Develop guiding principles for price transparency
• Recommend price transparency frameworks for different care purchaser groups
• Identify transparency-related policy considerations
• Chart the way to achieve a more transparent healthcare pricing system
Price and Value Are Interconnected

*Value* is the quality of a healthcare service in relation to the total price paid for the service by care purchasers. 

...which leads us to...
An Actionable Definition of Price Transparency

Readily available information on the price of healthcare services, that, together with other information, helps define the value of those services and enables patients and other care purchasers to identify, compare, and choose providers that offer the desired level of value.
Clarifying Descriptions of Dollars Spent…

Cost, charge, and price should not be used as interchangeable terms

- **Cost** varies by the party incurring the expense
- **Charge** is the dollar amount a provider sets for services rendered before negotiating any discounts
- **Price** is the total amount a provider expects to be paid by payers and patients for healthcare services
...and Parties to the Transaction

Care purchaser
- *Individual or entity that contributes to the purchase of healthcare services*

Payer
- *An organization that negotiates or sets rates for provider services, collects revenue through premium payments or tax dollars, processes provider claims for service, and pays provider claims using collected premium or tax revenues*

Provider
- *An entity, organization, or individual that furnishes a healthcare service*
Price Transparency in Healthcare Defined

• **Out of Pocket Payment:** The portion of total payment for medical services and treatment for which the patient is responsible, including copayments, co-insurance, deductibles, amounts for services not included in patient’s benefit design, and amounts for services billed by out-of-network providers.
Guiding Principles

Price transparency information should:

• Empower patients and other care purchasers to make meaningful price comparisons

• Be easy to use and easy to communicate

• Be paired with other information that defines the value of services for the care purchaser

• Enable patients to understand the total price of their care and what is included in that price

And price transparency will require the commitment and active participation of all stakeholders
Recommended Guidelines:

Health Plans Should Be a Resource for Their Members

• Health plans should serve as the principal source of price information for their members

• Transparency tools for insured patients should include:
  – The total estimated price of the service
  – A clear indication of whether a particular provider is in the health plan’s network
  – A clear statement of the patient’s estimated out-of-pocket payment responsibility
  – Other relevant information related to the provider or the specific service sought
Recommended Guidelines:

Providers Should Be a Resource for Uninsured & Out-of-Network Patients…

Providers should be the principal source of price information for these groups. Specifically, providers should:

• Offer an estimated price for a standard procedure without complications and make clear how complications may increase price

• Clearly communicate pre-service estimates of prices

• Clearly communicate what services are included in an estimate

• Give patients other relevant information where available
Recommended Guidelines:

Employers Should Leverage Transparency Information

• Employers should continue to use and expand transparency tools that help their employees identify higher-value providers

• Self-funded employers should identify data that will help them
  – Shape benefit design
  – Understand their healthcare spending
  – Provide transparency tools to employees
Recommended Guidelines:

Referring Clinicians Should Use Price Information to Benefit Patients

Physicians and other referring clinicians should

• Help patients make informed decisions about treatment plans
• Recognize the needs of price-sensitive patients
• Help patients identify providers that offer the best value
Recommended Guidelines:

Payers and Providers Should Take a Patient-Centered Approach

Payers and providers should

• Collaborate!
  – Work together with the patient in mind

• Embrace transparency
  – Don’t ignore it or fight it
Examples of Price Transparency Tools

- Geisinger’s MyEstimate
- Spectrum Health and Priority Health
- Aetna’s Member Payment Estimator
- Maine HealthCost
- Maricopa Integrated Health System’s Copa Care Estimate
- United Healthcare
- Wisconsin PricePoint
Preparing for Price Transparency: A 5-point Checklist

- Secure board/executive team support
- Identify a reasonable starting point
- Consider how care purchasers will access the information you provide
- Identify other information sources that will help assess the value of the services to be provided
- Be prepared to explain pricing
Geisinger’s Price Transparency Tools for Patients
MyEstimate®

Pricing tool providing self-serve options for out-of-pocket expenses on the top 300 most frequent ambulatory and inpatient procedures. Pricing varies based on payer negotiated rates

- Insurance verification
  - Real-time estimate for top contracted payers and Medicare Fee-for-Service
  - Customized estimate based on procedure, an individual’s benefit plan, and location of service
MyEstimate®

Financial Counselors

• The application directs uninsured patients to a Financial Counselor for alternative funding options, interest-free installment plans, or uncompensated care discounts

MyEstimate® Portal

• Written estimates are available by completing an online form through the patient portal or by contacting a Financial Counselor

  • Individuals can access the portal through [www.MyGeisinger.org](http://www.MyGeisinger.org) or via [www.Geisinger.org](http://www.Geisinger.org)
MyEstimate® Landing Page

Estimate your out-of-pocket expenses

MyEstimate®

Before you come to Geisinger you can use MyEstimate® to know the approximate amount you might owe after insurance. For an estimate, choose any of the following options:

1. Use our online estimator for the most frequently performed services:
   
   - Quick MyEstimate

2. Use the toll-free number below and ask for MyEstimate. You will need your insurance card, type of procedure you are considering and the name of the Geisinger location where the procedure will be performed. The written or verbal estimate will be sent or provided within two business days:
   
   - Call 1-866-596-9650

3. Or, using the form linked below, you can request an estimate of charges and out of pocket expense for your medical procedure:
   
   - MyEstimate form

Please contact CareLink at 1-800-275-6401 to:
- Find out if your insurance requires a referral or preauthorization
- Request a referral from your Geisinger primary care provider
Welcome to MyEstimate®

What you will need
In order to use MyEstimate® and receive the most accurate estimate possible, have the following items available: (Please contact your insurance provider to obtain this requested information)

1. Copy of current insurance card
2. Current deductible
3. Current co-payment and/or co-insurance amounts

Do you have health insurance?  
- [ ] Yes 
- [ ] No

Please select your insurance plan:
If you need assistance determining your insurance plan, select an insurance plan above and click here to view sample insurance cards
MyEstimate® Insurance Verification

Do you have health insurance?  
- [ ] Yes  
- [ ] No

Please select your insurance plan:  
- GHP Commercial

If you need assistance determining your insurance, please select an insurance plan above and click here to view sample insurance cards, otherwise select your insurance plan and click 'GO'.

Please provide the following information: (*) is a required field:

**Patient Information**

- **First Name:**
- **Middle Initial:**
- **Last Name:**
- **Suffix:** (ex. Jr., Sr.)
- **Gender:**  
  - [ ] Male  
  - [ ] Female
- **Date of Birth (mm/dd/yyyy):**
- **ID# or Member ID:**

Select the Geisinger Location where the patient will be seen:

- [ ] SELECT

- **Geisinger Medical Center, Danville, PA**
- **Geisinger Physician Office (40+ Clinic Locations in NE and Central PA)**
- **Geisinger Wyoming Valley, Wilkes-Barre, PA**

Submit
Click on the drop down box and look for the department that best fits the type of procedure you are considering. Another list will display the procedure options; select the procedure you are considering. Under the Benefit Plan drop list, select the option that most fits your specific insurance plan benefits. Based on the insurance and benefit options you chose, an "estimate" of your out of pocket expense will display. This is only an "estimate", your actual out of pocket expense could be higher or lower than this estimate. Fees and reimbursement rates are as of January 2013.

Insurance: Capital Blue Cross

Department: Orthopedics

Procedure: 27447-Inpatient-Total Knee Replacement (TKR)

Benefit Plan: $500 Deductible With a 20% Coinsurance

Total Estimated Patient Out of Pocket Expenses: $5280 (Depending on Deductible and Maximum Out of Pocket)

Click here if you wish to request an appointment for this service or any other service.*

Please contact CareLink at 1-800-275-6401 to:
- Find out if your insurance requires a referral or preauthorization
- Request a referral from your Geisinger primary care provider

ATTENTION
Please be advised, the above is an "estimate" of services to be rendered. Once the services are rendered, final billing will occur which may result in this estimate being over or understated. This can be dependent on the actual services being rendered. Please be advised you will be financially responsible for charges incurred. If your insurance denies these services you could be responsible for 100% of the "final" billed amount.
MyEstimate® Geisinger Quality Measures – Patient Portal

Quality Measures

At Geisinger, we believe that informed patients make better choices about their healthcare providers and are better able to participate in their own care. We provide this information to assist you in decision making about your health and treatment options.

We measure quality results by tracking outcomes – a formal clinical method of following the results of each patient. This research is used to determine how well we provide care to patients undergoing certain procedures or for patients with certain medical conditions. We present our outcomes data at nationally recognized medical meetings and publish data in peer-reviewed medical journals. We now offer outcomes and performance data online to you.

Commitment to Quality

Al Bothe, MD, Executive Vice President and Chief Medical Officer, discusses Geisinger quality outcomes initiatives. At Geisinger, we believe that informed patients make better choices about their healthcare providers and are better able to participate in their own care. We provide this information to assist you in decision making about your health and treatment options.
## MyEstimate® Geisinger Quality Measures
### Hip and Knee Replacements

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Hip Cases</th>
<th>Knee Cases</th>
<th>Total Cases</th>
<th>Deep Joint Infection or Device Problem</th>
<th>Blood Clot Lung/Leg</th>
<th>Wound Infection</th>
<th>Readmission</th>
<th>Post-op Length of Stay</th>
<th>Average Hospital Charge Hip</th>
<th>Average Hospital Charge Knee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geisinger/Danville</td>
<td>150</td>
<td>249</td>
<td>399</td>
<td>⬤</td>
<td>⬤</td>
<td>⬤</td>
<td>⬤</td>
<td>4.0</td>
<td>$17,988</td>
<td>$17,538</td>
</tr>
<tr>
<td>Statewide</td>
<td>9,769</td>
<td>19,941</td>
<td>29,710</td>
<td>⬤</td>
<td>⬤</td>
<td>⬤</td>
<td>⬤</td>
<td>3.7</td>
<td>$27,759</td>
<td>$26,015</td>
</tr>
</tbody>
</table>

**Symbol Legend**
- ⬤: Significantly higher than the expected rate.
- ⬤: Not significantly different than the expected rate.
- ⬤: Significantly lower than the expected rate.
- NR: Not Reported. Had fewer than five cases evaluated.
- NC: Non-Compliant. Readmission rates not reported due to missing/incomplete data.

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**Column Definitions**

- **Hospital**: Geisinger/Danville
- **Hip Cases**: 150
- **Knee Cases**: 249
- **Total Cases**: 399
- **Deep Joint Infection or Device Problem**: ⬤
- **Blood Clot Lung/Leg**: ⬤
- **Wound Infection**: ⬤
- **Readmission**: ⬤
- **Post-op Length of Stay**: 4.0
- **Average Hospital Charge Hip**: $17,988
- **Average Hospital Charge Knee**: $17,538

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**Choose Another Hospital / Surgeon**
# MyEstimate® Geisinger Quality Measures
## Cardiac Surgery

### Cardiac Surgery in Pennsylvania 2009 Hospital Data

**Symbol Legend**
- ☄ Significantly higher than the expected rate.
- ☀ Not significantly different than the expected rate.
- ☁ Significantly lower than the expected rate.
- NR Not Reported (too few cases).

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Number of Cases</th>
<th>Geisinger/Danville</th>
<th>Post-Surgical Length of Stay</th>
<th>Average Hospital Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geisinger/Danville</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CABG without Valve</td>
<td>170</td>
<td>☁ ☁ ☁ ☁</td>
<td>6.1</td>
<td>$130,534</td>
</tr>
<tr>
<td>Valve without CABG</td>
<td>111</td>
<td>☁ ☁ ☁</td>
<td>9.0</td>
<td>$192,322</td>
</tr>
<tr>
<td>Valve with CABG</td>
<td>46</td>
<td>☁ ☁ ☁ ☁ ☁</td>
<td>10.3</td>
<td>$232,171</td>
</tr>
<tr>
<td>Total Valve</td>
<td>157</td>
<td>☁ ☁ ☁ ☁ ☁</td>
<td>9.5</td>
<td>$204,631</td>
</tr>
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</table>
Spectrum Health Price Transparency Tool

• Patient Education
  – Robust FAQ Database available online
  – Glossary of medical terms available online
  – Created formal “Pricing Specialist” positions

• Geographic focus used as basis for comparison prices

• Specific Disclosures
  – List standard charge plus average amount paid by Medicare, Medicaid, and “Insurance” for numerous IP and OP services
  – Extensive procedures listed

• Publishes Quality Reports for nine measures
Price Transparency Is Just One Element of a Patient-Centered Approach

HEALTHCARE DOLLARS & SENSE™

Price Transparency  
Patient Financial Communications  
Medical Account Resolution

hfma.org/dollars
HFMA Best Practice Project
Patient Financial Interactions

- Provides guidance on when/how communication should take place regarding patient insurance coverage, financial counseling, patient liability for the service and any prior balances

- Emphasizes open, clear and early communication, including defining a path for financial resolution

- Defines financial interactions when medical services are scheduled, as well as when emergency or non-emergency care is delivered
PFI – Emergency Department Interaction

- Compliance with EMTALA in determining when to initiate financial interactions
- Financial counseling & insurance verification
- Prior balance and patient cost-share
- Payment options, including payment plans
- Provider’s financial assistance programs

- Proactively attempt to resolve prior balances through insurance and financial assistance
- Summary of care documentation
PFI – Time of Service Interaction (non ED)

- Patient engagement, including a patient advocate
- Patient care is not interfered with
- Patient consents in order to expedite discharge
- Insurance verification and financial counseling, including payment arrangements
- Clear credit policies
- Summary of care
PFI – Advance of Service Interactions

- Setting for discussion
  - Outbound contact in advance of scheduled service
  - Inbound contact from patient inquiring about upcoming service
  - Scheduling/Contact Center when appointment is made

- Insurance verification and financial counseling

- Prior balance discussions

- Patient share-of-cost and payment arrangements

- Focus on patient education

- Care estimate
PFI – Best Practices for All Financial Interactions

• Compassion and patient advocacy
• Standard language for staff
• Facilitate one-time resolution
• Staff education
• Patient engagement
• Cost estimates for care
• Sensitivity and respect for patient privacy
• Clarity in policies
PFI – Measurement Criteria & Reporting

• Training program evaluation
• Process compliance evaluation for each best practice (PFI) scenario
• Technology evaluation
• Feedback on process and response
• Annual PFI compliance report
New Resource for Consumers

Understanding Healthcare Prices: A Consumer Guide

Understand pricing terminology

Get a price estimate—step by step

Navigate in-network and out-of-network pricing

Tap into price information available through providers, payers, and employers

Available as a PDF to other organizations as a public service. Contact Scott Kenemore, skenemore@hfma.org, for permission to post.
Helping Individuals Make Informed Choices

• **With Health Insurance**
  – How to Get an Estimate
  – Insurance Codes
  – Questions to Ask Your Doctor Before Elective Surgery
  – Ask Your Health Plan about Pre-Approval

• **What to Know About**
  – Emergency Care
  – In-Network vs. Out-of-Network

• **Medicare Beneficiaries**
  – Websites and Phone Numbers
  – Counseling Services
  – Hospital/Physician Resources
Helping Individuals Make Informed Choices

• **Without Health Insurance**
  – Financial Counseling
  – Insurance Marketplace
  – Financial Assistance
  – Price Estimate

• **Definitions and other resources**
A Call To Action

In a system where . . .

– Charges are primarily used as a factor in a payment calculation

– Actual prices are essentially invisible to the consumer, and . . .

– Charges have little relationship to the service being acquired

. . . change is inevitable!

We all contributed to this situation—hospitals, physicians, payers, the business community, and even patients. We all need to work together to fix it!
Questions And Discussion