

A Reliable Way to Become a More Effective Healthcare Consumer

October 2014

By John F. Webber, CEBS, CLU
Vice President
Sullivan Benefits

As medical costs continue to rise, employers are searching for ways to contain health insurance premiums. One of several ways to control healthcare costs is plan design. Over the past few years, many employers have decided to offer consumer directed health plans (Health Savings Accounts, HSAs and Health Reimbursement Accounts, HRAs), with the goal to empower employees and families in their healthcare buying decisions. For a lower premium, there are higher out of pocket costs for members, when incurring medical services. If an employee purchases high quality health services on a more cost effective basis, then the cost for both the employee and employer is less.

Historically, many have followed their physician's office referral or looked to family, friends and/or the internet for advice on where to seek care, relying on word of mouth or perceived value. Is this the best way to purchase quality and affordable healthcare for individuals and families? Perhaps not...

One reliable way to find quality affordable healthcare is to search for providers via your current health insurance plan. Chapter 224 of the Massachusetts Acts of 2012, "An Act Improving the Quality of Healthcare and Reducing Costs Through Increased Transparency, Efficiency and Innovation," requires that all health plans must create a website and provide a toll free telephone number by October 2014, in which a member can obtain health care price estimates in real time. Most health plans, (Blue Cross plans, local HMOs, and national health insurance companies) already have such tools on their website showing the estimated or actual cost of various procedures. Several have the employee's specific deductible and coinsurance, so a member can see their out of pocket cost per provider. Typically, members can compare up to three providers at a time side by side on the site.

Researching the cost and quality of the various hospitals and physicians could save you thousands of dollars, without sacrificing a quality outcome. According to one major health plan, Boston hospitals charges for a normal maternity range from a low of \$11,229 to a high of \$20,438; an 82% difference and an increase of \$9,209! The average maternity cost for 5 Boston based hospitals is \$15,564. Another example of wide price variance is a spinal MRI, where in Boston the least expensive MRI is \$849 and the highest is \$2,542; the highest cost MRI is almost three times the cost of the lowest! This major health plan showed 9 Boston locations for this particular MRI with an average cost of \$1,675.

Today, members can research the prices of hundreds of common medical services, (hospitals in and out patient, diagnostic and physicians) via cost estimator tools and/or find a doctor features, but what about the quality of these providers? Most health plans also have quality rankings on their websites. Each health plan is different. Some have a quality star approach and others show certain quality designations and benchmarking data with patient feedback metrics.

The health plans even provide a map to direct patients to the healthcare provider's location. There are tutorials on the site to learn how to use these cost and quality tools, and many health plans have enabled their software to work on some smart phones.

Armed with cost and quality information, members can work with their primary care provider to access medical services and save themselves and their employers money while optimizing a positive outcome.

[Sullivan Benefits](#) is willing and able to assist you in helping your members become better healthcare consumers. Give us a call!