

Price Transparency Helps Providers and Insurers

Providers influence or directly make a large share of health care decisions that influence spending, often without knowing in advance the price charged by other providers, such as labs. Insurers can use increased transparency to influence how much providers choose to charge for their services.

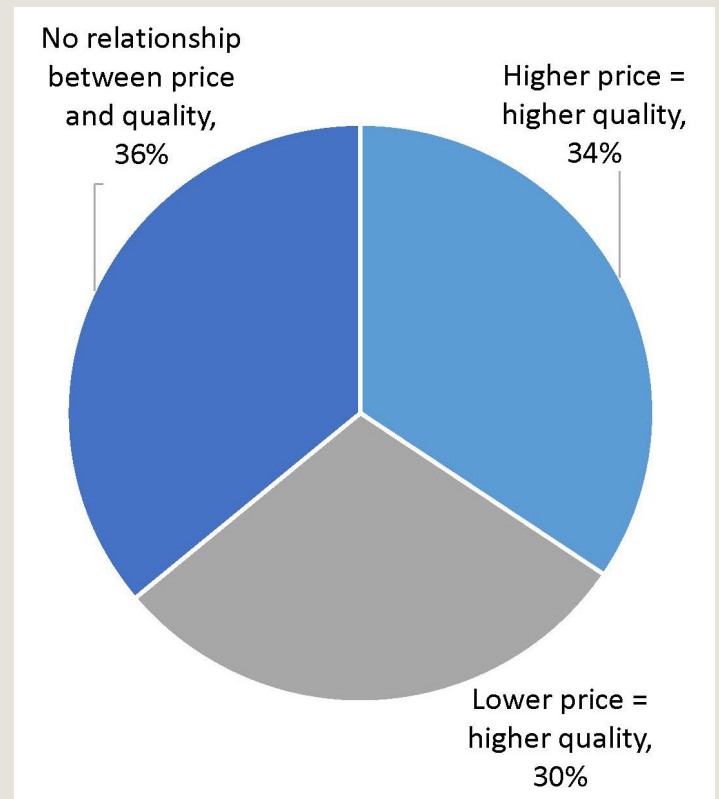
- Numerous hospital-based studies have found that knowing the price of lab and imaging tests prompts providers to order fewer or less expensive tests.
- Insurance companies in New Hampshire have developed tiered-pricing plans that reward members for choosing high-value providers. As patients have reduced their use of higher-priced, lower-value options, those providers have reduced their prices for lab services, outpatient surgery and other care, reducing costs for everyone.

Oregon Can Improve Price Transparency

Oregon has already taken several important steps toward improving health care price transparency but could do far more to make health care prices fully available to patients, providers and insurers.

- As a basic consumer right, patients should be able to ask for and receive information on the likely price of care at doctors' offices, hospitals and imaging facilities.
- Oregon policymakers should require that information collected in the state's all payer-all claims database be made available to consumers, with data ideally disaggregated by payer, procedure and provider. This process could begin with the categories of health care that consumers are most willing to shop for, such as lab work and imaging studies.

A Review of 61 Studies Found No Consistent Relationship between Health Care Prices and Quality



Patients Need More Information about the Quality of Care

Many patients may assume that higher-priced care is higher-quality care, undermining the potential of price transparency to reduce health care costs. Research, however, shows that there is no clear relationship between the cost and quality of care (figure above). Price transparency tools that include data on quality of care can reduce the extent to which consumers are inclined to use price as a measure of quality. If patients have access to information about both the price and quality of care, they will be better able to make informed decisions about the overall value of their care.

For citations and the full report, please visit www.ospirgfoundation.org

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