

The Salt Lake Tribune

Utah insurers scoring your doctor on quality, price

Utah health • Patient engagement tools are designed to drive down costs and improve care.

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The Salt Lake Tribune

Published: June 3, 2012 09:54PM

Updated: June 4, 2012 07:20AM

What if consumers could shop for health care like they do for cars or groceries, and pick treatments and doctors based on quality and cost?

Health care might function like a true market, with competition putting downward pressure on costs — or so goes the “health transparency” theory. After decades as a nonstarter, the theory is now being heartily embraced by insurers.

Starting in about 2005, Utah’s largest health insurance companies began launching websites to aid customers in comparing doctors and hospitals based on quality or their adherence to professional standards and federal benchmarks. They added chat rooms and comment boards where patients cast their own votes and share advice.

But the tools were slow to catch on. “We found people weren’t using it,” said Mark El-Tawil, CEO of Humana’s Western region.

So insurers, previously loath to disclose their contracted prices, upped the ante, adding cost estimators that allow you to shop for the best deal on mammograms, MRI’s and other common procedures.

UnitedHealthcare and Regence BlueCross BlueShield have widgets to predict your out-of-pocket costs based on your policy’s design and whether you’ve met your deductible.

They won’t say how many customers are using the portals, but insist they’re gaining in popularity — in part due to growing ranks of employers moving to high deductible plans with health savings accounts, forcing employees to be more price sensitive.

In the past, patients have picked the priciest procedures and providers, assuming they must be the best and wanting to get more value from their premium dollars.

“If you’re going to expect patients to be more engaged in their health care, you have to give them the tools to make informed decisions,” said Pam Gold, UnitedHealthcare’s regional vice president of sales and accounting.

Paired with quality scores, prices appear to be swaying health consumer purchases. A survey of 13,000 users of Regence BlueCross BlueShield’s portal found 28 percent changed their provider based on what they learned, and 30 percent found information to help lower their costs, said Torben Neilsen, the company’s vice president of eBusiness Solutions.

Whether they improve care or bend the cost curve, though, remains to be seen.

Humana is banking on another “patient engagement” tool, HumanaVitality, a wellness program that it markets to employers, promising rate reductions to those who enroll a majority of their workers.

Confident it will yield savings by improving workers’ health, “We’re putting our money where our mouth is,” said El-Tawil.

Workers submit to a health screening and improvement plan. And if they stick to it and quit smoking, exercise and lose weight, they earn points to spend on rewards such as movie tickets, airline flights, gym memberships and running shoes.

Other groups, such as Catalyst for Payment Reform, see transparency in pricing as a first step toward “reference” or “value” pricing, where the insurer sets a standard price for a drug, procedure or bundle of procedures and asks the consumer to pay any charges over that amount.

There is no shortage of scapegoats to blame for the nation’s health care woes: unfit Americans plagued by costly chronic diseases, the uninsured, stingy employers and greedy insurers and hospital administrators.

But a key, often unspoken, driver of spending is the sheer cost of care, which varies widely from state to state, said Suzanne Delbanco, executive director of Catalyst, a nonprofit advocacy group bankrolled by large employers.

Even within the same market and for the same procedure, health care costs can vary by more than 100 percent, according to a February report by Thomson Reuters, which predicts transparency in pricing could save the country \$36 billion a year.

That’s because it has a corraling effect, keeping a check on out-of-range prices with no connection to the value of care, said Delbanco, noting insurer-rate negotiations often hinge on a provider’s reputation or market share.

“Reference pricing is nice because it still allows for consumer choice. It says, you can go where you want, but here’s what you’re going to pay and how much doctors near you charge,” she said. “And it sends the message to providers that if you charge a lot, you’re going to have to explain why.”

The strategy is being used by all large insurers, but not widely. It’s limited mostly to “shoppable” items such as drugs and procedures such as cancer screenings and knee and hip replacements.

“And it only works when you have plenty of access to lots of quality providers,” said Delbanco. “It might not work in a rural area.”

It also discounts myriad other factors that patients consider.

“I’d like to think transparency will make a difference. But what about the relationship you have with your doctor?” asked Shelly Braun, a health reform expert at the Utah Health Policy Project in Salt Lake City.

She adds: “You can be the highest-rated doctor in the world, but if your clinic is in Layton I’m not going to see you. And you can be the cheapest, but if you’re not accepting patients, what good is that?”

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