

Will improved transparency tools solve patients' healthcare affordability issues?

Article

The news: A new survey sheds light on why so many patients avoid healthcare. Below, we detail how improved price transparency could help reverse this trend. Research from

HealthSparq was conducted in January 2022, and respondents included 1,000 US residents who have health insurance.

Key stat: 44% of consumers surveyed **avoided getting care** in the past year because they were unsure of the upfront costs.

- This is a **sharp 76% increase from last year**, when 25% of respondents avoided care due to questions around cost.
- **Consumers ages 18 to 34 (63%)** and those **enrolled in high-deductible plans (51%)** are the most prominent groups of individuals avoiding care due to cost concerns.

Digging into the data: Respondents were specifically asked about availability and usage of their insurer's price transparency efforts. These are defined as online tools where members can search for in-network doctors, receive cost estimates for procedures, and learn about treatment or insurance-covered options.

- **70%** of consumers say their health plan offers these tools—**up from 49%** last year.
- **67%** of respondents who have access to online transparency tools **use them**.
- **Insurers most commonly offer** members the ability to **search for in-network physicians (72%)** and **telehealth services (55%)**.
- **Half of respondents** say their **plan offers cost estimates** for services conducted.

Why it matters: Consumers' financial health deteriorated during the pandemic. As a result, they're **pushing** medical bills aside, not paying for prescriptions, and deferring care.

A health plan's website or app is often the first thing people turn to for information—a key piece of real estate insurers need to use to help consumers understand their out-of-pocket costs.

- Insurers don't just have to be transparent about costs, though—they need to make it explicitly clear what a patient is responsible for.
- There is a key **difference in the cost of a service** and what a patient will **pay out of pocket**, leading to the disconnect illustrated in this survey between the appearance of transparency tools and their usefulness.
- Health plans must offer members **clear, personalized information on their cost-sharing responsibility** for a given service versus generic price information.

What's next? Although healthcare pricing is complex, providers and payers should be held accountable for not providing good faith estimates upfront.

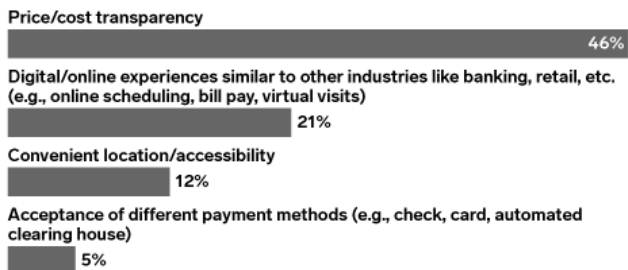
- The cost of healthcare services can change throughout the course of a patient's care and treatment. Estimates are not guarantees.
- Federal price transparency regulations will apply to health plans **starting July 1**. They will require payers to make public in-network costs for various services as well as comparison tools that will allow members to compare cost-sharing amounts across specific in-network providers.

These rules should help consumers shop around for care and plan ahead based on expected costs of care. But it will be key to make members aware of how they can access this information.

- **2 in 3 survey respondents** reported being **unaware of the new government regulations**, per HealthSparq.

Factors* that Would Strongly Contribute to Deepening Their Loyalty to Specific Healthcare Providers According to US Healthcare Consumers, Summer 2021**

% of respondents



Note: ages 26-65; attested to paying a medical bill online within the last 18 months and had annual income of \$30K-\$200K per year; *other than high-quality care; **such as hospital, health system, doctor's office

Source: Salucro, "2021 Patient Payment Technology Report," Dec 6, 2021

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