

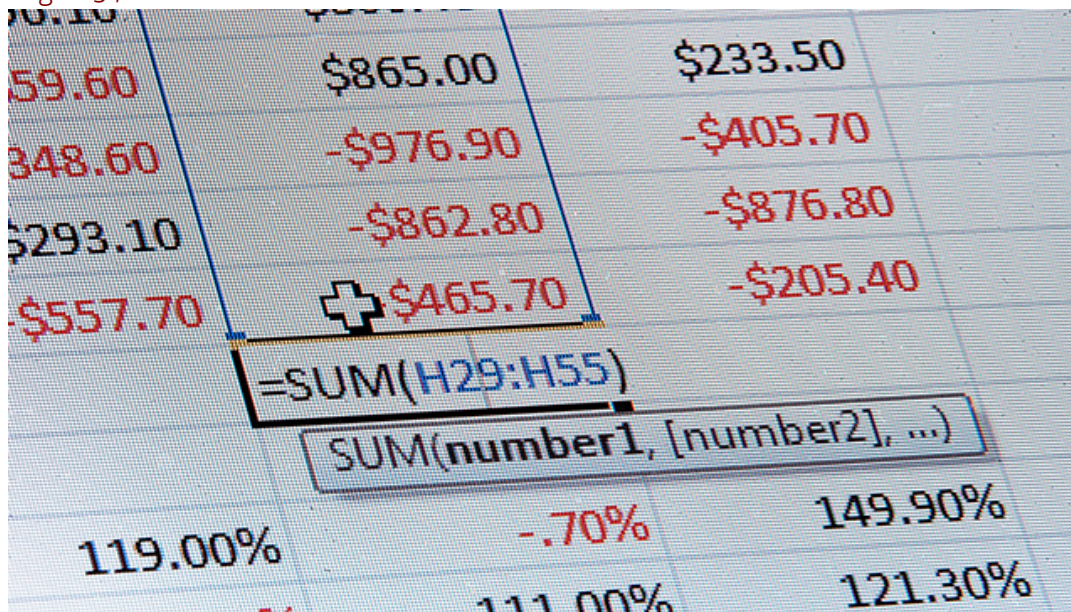


# Health Affairs Blog

## Patients, Physicians, And Price Transparency: If You Build It, Will They Come?

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While health care spending growth has slowed in recent years, it is still poised to consume a fifth of the US economy by 2025. As such, the pressure to constrain costs and improve value persists — with continued focus on patients and physicians as primary agents to reduce health expenditures.

And while both patients and physicians may have a role to play in price transparency efforts, their interests are not necessarily the same. Many experts contend that without accurate and reliable information on health care prices, patients do not have the incentives or tools needed to shop for the best value in their health care. For physicians, there is a lack of consensus around whether their role as health care providers includes financial stewardship.

In 2013 the Robert Wood Johnson Foundation (RWJF), in collaboration with AcademyHealth, funded six research studies to contribute to understanding the use and impact of price data in health care. The goal was to generate reliable and generalizable evidence to inform policymakers and other stakeholders and accelerate the pace of efforts to use price information effectively.

The grantees recently presented findings from their studies at an invitational meeting of policymakers, researchers, and other experts actively engaged in developing and using

health care price information. The meeting discussion explored the “state of the art” in price transparency and sought to identify directions for future research.

Key findings presented at the meeting included the fact that patient demand for, and availability of, price information is growing, but many insured populations do not use price comparison tools when they are available. While the majority of Americans have sought price information before getting care, other RWJF-funded research found that fewer than 4 percent of eligible commercially insured individuals used an online price transparency tool developed by Aetna.

The disconnect between patient interest in, versus use of, transparent price information suggests that at least for some commercially insured patients, the available tools are not providing patients with the information they most value, in a timely manner, and/or in a form they can use or want to use. That disconnect might also relate to people’s knowledge of how health care prices do or do not vary. For example, 57 percent of insured Americans do not think doctors in their insurance plans charge more than others for the same services.

Although previous research has suggested that clinicians reduce their ordering of lab tests when they are given information on prices, another RWJF study found no overall change in ordering tests when price information was displayed on physicians’ ordering screens at the point of care.

Numerous factors may influence a physician’s receptivity to discussing price information with patients, including their comfort level with, and/or patient interest in, these discussions, their payment arrangements, and the proportion of payments tied to value, as well as whether they view financial stewardship as an appropriate physician role. As the physician payment landscape changes, future research should address how provider behavior may be changing as prices become more transparent and as consumers are exposed to increasing amounts of cost sharing.

The six RWJF studies and the subsequent discussion they generated underscore that providing patients and physicians with transparent price information is not sufficient to substantially lower health care expenditures. Recent research has found that while most consumers may not believe that price corresponds with the quality of care, a substantial minority do make this association — demonstrating that reliable information on quality of care alongside information on prices is essential.

Also, 11 ongoing RWJF studies are examining what consumers value when they buy and use insurance and shop for care, but more evidence is needed on how and when transparent price and quality information can best support patient decision making.

Individual patients, and low-income or vulnerable consumers in particular, may lack the market power needed to effectively improve the value of the health care system. Low-income and vulnerable consumers may also lack the resources (for example, a computer, time, health literacy, websites in their language, or knowledge that such websites exist) to use many of the price tools that are currently available.

As such, physicians may be the next frontier for price transparency efforts — but we need to better understand the factors that contribute to greater receptivity among physicians to discuss treatment costs with patients. Little is known about how to best facilitate conversations between clinicians and patients about costs in ways that are productive, and that also do not jeopardize the patient–provider relationship.

To that end, RWJF recently released two calls for proposals aimed at uncovering ways to help integrate those discussions into the clinical workflow, as well as ways to develop

principles that can optimize cost-of-care conversations between clinicians and vulnerable patients.

Price transparency tools have great potential, but if we want patients and physicians to truly engage with them, they must be designed to meet both parties where they are, and to provide users with information they value.

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