Price Transparency

By Christine Taxin, Links2Success

More than any other industry, healthcare is almost notorious for its lack of price transparency. While patients generally know how much their copay will be and certainly how much their final bill turns out to be, few hospitals and practices publish the actual costs of their services prior to those services being provided. When you think about it, this puts consumers at a serious disadvantage, since they are not provided the option to shop around for services.

Due to recent legislation, Florida health consumers may no longer have that problem. Effective in July 2016, a bill was passed by the Florida State Senate that will require licensed healthcare facilities to not only provide a “good faith estimate of anticipated charges,” but also to “make available on [their] website certain methods that a policyholder can use to make estimates of certain costs and charges.”

This piece of legislation has come on the heels of several challenges for the Florida healthcare industry, some of which were directly related to the lack of price transparency or accurate patient estimation practices. In 2015, Florida, along with 44 other states, received a failing grade for its healthcare cost transparency. In the same timeframe, hospitals in the state nearly faced criminal penalties for alleged price gouging. Though the charges were dropped, the issue is still fraught with controversy.

As part of the new Florida law to promote price transparency, Florida’s Health Care Administration will be required to provide consumer-friendly online resources, so that local residents can gain a better idea of healthcare costs overall. These patient estimation tools are being held to a high accuracy standard, as well. Once finalized, the services should be grouped and organized to make price comparisons for services offered by hospitals and ambulatory groups easier. The information will
include actual prices paid out to the healthcare providers—not advertised prices—and will be accompanied by quality measures.

So what does this mean for healthcare practices in the state and in other states?

While Florida is only one state, it will not be the only state taking a harder stance on pushing price transparency in the healthcare. A bill known as the Health Care Price Transparency Promotion Act of 2016 was also introduced to the U.S. House of Representatives in June of last year. It includes provisions that would urge states to define more clearly when and how healthcare providers and insurers should provide pricing information since currently there is little standardization and a great deal of variation from state to state.

Long story short: price transparency is not going away. If your practice isn't already in the habit of providing up-front and accurate patient estimations, now is the time to start.

While the Affordable Care Act (ACA) may be facing repeal with the new administration, there is no denying that certain revelations, once made, can never be unmade. Some of its provisions shed light on some significant flaws in the way we have traditionally conducted business in the healthcare field, and that knowledge is likely to influence future policymaking within the industry.

Although predicting future legislation at this time is precarious at best, price transparency is one aspect that practices can and should adopt as a matter of course, for the good of their patients and the good of their practice—if for no other reason than to avoid possible litigation, which could be one way that states encourage changes in healthcare price transparency, according to the Catalyst for Payment Reform as reported by the Robert Wood Johnson Foundation.

Basically, it's a mess you don't want to be caught up in. For many practices, the wisest step would be embracing price transparency and beginning the process of developing online resources and other informational tools to help patients better understand their cost commitments. Patient estimation and reference tools are easy to create with current technology. Best of all, these changes could even result in a much greater sense of patient confidence and satisfaction in your practice.
As with any industry, when you see the way the wind is blowing, it's best to adjust your course accordingly. Otherwise, you could end up somewhere you don't want to be. Keep your practice ahead of the game by adjusting your policies regarding price transparency now. Your patients will thank you, and your practice will be better off for it.

Contact:

Christine Taxin  
Links2Success  
36 Abington Avenue  
Ardsley, New York 10502  
www.links2success.biz  
ctaxin@link2success.biz