

More is better when it comes to information about employee plans

What do you think of when you hear "innovation?" The first man to walk on the moon? The light bulb? Or maybe you think about the first airplane?

Besides all being Ohio firsts – Neil Armstrong and Thomas Edison are from our great state – these events are significant historical undertakings that took years of hard work with hits and misses along the way. Needless to say, Wilbur and Orville Wright didn't take flight with the first pass.

In today's world of health care, there are many explorers who want to bring transparency to the forefront. Transparency consists of innovative tools to help consumers navigate the health care landscape.



HEALTH INSURANCE

TERRY FRECH

We know that the more information consumers have about their health and health care options, the better decisions they can make about their well-being. Educating consumers about the actual cost, service and quality of care is a must in this age of consumer-directed products.

Consumer Reports publishes a magazine where the major focus is trans-

parency. The Truth in Lending Act requires credit card companies to standardize key information on the solicitations we receive daily. Even car sales, one of the last bastions in the world of "hidden costs," have Web sites listing invoice and average selling prices.

Having faced several years of increased costs for their health-care purchases, more employers have decided to share these cost responsibilities with their employees. This sharing process has come in the form of increased co-payments and deductibles and reduced benefits.

From 1960 to 2000, employees progressively paid a smaller portion of the total health-care bill. During this period, many

members stopped being financially responsible for office visits, preventive care and services such as durable medical equipment. For the first time in more than 40 years, it now appears employees will start to have greater responsibility. New health care products are referred to as "consumer-directed" health plans.

TAKING MORE RESPONSIBILITY

Research reflects that consumer-directed health plan members are more likely to engage in healthy behavior, follow treatment prescribed for chronic conditions, get an annual checkup and ask about cost. And costs do decline when consumers share expenses. As members become more involved in their health care purchasing decisions, it stands to reason they will also want to better understand the facts. Transparency of cost and quality are two key areas for purchasers to make informed choices.

Some physicians and hospitals are concerned with consumers viewing cost and quality information, because it might not include demographic information, comparisons based on claims data, or price versus value – where the high cost of care might result in savings in the long run.

Today most transparency projects are focused on cost data because quality data is not readily available. In general, carriers are sharing information on episodes of care. Members are interested in the total cost of a service including physician, hospital and hidden costs for hospital-based physicians they might never see (radiologists and anesthesiologists). The payment to the surgeon might be only a fraction of the total cost for surgery. An additional clarification: Members also want to know the amount paid, not charged.





...LOUDER THAN WORDS

For most, it is easy to take a safe and warm environment for granted. But for many central Ohioans, cold and snow means more than an inconvenient commute. For that reason, CTMT supports Friends of the Homeless (www.FriendsoftheHomeless.org). FOH provides services that address the needs of persons experiencing a housing crisis.

Steve Falor and CTMT associates commit time and energy to benefit the central Ohio community. You, too, can make a difference. Select a cause and share yourself. Your actions will speak loudly.

COMMUNITY ACTION SPEAKS LOUDER THAN WORDS



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Initial transparency tools will not demonstrate relative value for all services. The best use of the early transparency tools will focus on discretionary/elective services where a member has time to consider options, such as diagnostic services like colonoscopy or mammograms. Areas of emphasis for transparency are also likely to include high-cost and high-volume procedures: MRIs, knee arthroscopy and childbirth.

As members begin to view cost transparency information, they will continue to ask for better data. Once they know the amount paid for a procedure, they will want to know what the total episode costs and their expected out-of-pocket expenses. If they know an episode of care is less expensive at one facility versus another, they will want to better understand the quality and value offered.

The Wright brothers did not plan to build a Boeing 747 when they started the concept of flying. Today we are considering ways to bring transparency to the health care system. In the future, we might look back and realize that some errors were made.

But like the Wright brothers a century ago, it's time for transparency in health care to take off – with short flights and the necessary tweaks and modifications to be expected along the way.

It now appears that employees will start to have greater responsibility for their own health-care destinies.

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