Embracing Clarity: Best Practices for Cost Transparency and Doctor Search

How to Better Align Payers, Providers and Patients in Making Better Health Care Decisions

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AT A TIME OF RAPID CHANGE, health care systems and payers have an unprecedented opportunity to manage that change in positive, productive ways that improve health outcomes and reduce costs.

The marketplace is evolving, with consumers willing to take more responsibility than ever for smartly managing their own health care costs. To better make those decisions, they seek more information about doctors, costs, and options. And that opens the door to an efficient new model, offering payers and providers increased customer loyalty, lower costs, and the ability to develop actionable insights.

It’s a time when payers, hospital systems, and doctors can embrace the dizzying pace of change and turn it to their advantage.

Consumers feel a burden

The dramatic change in US health care starts with rising costs. In 2000, a worker might have paid $1,619 toward the cost of health care premiums for their family. With employers’ own costs rising, they have shifted more of the burden to employees, pushing that premium figure to $4,955 by 2015. That’s an increase of more than 200 percent during a period when inflation was 38 percent.

<table>
<thead>
<tr>
<th>Year</th>
<th>Contributions to Employer Healthcare Premiums</th>
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<tbody>
<tr>
<td>2000</td>
<td>$1,619</td>
</tr>
<tr>
<td>2005</td>
<td>$2,713</td>
</tr>
<tr>
<td>2010</td>
<td>$3,997</td>
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<tr>
<td>2015</td>
<td>$4,955</td>
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At the same time, more workers have taken advantage of “high-deductible” health plans that offer reduced premiums and tax advantages in exchange for a higher out-of-pocket expenditure on deductibles each year. The number of people enrolled in such plans rose from 4 percent in 2006 to 24 percent in 2015.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>2006</td>
<td>4%</td>
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<tr>
<td>2009</td>
<td>8%</td>
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<tr>
<td>2012</td>
<td>19%</td>
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<td>2015</td>
<td>24%</td>
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With higher premiums and higher deductibles, consumers are more interested in access to the kinds of tools that will help them understand medical costs.

“Patients are shopping around more,” Dr. David Holte of Twin Cities Orthopedics told The Wall Street Journal. “Back when everything was covered, they would get tests done and also get stuff done they didn’t need. Now they’re having cost discussions and putting off knee and hip replacements.”

As they accept responsibility for higher premiums and deductibles, consumers sometimes encounter surprisingly high medical bills and a sense of frustration with a system that doesn’t seem to work. That system includes payers, physicians, hospitals, health care systems, labs, consumers, governments, foundations, and other players, but the wrath often falls disproportionately on the source of most health-related financial information: insurers and providers. At the same time, doctors and hospital systems find that higher and more confusing costs can lead to an increase in unpaid bills and to delays of needed medical procedures.
Americans are skeptical about the health care system.

This skepticism comes at a time of radical changes in consumer behavior. From Uber to Amazon to Netflix, consumers are taking charge of their purchasing decisions. They’re empowered to select a vendor, compare prices, and expect next-day home delivery, even on a Sunday. They know everything about a restaurant or auto mechanic before they visit. Meanwhile taxi drivers, booksellers, and cable companies have been forced to radically reshape their businesses to try to survive.

The consumer is in control.

That change hasn’t come as quickly to health care, but it’s happening. Innovative payers and providers are taking advantage of that change in various ways, and customers are taking note.

New York subway ads announce that one in three new customers of the new health insurance company Oscar are referred to it by a friend.

Kaiser Permanente commercials tout the ability to email your physician, access your medical records online, and have a lab and pharmacy right next to your doctor’s office.

One Medical Group promises same day appointments and offers transparent, flat-rate prices to people who don’t have insurance or who just don’t want to bother billing their insurance company because they don’t expect to spend enough on care to reach their new high deductibles.

This rising tide of consumerism will make business very difficult for health care payers and providers who choose to ignore it. It’s a significant business challenge. But properly harnessed, consumerism can be a solution. It’s how doctors, hospital systems and payers can:

- **Restore customer faith**
- **Improve patient outcome**
- **Increase loyalty, reducing customer churn**
- **Reduce medical costs**
- **Attract new customers**

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Consumerism isn’t the problem. It’s a solution.

Martin Silverstein, executive vice president and chief strategy officer at Anthem, told Forbes that the health care industry needs to learn from the missteps of leaders in other industries who let the rush of technology pass them by:

“What was the discussion at Kodak when they talked about digital? What was the discussion at Blockbuster when they could have bought Netflix but didn’t? I think it’s the exact same in health care. Somebody is going to figure out a way to make this more consumer driven.”

And consumers have made it clear that they want transparent pricing and the same ability to understand the value of their purchasing decisions that they’re learning to enjoy in so many other sectors of the economy.

“...and one of the ways to improve transparency is to make it easy for consumers to compare prices and outcomes. This is something that has been done successfully in other industries...”

Three-quarters of people with a deductible larger than $3,000 say they have tried to find price information before getting care.

69% of consumers say they would like a website that shows how much different doctors charge.

Consumers are also recognizing the wide disparities in health care pricing, often for the same procedure in the same region, and are asking questions about whether the more expensive options are actually better than more affordable ones.

“The variation in price is just insane,” Yale economist Zack Cooper told the radio show Marketplace. “In the same cities MRIs vary by a factor of 10. They are going to find there is no relationship between price and quality.”
Hospital systems and payers have not ignored this phenomenon, but many have yet to fully embrace it. Complete implementation requires three more steps.

**Best Practices: Getting the Right Results**

1. **Put the Right Data and Tools in the Right Places:** Consumers want information and will use it, but they have to be able to find and engage with it easily. Unifying all of the needed data in one experience makes it far more useful and significantly increases customer engagement.

2. **Guide Consumers to the Right Results:** Putting unstructured information in front of a patient isn’t enough; it won’t guide that patient to the result that provides the most appropriate health care at the most reasonable cost.

3. **Develop actionable insights to engage your population:** Deep engagement with consumers means the ability to learn about them and make them feel like a known person rather than a number in a database; that engagement increases the quality of the interactions and the likelihood of that customer choosing providers and services wisely. Generating more actionable insights about your population can lead to smarter user interfaces and more effective programs and offerings.

Each of those best practices can help drive consumers to the outcomes that are most valuable for everyone involved: better care and lower costs. Here’s a more detailed look at each.

**BEST PRACTICES / 1**

**Put the Right Data and Tools**

**In the Right Places**

In health care, “consumer-driven” means offering more information upfront about doctors and costs. An informed consumer will often choose a more reasonably priced option, but access to pricing in health care is a new concept to many patients.

Some consumers already have access to some of that information. Many insurers and health care systems offer
first-generation “Find a Doctor” tools that connect patients with nearby providers and, in some cases, offer access to patient reviews and physician ratings. Outside services like Yelp are also increasingly providing reviews, though in a less structured environment that’s hard to manage.

Payers and providers, guided by consumer desires and requests from employers and regulators, have also started to provide cost transparency information. In some cases it’s specific data about what a particular doctor or lab or urgent care center might charge for a particular procedure. In others it’s a range of prices in the region or a guide to how to estimate costs. But unless that information is in a unified experience that is easy to use and made available in the right places, it won’t be effective.

Marketers already know that it’s vital to reach consumers where they already are, rather than hoping they’ll come to a new location. Advertisers favor billboards next to busy freeways, where thousands of consumers drive by each day. Specialty food samples are given out in grocery stores, where a successful taste can lead to an immediate purchase. The same logic applies to cost transparency tools.

Case in point: One large payer with a first-generation tool for estimating costs found that its “Find a Doctor” tool was used millions of times a month, while the separate cost estimator feature drew only a few hundred thousand visits. When this payer implemented Rally Connect, the tools were linked so that a search for a provider led directly to quality assessments and estimated costs for those providers. The results over the first few months showed a significant change in usage.

Engagement with provider cost data rose 347% compared with the payer’s previous cost estimator.

47% of users who searched for a doctor reviewed the cost estimates that were immediately available in the same interface.⁷

For payers, the consumer’s willingness to go straight from a doctor search to cost data increases the chance that the
consumer – who has that high deductible in mind and may have to bear a significant part of the cost – will make smart, balanced decisions: A doctor who’s well regarded, within a reasonable distance, and whose costs may not be the lowest but will rarely be the most costly.

This unified approach to consumer tools is a key to increasing engagement, lowering costs, and restoring the sense among consumers that insurers, doctors, and hospital systems are there to help and guide them.

BEST PRACTICES / 2

Use Search to Guide Consumers to Preferred Results

Common sense dictates that people who search for information on Google overwhelmingly choose something on the first page of results rather than clicking at the bottom to see additional pages. Google uses sophisticated algorithms to try to put the most relevant results at the top of the list. It also sells the space at the very top to advertisers because that’s the most valuable position.

When a consumer searches for a health care provider or uses a cost-estimator tool, similar logic applies.

That consumer might ask to see the closest doctors, or specialists in a certain field, or only ones of a specific gender. That consumer might also type in a targeted search phrase — sometimes using the wrong term for a specialty or misspelling it.

But a basic search tool often fails to give the best service to the consumer or generate the best results. There are two ways to fix that.

Guided search terms: A well-managed search tool can suggest, in real time, a better way to search. Type in “alrg” and it might offer “allergy.” An even better tool that learns from search behavior might be optimized to realize that a search for “ent” doesn’t mean “entrance” or “entertainment,” but should lead to ENT doctors or otolaryngologists. Search for “knee” and it might offer to add the words “replacement,” “pain,” or “fluid.” This kind of predictive logic, especially
if it’s continually enhanced by studying the results of user search behavior, increases trust and gets people to the most useful results more quickly.

Guided Search Results: Once a search is started, displaying the results in alphabetical order does little to help the consumer. All search tools attempt to display the most relevant results, but a smart search tool will guide consumers to the most appropriate choices. For instance, a search for “chest pain” might lead to a results page topped by a warning to dial 911 immediately if you’re currently experiencing it.

Similarly, a search that suggests a minor illness or injury might drive users to a results page that promotes urgent care options or a physician’s office rather than a visit to the emergency room.

When a large payer implemented Rally Connect to provide enhanced search results, it had a measurable, positive effect on patient behavior.

Searches for convenience care (a lower-cost resource) rose 389% compared to searches for hospitals and emergency rooms.8

The ability to guide the consumer journey through these tools, and to customize and optimize the results based on business rules and lessons from consumer behavior, gives hospital systems and payers more control over costs and patient outcomes.

BEST PRACTICES / 3

Develop Insights to Engage Your Population

When your population engages with your online tools, they provide very clear data about what they need, what they want and how they’re behaving. Those insights can be very effectively used to drive a wide variety of engagement initiatives.

The first step is to have tools that effectively capture and measure data, provided by a partner who collects and analyzes the data and provides useful insights. With that as a starting point, the possibilities for better communication
with your population are endless. Some examples:

**Customer journey:** A search for “knee surgery” begins a journey that leads the customer through finding a doctor, estimating costs, and getting relevant information about how to plan for the surgery, like which factors to consider in picking a provider, how to think about costs relative to outcomes, and possible alternative surgery options.

**Program guidance:** Search data might reveal that consumer interest in flu shots peaks during a particular two week period in October; that might mean those two weeks are the most effective time for campaigns that encourages flu shots through various events and employer promotions.

**Managing costs:** Use population search patterns to provide information and recommendations in advance, at the time when that decision can be influenced and before the decision is made about spending. Today, payers too often learn about an expensive procedure only after it has been scheduled, or after it has been completed.

**Pipeline management:** If the cost transparency tools are available to prospective customers during an open enrollment period, gathering population insights with those tools can provide visibility into the pipeline of potential new customers and their medical needs. Are they searching for allergy shots or hip replacements? Pediatricians or pulmonologists? And that intelligence might lead to real-time adjustments in communication materials, program offerings, or ways of targeting the right populations during the enrollment period.

**Integration:** Insights developed securely from search tools can be a valuable way for providers or payers to integrate with their partner programs and other resources that are offered to members. In this way, the data can be used to match searches to actual outcomes such as program enrollment.

**Geographic targeted outreach:** Are searches for a particular ailment rising quickly in one area of the country? Does that signal a rash of treatments perhaps related to weather or outdoor activity or other factors that would help predict
costs? If everyone’s suddenly searching for help with bug bites, a real-time targeted email campaign about protecting yourself during mosquito season could have a much larger impact than if it were sent a month earlier or later.

Each of these possibilities, along with many others, begins with tools that are implemented with all three of these best practices in mind:

1. Put the right data and tools in the right places so that they can engage the most people in the most compelling ways at the right times.

2. Use search to guide customers to preferred results so that providers and payers can have a more positive and predictable impact on health care costs, consumer attitudes, and health outcomes.

3. Develop insights to engage your population so that transactions with your tools generate actionable intelligence that helps reduce costs and improve member outcomes.

About Rally

RallySM is a digital health platform that offers a suite of integrated solutions to help consumers manage all aspects of their health and wellness: Rally Choice, Rally Engage, and Rally Connect.

Rally Connect, our healthcare engagement platform, provides consumers with a checklist of care and lets them shop for the treatments they need based on their benefits and network of providers. By doing this, Rally Connect unifies information that has historically been fragmented, making it easy for people to get the right care at the right price for their needs. Rally Connect enables health plans and employers to help their members shop for care with greater financial efficiency, such as choosing less expensive preventive health measures and making more visits to clinics instead of emergency rooms. Rally Connect helps healthcare providers engage patients by clearly presenting their options for care and bringing greater transparency to the associated costs.
At Rally Health, our mission is to put health in the hands of the individual with friendly, easy-to-use products. Rally Choice, Rally Engage, and Rally Connect work with the health plan and the employer to deliver a personalized experience that enables people to make better health and care decisions, from improving diet and well-being to selecting coverage to choosing the best doctor at the right price for their needs.

Rally serves a growing base of large national and regional health plans, providers, and service organizations, supporting more than 5,800 employers, including many Fortune 500 companies. Expanding globally, Rally Health’s products are currently available to more than 23 million members in the U.S. and Canada.

For more information about Rally Health℠ please contact us at rallysales@rallyhealth.com
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7 Results of a large payer’s Rally Connect implementation from its September 2015 launch through December 2015.

8 Results of a large payer’s Rally Connect implementation from April through December 2015.