

SOLVING THE PRICE TRANSPARENCY PUZZLE

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The time for price transparency is now

Take a quick poll of your friends and family about their perspectives on healthcare in this country and you're likely to hear a few unanimous points: It's confusing, it's complicated, and understanding how pricing works is a bear. So the concept of price transparency has been widely embraced, but the promise of it is not yet realized.

In the following pages, we'll share research and perspectives on why it's time for real transparency. We know that people are still avoiding care, with worries about medical expenses causing added stress. As health plans work to deliver on government requirements for price transparency, it is important to also plan for member education and communication. Health plan members need help finding the right providers, discovering their personalized estimated out-of-pocket costs, comparing options, and ultimately scheduling their care. This type of support will not only help members plan care but also alleviate stress.



This ebook highlights new findings from an August 2022 survey fielded in partnership with Ribnik Research of 1,000 health plan members across the country.

People are skipping out on medical care

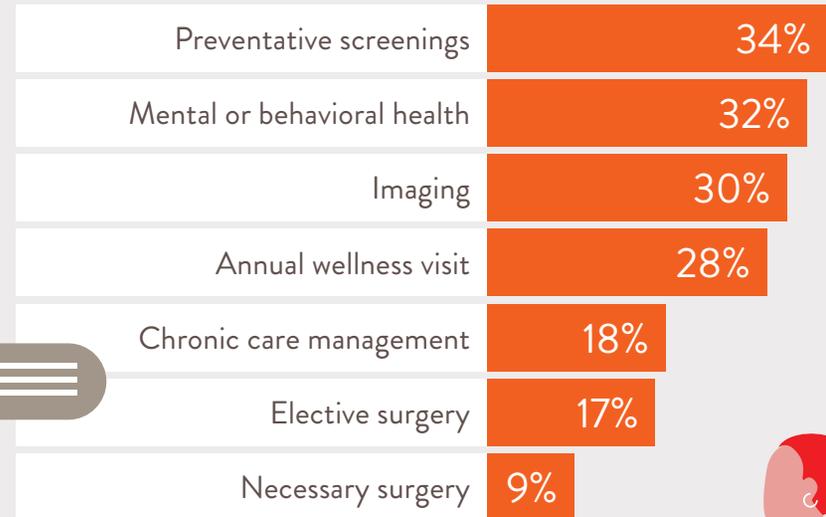
Healthcare costs are stressing Americans out. A significant number of people covered by insurance reported they were unable to pay a bill or that they avoided care altogether because they were unsure of costs (even after searching for cost information). These challenges are particularly pronounced for those 45 and under.

58%

of consumers ages 25-44 have avoided care because they didn't know what the cost would be.

Care avoidance can lead to worsened conditions, increased costs, and eventually more complex care needs, creating a long-term impact on everyone's wallet.

HEALTHCARE SERVICES AVOIDED



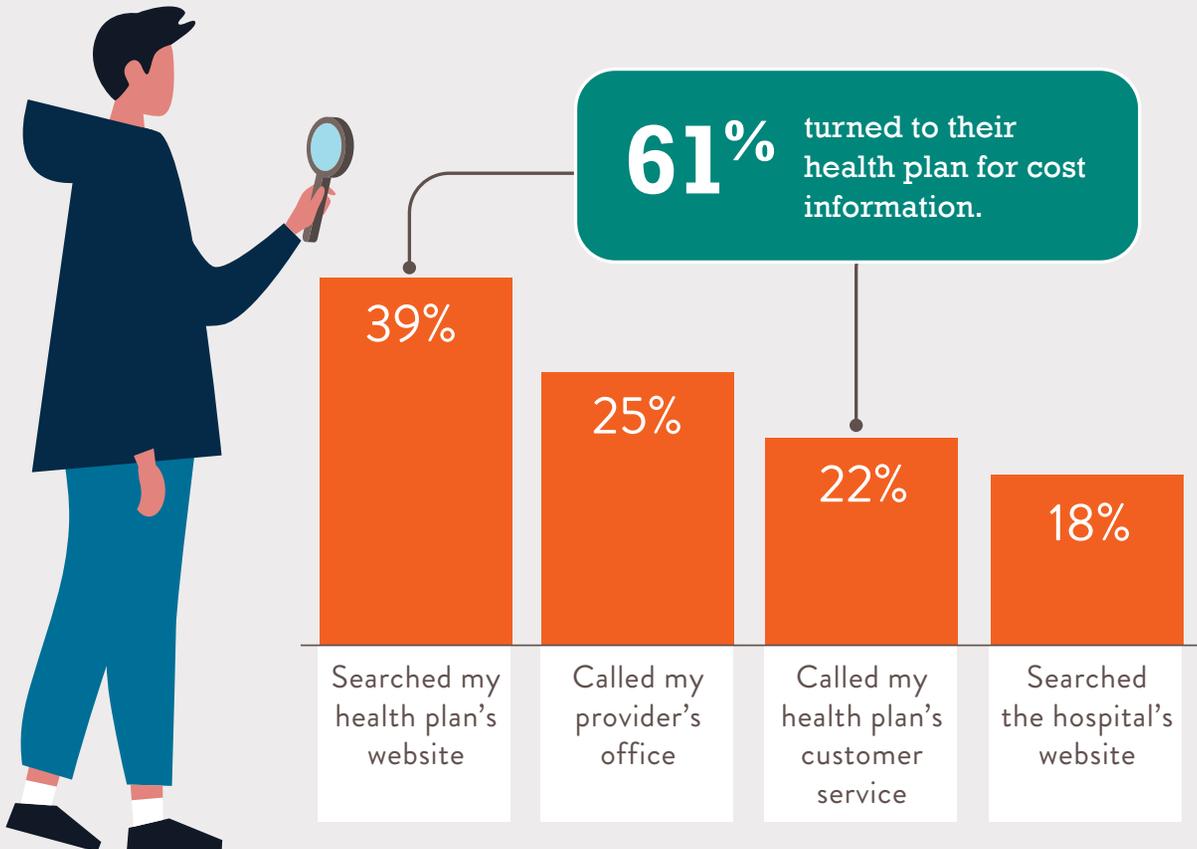
Of those who avoided preventative screenings, 30% reported a significant impact to their health and well-being.

The types of care avoided highlight gaps in education and awareness. There is an opportunity to ensure that members, especially those on a high-deductible plan, understand what is fully covered by insurance. The fact that many people have avoided preventative screenings and annual wellness visits, both of which are often covered by insurance, underscores the need for health literacy and education that goes far beyond price transparency.

Cost remains a major barrier to getting care

People are seeking out cost information, but many of them unfortunately don't find what they need.

73% of the people who avoided care, **did a search for cost information.**



PEOPLE ARE STRESSED ABOUT HEALTHCARE COSTS

People are struggling to pay their healthcare bills, even with insurance coverage.



Over **four in ten** people ages 25-44 have been unable to pay a medical bill.



of people ages 25-44 report **at least moderate stress** over healthcare costs in their lives.

Price transparency mandates alone fail to meet members' needs

Price transparency is core to what members want and need, but many still are not aware of or using the tools they have today. In fact, less than one in four say they have used their health plan's online cost estimation tools in the past year.

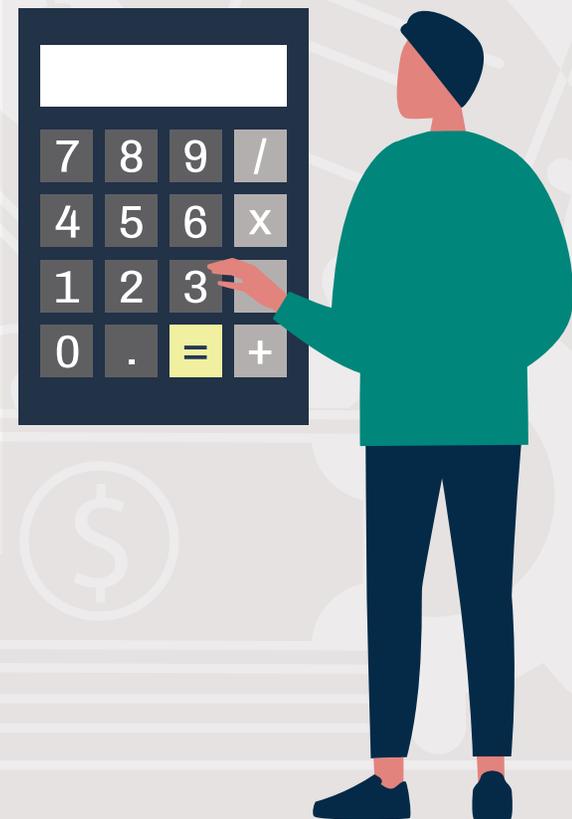
Yet, people who aren't aware of cost estimation tools say they would use resources if they were available.

67%

list cost estimates among their top five most important health plan resources, and **23% say it is their most important resource.**

77%

of 25- to 34-year-olds would use resources from their health plan to estimate their out-of-pocket costs if they were aware the tools existed.



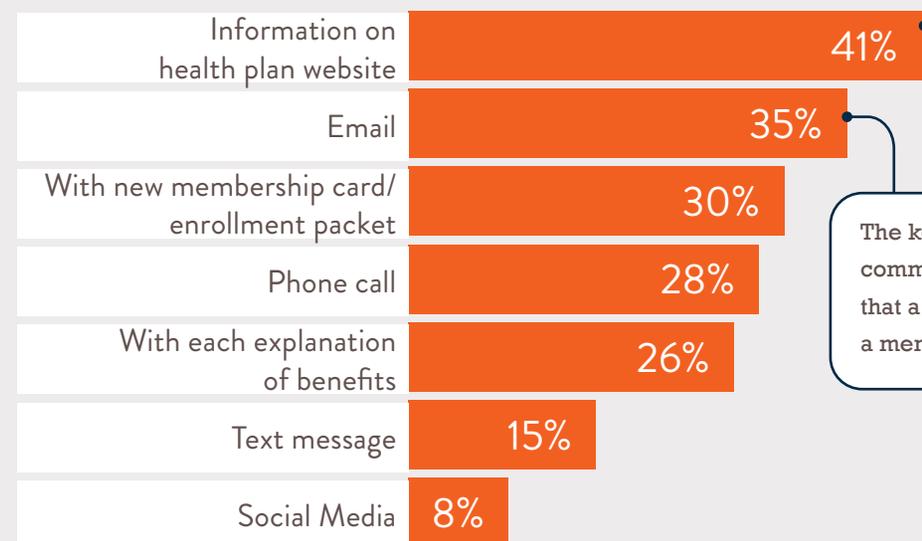
Gaps in awareness mean new tactics are needed. Only about one-third of members across commercial and Medicare Advantage plans say they have ever been informed of how to find cost estimates. Many health plans have had this resource well in advance of mandate requirements, identifying a need for new tactics to bridge the awareness gap.

To reach and educate members, health plans should build on what works

Our research asked members who were aware of cost estimation tools available from their health plans how they learned about them. The good news is that almost half found out about them on their health plan website. But what about the members who don't regularly visit the website—where are they finding cost information?

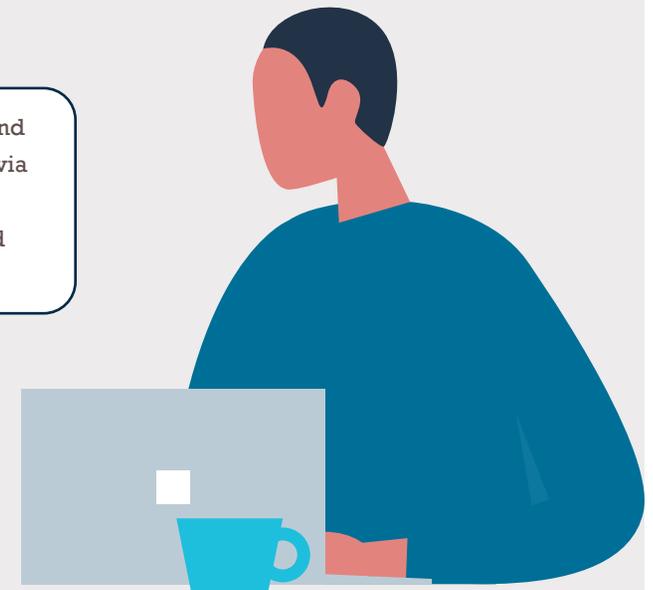
PEOPLE WERE INFORMED IN THE FOLLOWING WAYS

(Respondents were asked to select all that apply.)



Ensure that details and links are prominent via dashboard banners, callouts, buttons, and navigation links.

The key to driving action is communicating often enough that a message intersects with a member's need.

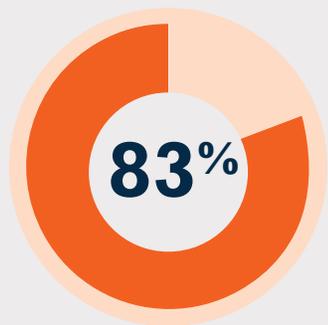


To drive action, health plans need to reach members in the way they prefer to be communicated with.

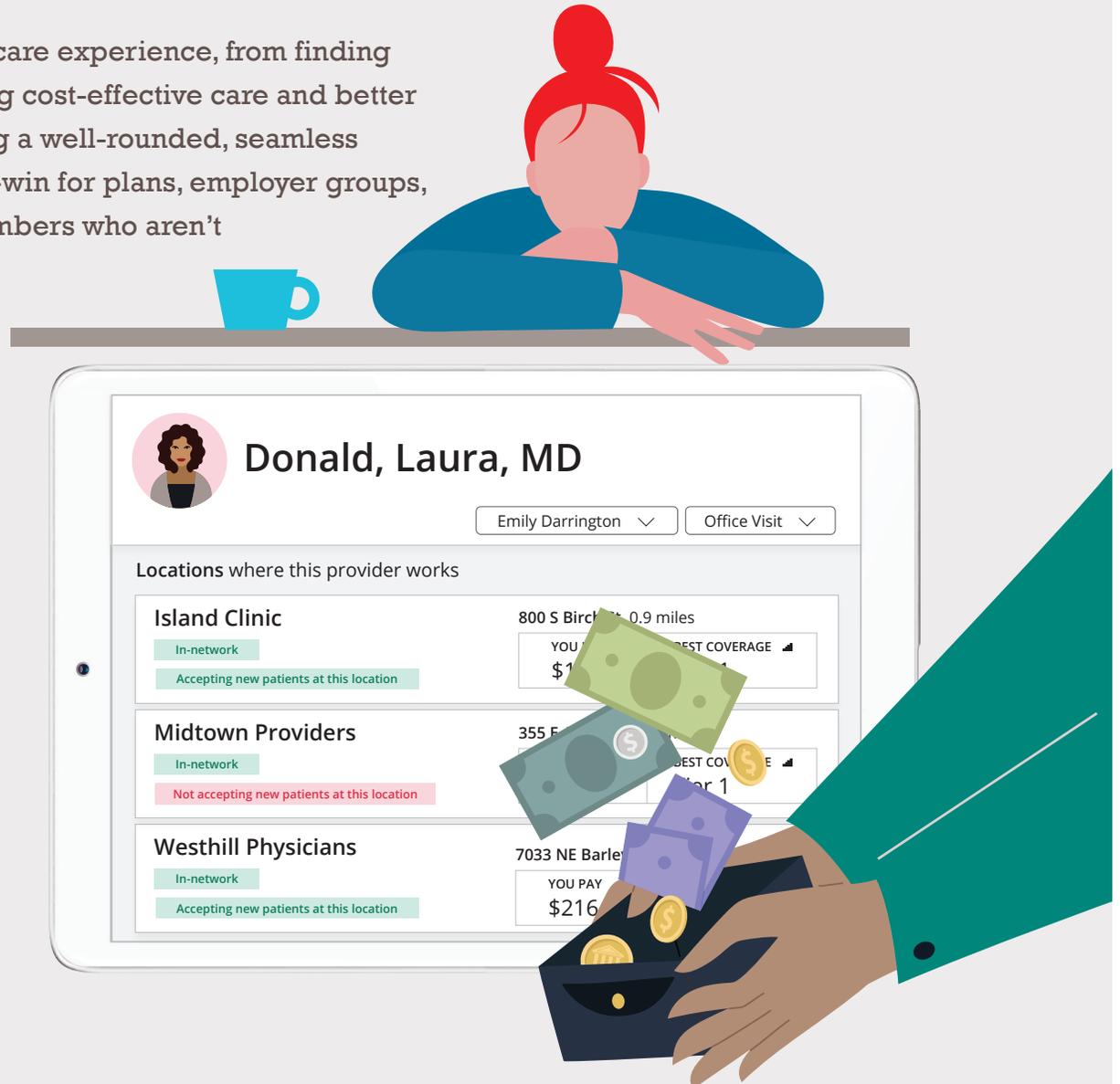
Remember that one email will never be enough to make sure your message has been received, read, and retained. Communicating via multiple touchpoints throughout the year, across channels, is necessary to help ensure that messages align across your member base.

How to help people make better decisions about their health

Members want help navigating their healthcare experience, from finding the best provider for their needs to selecting cost-effective care and better understanding treatment options. Delivering a well-rounded, seamless experience that members can trust is a win-win for plans, employer groups, and members. But how do you motivate members who aren't using the tools they have available today?



83% of people report being aware that prices for the exact same healthcare service can vary between providers (doctors, clinics, hospitals, etc).



Incentives can inspire change

Incentive or rewards programs can play a valuable role in motivating members to select lower-cost, higher-quality, or preferred providers.

Just **17%**
of people have an incentive program from their commercial health plan or employer for choosing lower-cost care.

But **89%**
of people are interested in this type of program.

Nearly **two-thirds** of people are likely to choose a particular provider if provided a financial incentive.



THE TOP SEVEN RESOURCES HEALTH PLAN MEMBERS FIND VALUABLE

- 1 Cost estimates
- 2 Help finding the right provider
- 3 Information about treatments and conditions
- 4 Appointment scheduling
- 5 Bill/claims review
- 6 Financial rewards for choosing cost-effective care
- 7 Wellness rewards program for making healthy choices

The time for price transparency is now

More than ever, members are looking to their health plans for guidance. They want assistance navigating healthcare, more communication about tools available, and solutions to help them take control of their healthcare costs and spending. Federal price transparency mandates bring about a new opportunity to communicate and engage members with the solutions you make available, but it is important to communicate frequently—and through multiple channels—to drive behavior change.

**CONNECT WITH HEALTHSPARQ TODAY FOR MORE INFORMATION
ON MEMBER GUIDANCE AND INCENTIVE SOLUTIONS.**

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