

First steps towards price transparency: comparability of online out-of-pocket tools from Australian private health funds

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Abstract

Objective. The aims of this study were to compare and contrast the information three Australian private health insurance funds (HCF, Bupa and Medibank) have provided on their online out-of-pocket cost tools and to consider the implications this has for price transparency in Australia.

Methods. Website data were downloaded from HCF, Bupa and Medibank on 18 February 2019. The information and statistics provided on these pages were reviewed, and the procedures compared across funds if their pages had referred to the same Medicare Benefits Schedule (MBS) item(s). Information was extracted regarding descriptions of the claims data used, the types of statistics provided, the out-of-pocket estimates, the total procedure cost, the MBS items referenced and the assumptions the funds described on their pages.

Results. HCF specified the MBS items used to select the claims data for their estimates, whereas Bupa and Medibank only referred to common MBS items associated with the procedures. On average, HCF had 1.44 more MBS items listed than Bupa and 2.08 more than Medibank. The funds organised procedures differently, such as HCF providing separate cost estimates for vaginal, abdominal and keyhole hysterectomy compared with Medibank's single estimate for hysterectomy costs.

Conclusions. These funds have started to address the need for transparent out-of-pocket cost information, but the differences across these pages demonstrate complexities and the potential obfuscation of cost data.

What is known about the topic? Out-of-pocket costs are highly variable and patient 'bill shock' is an increasing concern in Australia. Private insurance funds have created online tools to share procedure cost estimates based on their claims data.

What does this paper add? This is the first review of Australian insurance funds' price transparency tools. The cost information is difficult to interpret both within funds (for members) and across funds (for the system).

What are the implications for practitioners? Policy makers will need to consider the complexities and presentation options for cost estimates within the health system if they move ahead with a public price transparency tool. There is still a requirement for cost information that can facilitate price shopping across providers and funders.

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Introduction

Price transparency is one potential approach to improving health care affordability and consumer autonomy, based on the assumption that empowered consumers can shop for the best value health care. However, this is not straightforward and there is a lack of evidence on what effective 'price transparency' looks like. This is partly because such efforts are relatively immature, and because of multiple complex pricing elements present in the provision of care with multiple providers (e.g. doctors, hospitals, laboratories) and payers (e.g. government, private insurer,

patient out-of-pocket (OOP)) involved.¹ This assumption may also be problematic if patients do not have the time or qualifications to judge health care quality, or are not in an area where there is competition between healthcare providers.

Despite the uncertainty around the impact of price transparency, both the US and Australian governments are exploring policies to facilitate it. As of 1 January 2019, the US Centers for Medicare & Medicaid Services (CMS) required all hospitals to release an online list of standard charges as a 'first step' towards price transparency.^{2,3} The US President's recent executive order

on improving price and quality transparency, included a proposal for healthcare providers and insurers to provide information about expected out-of-pocket costs to patients.⁴

Interestingly, in the Australian context, the absence of a legislative requirement has not limited the development of such price transparency tools within the private health insurance (PHI) sector. Members of these PHI funds, when admitted to hospital, will often face OOP costs. Within the private health care sector, specialists and other private health providers (general practitioners, physiotherapists etc.) are free to set their prices. This results in these OOP costs being highly variable.⁵ The cost of PHI cover has also been increasing, so PHI funds are eager to demonstrate to their members the full price of hospital admissions (i.e. what members are actually being insured against), as well as informing their members what reasonable OOP costs look like. With limited fanfare, the three largest funds all released price transparency tools into the public domain over the last 24 months: HCF in March 2017 (<https://www.hcf.com.au/preparing-for-hospital/cost-indicator-links>, accessed 11 October 2019), Medibank in April 2018 (<https://www.medibank.com.au/livebetter/what-is-the-cost-of-my-procedure/>, accessed 11 October 2019) and Bupa in October 2018 (<https://www.bupa.com.au/health-insurance/surgery-cost-calculator>, accessed 11 October 2019). The fourth largest health plan, NIB, also introduced a similar tool that is password protected and only accessible to NIB policy holders.

This study aimed to compare and contrast the cost information these tools provide, and consider the implications this has for price transparency within the Australian healthcare system. Mehrotra *et al.*⁶ described four goals for price transparency: to do right by patients; to facilitate price shopping; to lift the veil; and to help providers ensure patients can afford care. We considered whether the online tools could achieve these goals for members within each respective fund and for any individual (i.e. system-wide transparency).

This is a well-timed review given the federal government's recent announcement of a national strategy to target specialist

OOP costs, following the formation of a Ministerial Advisory Committee on Out-of-Pocket Costs, chaired by Australia's Chief Medical Officer, and the recommendation to build a website listing individual provider fees.⁷

Methods

Online price tools

The three funds each have links on their websites for various common in-patient procedures. The following pages on vaginal delivery childbirth provide an example: HCF (<https://www.hcf.com.au/cost-calculator?pid=10>, accessed 15 October 2019), Medibank (<https://www.medibank.com.au/livebetter/cost-of-child-birth-vaginal-delivery/>, accessed 15 October 2019) and Bupa (<https://www.bupa.com.au/health-insurance/surgery-cost-calculator/vaginal-childbirth-cost>, accessed 15 October 2019). For each procedure, the funds have used their claim data in different ways to show some expected cost information based on several listed assumptions.

Website data

We collected data for all the procedures listed on the websites of three funds, namely HCF (46 procedure pages; <https://www.hcf.com.au/preparing-for-hospital/cost-indicator-links>, last accessed 11 October 2019), Medibank (45 procedure pages; <https://www.medibank.com.au/livebetter/what-is-the-cost-of-my-procedure/>, last accessed 11 October 2019) and Bupa (16 procedure pages; <https://www.bupa.com.au/health-insurance/surgery-cost-calculator>, last accessed 11 October 2019), on 18 February 2019. Together, HCF, Medibank and Bupa represented 64% (10%, 27% and 27% respectively) of all Australian health insurance policies in 2017.⁸ We used the Web Scraper Chrome extension (<https://www.webscraper.io/>, accessed 11 March 2019) to save the procedure name, description, cost, OOP cost, excess, the maximum expected OOP cost and any Medicare Benefits Schedule (MBS) items listed on the page. **Box 1** provides the definitions of these

Box 1. Definitions of the information provided on funds' online out-of-pocket calculators

Procedure or service cost

The total cost for a hospital admission that Medicare, the private health fund and the member pays. This includes the medical and hospital costs.

Medicare Benefits Schedule (MBS) item

A medical service that the federal government subsidises through Medicare. All MBS items have a schedule fee, and Medicare contributes 75% of this fee towards private in-patient costs. A typical admission has a principal MBS item (the reason for the admission) and additional MBS items for other medical services provided during the admission.

Out-of-pocket cost

The cost that the member contributes to the service. Medicare and insurance funds have a set contribution amount towards medical services. The member pays the additional costs if their medical service providers charge over this set amount (also known as the 'gap payment').

Excess

An extra charge a member may have for an in-patient admission, depending on their health insurance policy.

Gap arrangement

An agreement on a set fee for services between individual medical providers and health insurance funds, so that fund members have a zero or known gap payment.

Network hospital

A private hospital that has a Hospital Purchaser-Provider Agreement with the health fund concerning negotiated rates for services including accommodation, theatre rooms and intensive care units.

elements. After collecting this data using the Web Scraper extension, we used RStudio (<http://www.rstudio.com/>, accessed 11 October 2019) to explore and present the quantitative information from the pages.

Procedure comparisons

Often the funds used slightly different procedure labels for the same service. For example, HCF claims for 'Prostate Resection (TURP)' included MBS Items 37203 and 37206, whereas Bupa and Medibank both stated that the common MBS item for 'TURP (transurethral resection of the prostate)' and 'Prostate surgery' was just 37203. We allocated these pages the same procedure category if the pages listed at least one of the same MBS item numbers. Bupa and Medibank did not list MBS items for both vaginal and Caesarean childbirth, but we still allocated these pages to the same procedure category.

Results

Comparability of funds' online price tools

Each fund uses their own claims data to calculate the various statistics shown on their online price tools. Funds may have

different member demographics and charges from healthcare providers. However, each of the funds' online price tools provided and used different information, so their estimates are not directly comparable. We could not assess whether the estimates were different across funds because of the provided data and statistics, or because there were true differences between the funds.

One issue was that the funds referenced different MBS items when describing the same procedure. Multiple MBS items may relate to a single procedure because these items describe various approaches, complications or additional procedures to the main procedure. The HCF pages stated the MBS items they used to select claims data. The Bupa and Medibank pages gave 'common MBS items to ask your doctor about', but it is not clear whether the funds based their claims selection only on these MBS items. On average, HCF listed 1.44 more MBS items for their procedures than Bupa, and 2.08 more than Medibank (based on the 14 procedures that all funds had pages for).

Table 1 lists the procedures on each of the funds' pages. Procedures were grouped together if they had overlapping MBS items. There are many cases where one fund has grouped different procedures together compared with the other funds,

Table 1. Procedures listed on the funds' online price tools

Procedures were grouped together in the table if they had overlapping Medicare Benefit Schedule (MBS) items listed. The description of the procedure is shown as it appears on the fund's website (HCF, <https://www.hcf.com.au/preparing-for-hospital/cost-indicator-links>; Bupa, <https://www.bupa.com.au/health-insurance/surgery-cost-calculator>; Medibank, <https://www.medibank.com.au/livebetter/what-is-the-cost-of-my-procedure/>, all accessed 18 February 2019). ACL, anterior cruciate ligament; CABG, coronary artery bypass grafting; TAVI, transcatheter aortic valve implantation

| HCF | Medibank | Bupa |
|-------------------------------------|--|--|
| Knee arthroscopy | Arthroscopy Patella stabilisation | Knee arthroscopy |
| Knee replacement | Knee replacement | Knee replacement |
| Hip replacement | Hip replacement | Hip replacement |
| Total shoulder replacement | Shoulder replacement | – |
| Rotator cuff surgery | – | – |
| Shoulder arthroscopy | Acromioplasty Rotator cuff repair ACL repair | – |
| Spinal nerve decompression | Discectomy Laminectomy | – |
| Spinal fusion | Spinal fusion | – |
| Intervertebral disc replacement | – | – |
| Coronary angioplasty and stents | Cardiac stents | Cardiac stenting/angioplasty |
| Coronary artery bypass graft | CABG | – |
| Cardiac defibrillator | Defibrillator insertion | Defibrillator insertion |
| Cardiac pacemaker | Pacemaker | Pacemaker insertion |
| Heart rhythm studies | – | – |
| Heart valve replacement | Valve replacement (not TAVI) | – |
| – | Angiogram | – |
| Prostatectomy (radical) | – | – |
| Prostate resection (TURP) | Prostate surgery | TURP (transurethral resection of the prostate) |
| Cystoscopy and related procedures | Cystoscopy | – |
| Hysteroscopy and related procedures | Hysteroscopy | – |
| Hysterectomy (vaginal) | Hysterectomy | – |
| Hysterectomy (abdominal) | – | – |
| Hysterectomy (keyhole) | – | – |
| Lumpectomy | Lumpectomy | – |
| Mastectomy | Mastectomy | – |
| – | Laparoscopy | – |
| – | Tubal ligation | – |

(continued next page)

Table 1. (continued)

| HCF | Medibank | Bupa |
|---|--|----------------------|
| – | Vaginal repair | – |
| – | Breast reduction (non-cosmetic) | – |
| – | Vasectomy | – |
| Colonoscopy and related procedures | Colonoscopy | Colonoscopy |
| Gastroscopy and related procedures | Gastroscopy | Gastroscopy |
| Gallbladder removal (keyhole) | Gall bladder surgery | – |
| Gallbladder removal (open) | – | – |
| Rectum removal | – | – |
| Colon removal | Hemicolectomy | – |
| Inguinal hernias and hydrocoele (open) | Inguinal/femoral hernia | Hernia surgery |
| Inguinal hernias and hydrocoele (keyhole) | – | – |
| – | Appendectomy | Appendicectomy |
| – | Gastric band | – |
| – | Gastric bypass | – |
| – | Sleeve gastrectomy | – |
| Skin grafts and flaps | – | – |
| Malignant melanoma removal | – | – |
| Malignant skin lesion removal | – | – |
| Childbirth (vaginal) | Childbirth (Vaginal) – hospital admission only | Childbirth vaginal |
| Childbirth (caesarean) | Childbirth (C-section) – hospital admission only | Childbirth caesarean |
| Cataract removal and lens replacement | Cataract | Cataract surgery |
| Removal of tonsils and adenoids | Tonsils and adenoids | Tonsil removal |
| – | Adenoids | – |
| Insertion of grommets | Grommets | Grommet insertion |
| Sleep studies (adult) | Sleep studies | – |
| Sleep studies (child) | – | – |
| Sinus surgery | – | – |
| Nasal septum repair | – | – |
| Nasal turbinate resection | – | – |
| Nasal polyp removal | – | – |
| – | Tooth extraction | – |

which will affect the cost information. For example, HCF has different pages and costs shown for abdominal, vaginal or laparoscopic hysterectomy; Medibank has not separated different hysterectomy approaches and listed one price for hysterectomy. Bupa did not include hysterectomy on its site.

The funds also selected different claims data to use on these pages. Medibank states that it excludes admissions where there were no medical OOP expenses, whereas it is not clear whether HCF and Bupa also take this step. Specialists will not always charge OOP expense. For example, 32% of Medibank claims had no OOP costs in the grommet insertion example in Table 2. If the other funds' price tools include these cases, then the statistics on OOP costs may be lower than what patients should actually expect in instances where an OOP cost occurs.

HCF and Medibank state the period their claims data is from (which overlap somewhat), but Bupa states this data is 'updated periodically'. All funds use claims data solely from their private 'participating' or network hospitals.

The funds also use different statistics to show cost information. Bupa and HCF use a mean of claims data, whereas Medibank displays a 'median view of cost information'.

Table 2 compares the information provided by the funds on the only procedure, grommet insertion, where all three funds referred to the exact same MBS item. The mean procedure cost Bupa reported was A\$2502, whereas HCF reported a cost of A

\$3343 (34% higher than Bupa's reported cost). Medibank's reported median procedure cost was A\$2330. The OOP cost from Bupa was A\$213 (and A\$250 excess), whereas HCF's OOP cost was \$734 (with A\$0 excess) and Medibank's was A\$320 (with A\$0–500 excess 'depending on your policy').

Medibank and Bupa also provide some additional cost information on their pages about the highest 'expected' OOP costs for the procedure. For grommet insertion, the Bupa page states, 'You shouldn't expect to be out-of-pocket more than \$590', whereas Medibank states 'Out-of-pockets for this procedure typically don't exceed \$920'. Across the 16 overlapping Bupa and Medibank procedures, the Medibank estimates were a mean (\pm s.d.) A\$503 \pm 457 higher than the Bupa estimates (if the excess was included, then Medibank estimates were on average A\$449 \pm 479 higher).

Fig. 1 shows the cost information from these funds' pages for eight selected example procedures (of a possible 15 procedures overlapping between the three funds' websites). The variation in the MBS items, the type of cost information (mean vs median) and the selected claims data means that these prices are not comparable. For example, we cannot compare Bupa's reported total cost of A\$67 692 for a cardiac defibrillator procedure with Medibank's A\$52 670. However, these figures (and all the comparisons across these pages) demonstrate the variety of ways insurers can choose to display price information, and provide an

Table 2. Information listed on the online price transparency tools for grommet insertion (Medicare Benefit Schedule (MBS) Item 41632)

Information listed on HCF (<https://www.hcf.com.au/cost-calculator?pid=21>), Bupa (<https://www.bupa.com.au/health-insurance/surgery-cost-calculator/ear-grommet-surgery-cost>) and Medibank (<https://www.medibank.com.au/livebetter/cost-of-grommets/>) websites, all accessed on 18 February 2019. DRGs, diagnosis-related groups

| Website feature | Private health fund | | |
|---------------------------------|---|--|--|
| | Bupa | HCF | Medibank |
| Procedure label | Grommet insertion | Insertion of Grommets | Grommets |
| Procedure description | 'A procedure to insert tiny drainage or ventilation tubes into the ear drum that lets air enter the middle ear' | No description on cost indicator page | 'A procedure to insert a drainage tube into the ear drum' |
| Cost description | 'Average cost for procedure' | 'Total service cost' | '32% of the time there are no medical out-of-pocket expenses for this in-hospital procedure. But where there are, approximate costs look like:...' 'Total procedure cost' |
| Cost (total; A\$) | 2052 | 3343 | 2330 |
| Out-of-pocket cost (A\$) | 213 | 734 | 320 |
| Excess (A\$) | 250 | 0 ^A | 0 ^B |
| Other provided cost information | 'You shouldn't expect to be out-of-pocket more than \$590' | | 'Out-of-pockets for this procedure typically don't exceed \$920' |
| Assumption: hospital type | 'You are using a Bupa Members First or Network Hospital with no additional co-payment' | Private participating hospital ^A | Claims data from Medibank Members' Choice Hospitals |
| Assumption: medical gap schemes | 'Your doctors are part of the Bupa Medical Gap Scheme' | Known gap ^A | – |
| Data information | 'We have used an average of claims data, updated periodically, to produce this tool' | 'It shows average costs for services based on HCF data and should be used as a guide only' 'Information is based on HCF claims data from 1 November 2017 to 31 October 2018' 'We do not show public hospital costs in this tool' | 'The chart above shows a median view of costs for procedures (according to MBS item numbers or Adjacent DRGs) undertaken at Members' Choice hospitals, based on Medibank in-patient claims data received electronically (between 1/7/2017 and 30/06/2018) for Australian residents and excludes those claims where a medical out-of-pocket expense has not occurred' |

^AHCF provides a selection tool that allows the user to choose different policy details, such as excess amount and gap scheme participation. We present the default options in this table.

^BThe Medibank cost website stated 'excess is based on your policy and varies from \$0–\$500.' (<https://www.medibank.com.au/livebetter/cost-of-grommets/>, accessed February 2019).

insight into how unclear this could be for users of these pages. This obfuscation has clear price transparency implications for members within funds, as well as transparency across the system.

Discussion

Awareness of high and variable OOP expenses for private health care is increasing in Australia, with both the federal government⁹ and the Royal Australasian College of Surgeons¹⁰ recently proposing solutions. Price transparency is one possible approach to addressing this problem, and the three largest health funds in Australia have made inroads in providing this information to their members. These online tools, developed in a regulatory vacuum, provide a significant learning opportunity on the price transparency challenges within Australia's healthcare system.

Mehrotra *et al.*⁶ proposed the ideal goals and information for price transparency. In Table 3, we review the utility of the information in the funds' online tools against these goals. Price transparency should mean that patients know how much their care is going to cost ('to do right by patients') and they can be an informed consumer ('facilitate price shopping'). The online tools may help reduce bill shock and raise awareness of possible OOP

costs, and when a quoted OOP cost is excessively high.⁵ However, OOP costs do vary between regions and providers, and patients require information that is more specific to regions or providers. Providing this specific information will be a crucial step for the future development of tools that can facilitate price shopping. Bupa does have another price tool on average medical OOP costs for individual MBS items that are state specific (see <https://www.bupa.com.au/health-insurance/Out-of-pocket-tool>, accessed 11 March 2019). HCF and some other insurance funds have also collaborated with *healthshare* (<https://www.healthshare.com.au/directory/find-a-health-professional/>, accessed 11 March 2019) to provide OOP cost data for individual specialists, although a fund membership number is required to access the OOP estimates. The information on these pages may also misrepresent actual OOP and procedure costs. Including different types of admissions in the claims data may affect the cost estimates, such as excluding some MBS item numbers or pooling various procedure approaches together (e.g. the abdominal, laparoscopic and vaginal hysterectomy approaches). A successful, national website on OOP costs will have to clearly describe the type of procedures included in any cost estimates.

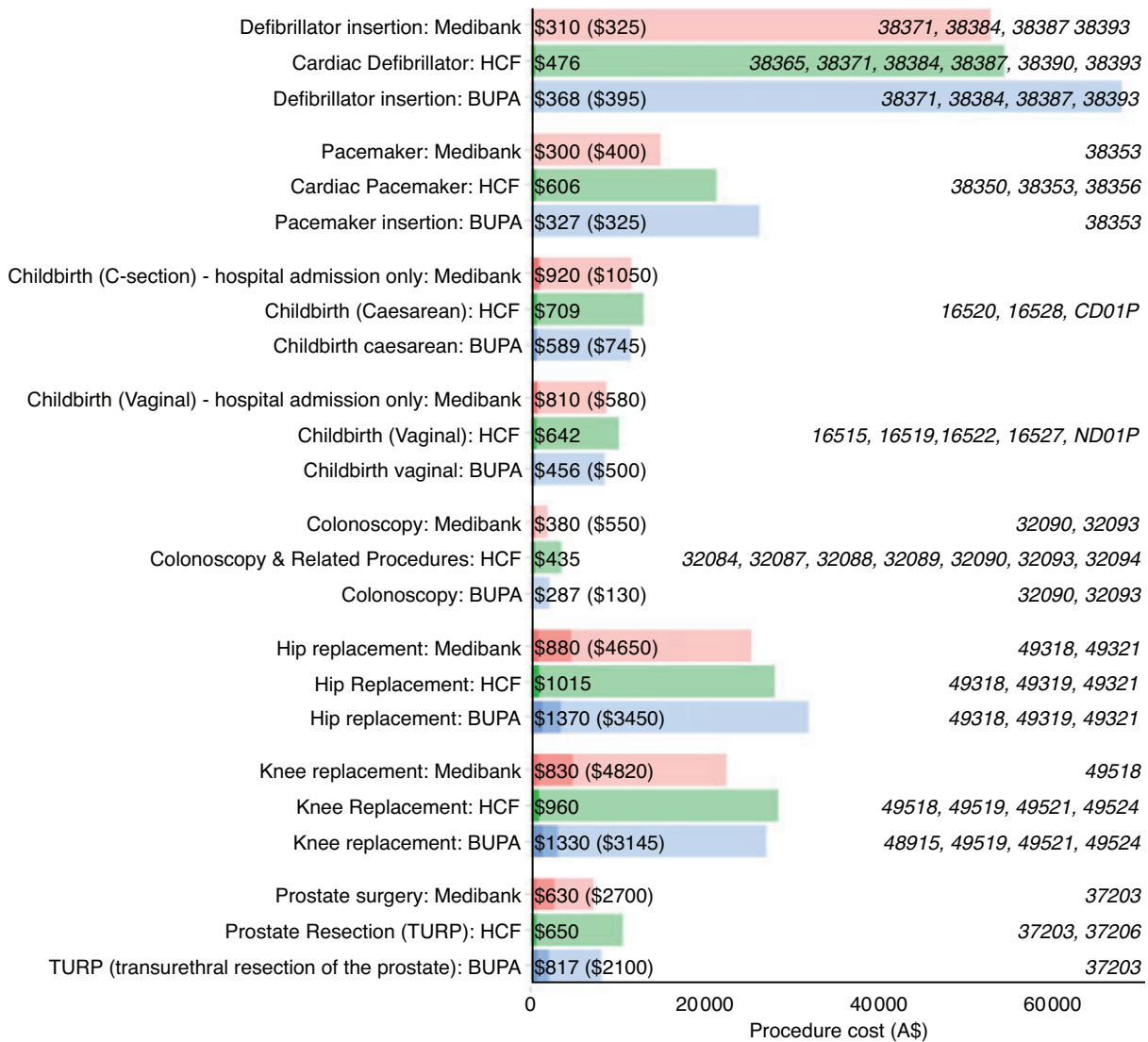


Fig. 1. Cost information for a selected set of procedures from Bupa’s (<https://www.bupa.com.au/health-insurance/surgery-cost-calculator>, accessed 18 February 2019), Medibank’s (<https://www.medibank.com.au/livebetter/what-is-the-cost-of-my-procedure/>, accessed 18 February 2019) and HCF’s (<https://www.hcf.com.au/preparing-for-hospital/cost-indicator-links>, accessed 18 February 2019) online price tools. The procedure description from each page is shown on the left. The Medicare Benefit Schedule (MBS) items from each page are listed on the right (italicised). The bars show the total procedure cost (Bupa and HCF base theirs on a mean of claims data, whereas Medibank shows a median cost) as the lightest (and longest) shade. The out-of-pocket (OOP) costs are printed on each bar (with excess included) and presented as the darkest shaded section on the left side of each bar. Costs in parentheses show the maximum expected OOP costs for Bupa (‘You shouldn’t expect to be out-of-pocket more than. . .’) and Medibank (‘Out-of-pockets for this procedure typically don’t exceed. . .’) and are presented as the medium-shaded section of each bar.

The funds’ online tools also gave different information using this claims data. Perhaps the most interesting difference was the highest ‘expected’ OOP cost described by both Medibank and Bupa. The Medibank OOP estimate was usually much higher, which, in practice, may mean Medibank members are less likely to query high OOP costs compared with Bupa members. Of course, these numbers come from different data and assumptions, but, importantly, members may use and interpret them similarly in practice.

Price transparency, specifically public lists of specialists’ fees, may also have adverse effects on costs. It has been demonstrated

elsewhere that some specialists may increase their fee if they find out they are below average, especially if the public perception is that higher fees relate to clinical quality (notwithstanding, health care cost and quality are not necessarily linked¹¹). It is not clear whether the funds’ online tools will have or are having this effect on specialist fees, particularly because the information provided is procedure based as opposed to provider based. Implementation of a national, specialist-specific website will have to consider these possible adverse effects. It may be a necessary, albeit complex, step to show quality and outcome measures along with individual specialist fees.

Table 3. How the funds’ online price tools measure up against goals for price transparency (adapted from Mehrotra *et al.*⁶)

Price transparency tools are available from HCF (<https://www.hcf.com.au/preparing-for-hospital/cost-indicator-links>), Bupa (<https://www.bupa.com.au/health-insurance/surgery-cost-calculator>) and Medibank (<https://www.medibank.com.au/livebetter/what-is-the-cost-of-my-procedure/>) websites, all accessed on 18 February 2019. GP, general practitioner; OOP, out-of-pocket; MBS, Medicare Benefit Schedule; PHI, Private health insurance

| Goal (ideal information) | Within fund (price transparency for PHI fund members) | Across funds (price transparency in the system) |
|---|---|---|
| To do right by patients (OOP costs for a service or episode of illness) | + Members aware of an expected OOP cost before receiving care | + All potential patients have access to this information (in the public domain) |
| | + Bupa provides medical OOP average estimates that are MBS item and state specific | - Funds have used different data, statistics and procedures so costs across funds are not comparable |
| | - Out-patient consultations and other related services are not included in estimates, and may lead to unexpected OOP costs | |
| Facilitate price shopping (comparative OOP costs across an episode of illness) | + Members may be armed with more information about extremely high OOP costs and shop or negotiate with health care providers | - Members may price shop across funds, but the information is not directly comparable and could be misleading |
| | - Medibank and Bupa provide different ‘maximum expected’ OOP cost estimates, so members may make decisions on price with different information | |
| | - Members do not know specific hospital and specialist prices, so ability to shop on prices is constrained | |
| Lifting the veil (total price either by service or per episode) | + Members are informed of a total price estimate for a service | - Price information across healthcare providers should be available to journalists, policy makers and other health care providers (e.g. GPs); the online tools are not specific enough for this |
| | | |
| Helping providers ensure their patients can afford care (OOP costs at the time of a provider–patient encounter) | + Providers and members can check what the expected OOP will be (particularly using the HCF calculator, where users can enter information on specific insurance policies) | - The data and statistics issues described in this review show how difficult it is to interpret these expected OOP and procedure costs, even for individual providers in the system |
| | + Online tools may prompt members to have a conversation with their healthcare providers on OOP costs | |
| | - Providers may not be aware of full cost of episode (e.g. fees charged by other providers) or full knowledge of member’s policy and OOP costs | |

Something not considered in this review is whether these tools are actually used by fund members and the public. Previous US research has shown that few people offered price transparency tools actually use the information.¹² Implementation of a national website should consider when and how patients select a specialist, and when this price information is most useful in the Australian system.

Conclusion

The funds’ development of these online price tools is commendable because there was a gap for patient-directed information on OOP costs. Any critiques in this article are likely due to the inherent complexity of estimating and sharing health care price information. We do recognise that these pages are most likely a ‘consumer engagement’ tool. On their websites, funds encourage members to contact them before their procedure to discuss their policy and likely OOP costs, and these online pages may be an effective strategy to initiate these conversations. These tools may also be a ‘public relations’ exercise, as the funds show the value they offer to their members (by giving the full costs of procedures in the private sector that members are insured against).

Funds also contract and negotiate with private hospitals on rates for accommodation, theatre fees and other costs, and these

negotiated rates can vary quite significantly. Therefore, prices can be commercially sensitive information between funds or in these negotiations with hospitals. Although funds may want to share information and achieve the price transparency goals within their membership (or at least prevent their members’ ‘bill shock’), there is a perverse incentive to fail at price transparency across the system in order to hide their position against their competitors. There is clearly still a gap for the development of national and specific information on OOP healthcare costs for all patients, without these commercial constraints, because we are far from achieving the goals for price transparency.

Competing interests

Kelsey Chalmers and Adam G. Elshaug have received consulting fees from Private Healthcare Australia for a project on low-value care data analytics. Adam G. Elshaug receives salary support as the HCF Research Foundation Professorial Fellow and is a Ministerial appointee to the Australian Medicare Benefits Schedule (MBS) Review Taskforce, receives consulting and sitting fees from Cancer Australia and as a Director of the Board of the NSW Bureau of Health Information. Shaun Larkin was Managing Director and Chief Executive Officer of HCF from 2010 to 2017.

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