



VIEWPOINT

Barriers Patients Face in Predicting Cost of Care Despite Increasing Healthcare Price Transparency

Sofia Milosavljevic, BA¹, Michael G. Milligan, MD MBA^{1,2,3}, and Miranda B. Lam, MD MBA^{1,3} 

¹Harvard Medical School, Boston, MA, USA; ²Harvard Radiation Oncology Program, Boston, MA, USA; ³Department of Radiation Oncology, Dana-Farber Cancer Institute, Brigham and Women's Hospital, Boston, MA, USA

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It has been proposed that employing free market forces in the American healthcare system will increase competition between providers, decrease costs, and empower patients to become “consumers of healthcare” [1]. Recently, legislative steps have been taken to implement a transparent pricing system, presenting an opportunity to increase market competition. However, there remains a fundamental flaw: patients are not empowered to act like consumers of healthcare.

Consuming healthcare is not like consuming other services. First, there is information asymmetry between patients—many of whom are not health-literate—and physicians who have years of training. Another factor that makes the market unique is the acuity of many conditions, which can limit time for cost comparison. Further, there is variability in access to care, limited by factors like location and provider networks. For example, in rural areas, which comprise 60% of Primary Care Health Professional Shortage Areas, [2] shopability is limited. Additionally, unlike in other markets, it is not a social norm to cost compare healthcare services, and even for those willing, it is unlikely patients are aware of the recent transparency regulations. Shopping for healthcare is most applicable to the minority of individuals with high deductible plans or no insurance. A majority of patients have most costs covered by their insurance and are less incentivized to cost compare. Unfortunately, even patients motivated to cost compare are unable to compare the costs they most care about—out-of-pocket costs. These remain opaque to patients and providers, as they vary by insurance and are not covered by the transparency regulations. Finally, even if this information were available, it is known that a referring physician's recommendation tends to have greater influence than cost-sharing on a patient's choice of medical provider. Existing regulations rely on the assumption that patients act as consumers abiding by market

forces, but for interventions to work, it must be recognized that patients exist in this unique consumer environment.

Beyond these ingrained issues, price transparency regulations run the risk of leaving many patients behind—the same patients that already face barriers to care.

Factors interplaying with uptake of price transparency data include health literacy, digital literacy, language barriers, internet access, and access to providers. To interpret published prices, patients must have a degree of health literacy, English proficiency, and digital skills, as much of the price transparency data is published online, in English, and using advanced medical terminology [3]. Health literacy is very low in the USA, with only 12% of the population having sufficient health literacy [4], and is lowest among those aged 65 years and older, those identifying as Hispanic, non-native English speakers, individuals of lower socioeconomic status, and those with Medicare, Medicaid, or no health insurance [4]. According to the 2020 Census, about 8% of US individuals are not able to speak English very well [5]. For this population, language constitutes a major barrier to accessing price information. Another significant barrier to accessing transparency data is that it is online. Adults who are 65 years and older utilize three times more healthcare than working-age adults, and only about 60% of them use the internet [6]. Additional difficulty arises for those living in rural areas, where 22% of residents lack stable internet access [7]. There is a serious disconnect between the “consumers” the price transparency regulations are trying to reach and their ability to consume price information. Critically, for a free-market environment to be established, a large portion of the market cannot be excluded.

The potential for price transparency to empower patients cannot be realized without understanding that patients are not simply consumers. It is crucial to increase access to understandable data to engage a larger portion of patients. Specifically, accessibility begins with the basics: offering prices in simple language, in multiple languages, and in printed and audio formats catering to older or tech-illiterate patients. Once accessible, the data must be presented in a meaningful format, with information regarding the entire episode of care, including prices for the procedure as well as associated labs and tests. Including insurance companies in transparency regulations could mitigate the information imbalance and recognize the inherent need for clarifying out-of-pocket costs. Even with these suggested changes,

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receiving healthcare will likely never resemble the experience of shopping for a car given the unique healthcare landscape and market. Although true price competition in healthcare will be difficult, we believe there may be a space for potential change to occur for non-urgent, shoppable healthcare services.

Though not a panacea, price transparency has the potential to facilitate consumer-like behavior in patients by giving them another variable to consider when choosing a provider: cost. This could make meaningful change in increasing provider competition for shoppable services and decreasing cost. The key is recognizing and addressing the reasons that patients need more support than traditional consumers so that the benefits of price transparency can reach everyone who has the potential to benefit from it.

Corresponding Author: *Miranda B. Lam, MD MBA; Harvard Medical School, Boston, MA, USA (e-mail: Miranda_Lam@dfci.harvard.edu).*

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